
# COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR 2015-16

SACOG

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

## SACOG MISSION

Delivering transportation projects; providing public information and serving as a dynamic forum for regional planning and collaboration in the greater Sacramento Metropolitan Area

S A C O G


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# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SACOG


SACRAMENTO AREA COUNCIL OF GOVERNMENTS

1415 L Street, Suite 300

Sacramento, California 95814



Prepared by:

Finance Department

Stacy Niccum, Finance Manager

**Sacramento Area Council of Governments**

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Sacramento Area Council of Governments

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SACOG



January 25, 2017

Sacramento Area Council of Governments Board of Directors
Capitol Valley Regional Service Authority for Freeways and Expressways Board of Directors
Sacramento Area Council of Governments Financing Corporation Board of Directors

At 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 and Government Auditing Standards by a firm of licensed certified public accountants is required. Pursuant to that requirement, we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Sacramento Area Council of Governments (SACOG) for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of SACOG. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of SACOG. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and changes in the financial position of the various funds of SACOG, and all disclosures necessary to enable the reader to gain an understanding of SACOG's financial activities have been included. To provide a reasonable basis for making these representations, management of SACOG has established a comprehensive internal control framework that is designed both to protect SACOG's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of SACOG's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, SACOG'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 accurate in all material respects.

The firm of Vavrinek, Trine, Day & Co., LLP, a licensed certified public accounting firm, has audited the basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of SACOG for the fiscal year ended June 30, 2016, 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. Vavrinek, Trine, Day & Co., LLP issued their unmodified (clean) opinion that the basic financial statements of SACOG for the fiscal year ended June 30, 2016, are fairly presented in accordance with GAAP. Their report is presented as the first component of the financial section of this CAFR.

## Profile of SACOG

This comprehensive annual financial report includes all of the funds of the following entities:

- Sacramento Area Council of Governments (SACOG)
- Sacramento Area Council of Governments Financing Corporation
- Capitol Valley Regional Service Authority for Freeways and Expressways (Capitol Valley SAFE)
- Glenn County Service Authority for Freeways and Expressways (Glenn County SAFE)

SACOG is a joint powers authority of local governments formed by six counties and 22 cities in the region. Member governments are the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba and the cities of Auburn, Citrus Heights, Colfax, Davis, Elk Grove, Folsom, Galt, Isleton, Lincoln, Live Oak, Loomis, Marysville, Placerville, Rocklin, Rancho Cordova, Roseville, Sacramento, West Sacramento, Wheatland, Winters, Woodland, and Yuba City. SACOG's primary responsibility is the transportation planning for the region; however, some land use planning, as reflected in the Blueprint project and the Sustainable Communities Strategy adopted in 2012, provides the framework for designing transportation needs.

SACOG has a 31-member Board of Directors comprised of elected officials from each of the member agencies, plus one ex-officio member from Caltrans. These members sit on three committees: Government Relations & Public Affairs; Land Use & Natural Resources; and Transportation. The SACOG Board of Directors also meets as the Board of Directors for Capitol Valley SAFE; and the Airport Land Use Commission (ALUC) for Sacramento, Sutter, Yolo and Yuba counties. The Government Relations & Public Affairs Committee meets as the Board of Directors for the Financing Corporation.

SACOG provides transportation planning and funding for the region and serves as a forum for the study and resolution of regional issues. In addition to preparing the region's long-range transportation plan and assisting member agencies in delivery of the projects within that plan, SACOG approves the distribution of affordable housing in the region and assists in planning for transit, bicycle and pedestrian networks, clean air, and airport land uses.

The annual budget serves as the foundation for SACOG's financial planning and control. The budget is prepared in two segments: the Overall Work Program (OWP), which is subject to approval by the federal funding partners and the California Department of Transportation (Caltrans); and the non-OWP budget that contains the costs related to the Board of Directors and Advocacy, capital purchases, and similar expenditures outside the purview of Caltrans. The budget process begins in December-January with the SACOG management and staff identifying projects for the subsequent year as well as grant projects that are not expected to be completed by the end of the current fiscal year. For the next several months, SACOG management and staff, the Board of Directors, Caltrans and federal funding partners, regional transportation partners, citizens, and others are involved in defining the goals and objectives, as well as the projects, to be included in the OWP. In April, a public meeting is held where all interested parties are invited to comment on the OWP, with final Board of Director approval occurring in May or June. Within the OWP budget, the level of budgetary control is at the element level. Costs for the projects, as well as classification of costs, can be modified as long as the element total remains the same. Board approval is needed if costs are expected to exceed the element total, or if new projects are added to the element.

Throughout the year, budget adjustments are proposed by staff for new grant funding and/or a realignment of project priority, and approved by the Board of Directors, federal funding partners and Caltrans.

The Capitol Valley SAFE budget is prepared by staff based on the expected contractual agreements for operating the call box system and maintenance of the call box equipment. The preliminary budget is presented in March, with final approval in May or June, by the SAFE Board of Directors.

Budget-to-actual comparisons are provided in this financial statement for the governmental funds for which an appropriated annual budget is adopted.

## 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 SACOG operates.

SACOG is in Sacramento, California. The SACOG region, if a separate state, would rank 48th in acreage, ahead of Connecticut, Rhode Island, and 36th in size for population. Unlike its member agencies, SACOG is primarily dependent upon formula revenues and planning grants from the Federal Highway Administration, Federal Transit Administration, and the State of California. These funds are passed through Caltrans. The primary source of local revenue is Local Transportation Fund (LTF) revenues received from the ¼-cent sales tax on gasoline from four counties (Sacramento, Sutter, Yolo, and Yuba), from which SACOG receives an administrative and a transportation-planning fee. SACOG also has agreements with the transportation planning agencies in El Dorado and Placer counties to designate a portion of their LTF revenues in return for the transportation planning SACOG performs on their behalf.

In December 2015, President Obama signed into law the FAST Act, a five-year federal transportation reauthorization bill that succeeds Moving Ahead for Progress in the 21st Century (MAP-21). The FAST Act maintained funding programs that SACOG relies on and provided a one-time increase in 2016, followed by inflationary increases in the final four years of the law. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation.

Notwithstanding the overall positive fiscal health of the State of California, state funding for transportation is declining, which puts pressure on cities and counties to maintain existing infrastructure.

Federal funds flowing through the state are secure from the ongoing state budget challenges, as they are segregated from other state funding sources. However, the release of those funds to SACOG can be delayed if the state budget is not approved in a timely manner. Each year, SACOG monitors cash flow issues that could result from state budget delays. However, the risk is much lower than it was historically. Proposition 25 passed in 2010, which now requires only a simple majority of the state legislature to approve the budget. Since its passage, the legislature has approved the budget on time every year.

In January 2016, the Sacramento Business Review reported that the Sacramento region has finally recovered all the jobs that were lost in the great recession. However, the negative side to this is the job recovery has occurred through jobs that are traditionally filled by unskilled and lower-wage labor. The sources of the region's job growth have shifted from segments that have traditionally been associated with skilled labor and higher wages, such as Manufacturing, Healthcare, and Finance, to segments that are less so, such as Retail and Leisure.

The Sacramento Region was compared to 17 different regional economies across the Western United States to understand the recovery process on a relative basis. Unfortunately, the Sacramento region ranks near the bottom in almost every category. Despite the recovery of jobs, the region still has the fourth highest unemployment at 5.5%, trailing behind Reno, Bakersfield, and Fresno. The latter reaching an unemployment rate of 9.2%. Job growth in the region has been unbalanced, with only Retail and Leisure seeing large spikes at 6,100 jobs, a 4.1% change, and 11,200 jobs, a 12.3% changes respectively. Although not with major changes, there are additional markets that experienced job growth from the previous year. Healthcare increased by 300 jobs, showing a 0.2% change. Finance and Education, both increased by 700 jobs each, showing a 1.4% and 0.5% change respectively. Professional Services added 1200 new jobs, showing a 1.2% change. Construction gained 2,000 jobs, a 4.3% change. Government grew by 2,400 jobs, a 1.0% change. The only market that declined was manufacturing, losing 200 jobs and marking a -0.6% change.

To accurately assess the health of the regional labor market, it is important to understand the rate and sources of job creation. Sacramento's labor force growth has been stagnant as net job creation has been negligible. Despite a strong small business sector, the region is still in need of large employers. With increase of lower wage and unskilled labor, it is to no surprise that the average hourly earnings (AHE) in the region is less in comparison to peer regions. Comparatively, Reno has seen a large amount of economic activity and has the highest AHE amongst the 17 regions. Despite the region's low AHE, it is doing well in the category of median household income, coming in at $50,000 per household. This is likely due to being located in a higher-cost state, where the labor force is more expensive to employ.

Despite the job recovery that the region has experienced, the underlying markets have unfortunately not changed much, and actually might have slightly deteriorated in comparison to the previous year. The Sacramento region has many attractive qualities that are desirable to broader employer based companies and organizations, but until this market grows, projections for 2016 include moderate job growth and unemployment to stabilize.

## Major Initiatives

There were several focus areas during the fiscal year.

SACOG developed the public review draft and final draft 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) this year. An MTP/SCS is a required project for Metropolitan Planning Organizations (MPOs) every four years. The 2016 MTP/SCS update is an implementation-focused update that builds upon the current MTP/SCS that was adopted in 2012. The 2016 MTP/SCS was adopted in February 2016.

The MTP/SCS is an important document that, among other things, outlines the region's transportation needs, sets principles and policies, proposes specific strategies to coordinate and manage future transportation improvements in the region, considers resource areas and farmland in the region, identifies areas in the region to house the projected population of the region in light of state housing goals, and, to the extent feasible, forecasts a development pattern for the region that will meet the regional target for greenhouse gas emission reductions.

Staff continued work on the Rural-Urban Connections Strategy (RUCS). Through cutting-edge technical work and stakeholder engagement, RUCS is designed to study the challenges and opportunities in the rural areas of the Sacramento region and identify strategies that leverage and enhance the value of these assets.

SACOG received funding through the USDA's Specialty Crop Block Grant Program to conduct a Food System Multipliers study for specialty crop production (i.e. fruits, vegetables, nuts, and nursery products) in the Sacramento region. By linking regional production of specialty crops on the farm to the range of connected industries that form the larger food system– including aggregation, processing, and distribution– this project developed a series of economic multipliers that demonstrate the ripple effect of agricultural industries on the greater regional economy. This project found that growth of economic output and job creation in the specialty crop sector has outpaced the regional economy at large, and generates higher economic and employment multipliers than many other industry clusters, with continued opportunities in both local and export markets. These strong cluster multipliers mean that every job in specialty crops generates another 0.82 jobs in other areas of the regional economy, and each dollar that the specialty crop cluster contributes to the local economy in direct returns also generates $0.90 in additional value added across other local industries.

SACOG also completed a case study for the Delta Protection Commission, which applied RUCS modeling and analysis tools to envision strategies for stimulating agriculturally-based economic development in the Delta communities of Yolo and Sacramento Counties, to preserve and enhance the long-term viability of Delta agriculture. This case study examines the potential for Delta farmers to take advantage of the rapidly expanding market for locally grown food in the Sacramento region and neighboring San Francisco Bay Area, evaluating the feasibility of expanding or creating new agricultural infrastructure for distribution, aggregation, processing, and storage; identifying barriers to growing for local markets in the Delta's unique regulatory environment; and exploring market opportunities for farmers to augment their operation by tapping into a growing public interest in agritourism activities.

Additionally, SACOG worked with Valley Vision and Los Rios Center of Excellence to produce a Food and Agriculture Cluster and Workforce Needs Assessment for the Sacramento Capital Region, as part of the region's Next Economy project, which provides a playbook for joint economic development activities to help shift the Sacramento region's economic trajectory. This project was part of an update to revisit Next Economy's 2012 Cluster Workforce Action Plan, which identified six promising business clusters in the region poised for continued job creation and growth opportunity, including the Food and Agriculture cluster. SACOG's Cluster Assessment describes current economic indicators, recent trends, and possible future conditions in the Food and Agriculture cluster, which are then linked with a workforce, education, and skills assessment.

Connect Card implementation is a continuing project involving the planning, procurement, and deployment of a regional electronic transit fare system. The new system is expected to simplify and integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase transit ridership. The primary activities this year were system testing and software development. A pilot test was conducted in the spring on hardware installed in the field.

Subsequently, various corrective actions were taken by the vendor as well as additional development for website and customer hardware. The year ended with a full system integration test. A second pilot and full deployment is anticipated for the spring of 2016.

The 511/STARNET project provides real-time sharing of data and video feeds, and has facilitated the refinement of joint procedures for operations of roadways and public transportation safety activities. The project is providing timely and accurate multi-modal information for travelers via the region's 511 website, smart phone apps, and interactive phone services. Customization of routes, which when completed on the website, allows users to control information provided by the telephone system.

The SACOG Board of Directors adopted the regional PEV Readiness and Infrastructure plan in December 2013. Since then, staff has been working on implementing the infrastructure plan. This has included work on siting PEV charging equipment, purchasing and installing chargers through a California Energy Commission grant, and updating the TakeChargeSac.org website. SACOG staff has worked with the local civic technology sector to create a smartphone application that PEV drivers can use to identify preferred charging locations. Data from this tool will be used in conjunction with SACOG's modeling data to identify priority charging stations locations throughout the region.

The Call Box Modernization/Upgrade/Removal project began in March 2016, for Capitol Valley SAFE and Glenn County SAFE. This involves removing call boxes, various technology retrofits, battery replacements, and some ADA retrofits, and some signage improvements.

During the year, SACOG also continued to support the Sacramento Emergency Clean Air and Transportation (SECAT) program with CMAQ funding. The program finances the retrofitting of diesel engines with cleaner, fuel-efficient engines for traveling within the SACOG region.

SACOG also administers programs that allocate flexible federal funds to regional jurisdictions for capital projects. These projects are anticipated to be under construction between 2012 and 2017. Local governments obtain their federal funds by seeking reimbursement directly from Caltrans.

SACOG also administers many pass-through grants on behalf our member jurisdictions and local transit agencies.

This is by no means the only work accomplished by SACOG this year. Many other agency projects support the principles of efficient and diverse regional transportation, integrated with smart, mixed-use, compact development, which preserves the quality of life in the region.

## Financial Information

The Planning and Administration Fund is where the majority of SACOG's operational activities are recorded. The final combined budgeted use of fund balance of the Planning and Administration Fund, Board and Advocacy Fund, and SACOG Managed Fund was a negative $3,319,809. The total actual change in fund balance was a decrease of $434,584 for the year, per the Statement of Revenues, Expenditures, and Changes in Fund Balance–Budget to Actual.

The decrease of $434,584 is a combination of four activities:

- The SACOG Managed fund decreased by $453,123 for expenditures to grant recipients.
- The Board and Advocacy fund balance decreased by $26,680, as expenditures exceeded the annual member assessments and interest income allocated to it.
- The Planning and Administration fund increased by $22,719 which is net of the expenditures for capital outlay.
- The GIS fund balance increased by $22,500 as additional revenues were received during the year and there were no GIS expenditures.

SACOG Planning and Administration Fund operations can be impacted by various factors, including the receipt of additional federal funds, additional sales tax revenue, project cost savings and deferral of some costs into future years, collection of funds previously expensed via the indirect cost plan (in prior years), and over-absorption and under-absorption of indirect expenses in the current year, and revenues collected and reported as revenue in the current year with related expenditures occurring in future years. The Planning and Administration Fund activities encompass the many projects and programs for which SACOG is responsible. The SACOG Managed Fund activity is accounted for separately within the Planning and Administration Fund.

The SACOG Financing Corporation had a small increase in fund balance due to interest income earned of $34,364. The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Special Revenue Fund received revenues of $887,174 versus $10.8 million last year and expenditures to grantees were $5.4 million versus $9.4 million last year. The annual PTMISEA funding is volatile year to year and depends on different factors. The STA revenue decreased by $3.1 million (23 percent), and that number was not finalized until October 2016, so SACOG could not revise the STA allocation. Thus, the STA has a negative fund balance at year-end of $2.3 million. Three of the four Local Transportation Funds (LTFs) had increased sales tax revenue as compared to last year, and only Yuba County declined. Payments to jurisdictions were higher also, as more funds were available for distribution.

The Sacramento Emergency Clean Air and Transportation Program (SECAT) Special Revenue Fund, supported by Traffic Congestion Relief Program (TCRP) funding, was designed to fund inefficient engine replacements in order to reduce the nitrogen oxide emissions in the area.

The fund balances for Capitol Valley Service Authority for Freeways and Expressways (Capitol Valley SAFE) and Glenn County Service Authority for Freeways and Expressways (Glenn County SAFE) decreased primarily due to costs related to the Call Box Modernization/Upgrade/Removal project that began in March 2016. Actual vehicle registration revenue increased by 4% and 2% for Capitol Valley and Glenn County SAFE, respectively, compared to last year.

## INDEPENDENT AUDIT

SACOG is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and the Uniform Guidance. The Schedule of Expenditures of Federal Awards can be found in the Single Audit section, along with the auditors' reports on Internal Controls and Compliance. The reports of Vavrinek, Trine, Day & Co., LLP, are included in this report.

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

## ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and Communications and Administrative staff. Their dedication to professional excellence is reflected in this comprehensive annual financial report. We would also like to commend SACOG's Board of Directors for their interest in, and support of, this substantial effort, as well as a shared commitment to assuring the financial viability of SACOG, which remains progressively committed to meeting the transportation planning needs of the region.

Respectfully submitted,

Kirk E. Trost
Interim Chief Executive Officer

Stacy Niccum
Finance Manager

Manager Special acknowledgement goes to:
Matt Carpenter, Director of Transportation Services
Erik Johnson, Manager of Policy & Administration
David Ghiorso, CPA
Jeri Krajewski, Accountant
Debra Overton, Accounting Specialist
Deepti Shah, Administrative Assistant II
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**MANAGEMENT TEAMS**

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Erik Johnson
Kacey Lizon
Kirk Trost
Matt Carpenter
Monica Hernandez

**Project Teams**

**511/STARNET**
Barbara VaughanBechtold

**Accounting**
Stacy Niccum

**Active Transportation**
Victoria Cacciatore

**Administration**
Erik Johnson

**Airport Land Use Commission**
Greg Chew

**Bike Share**
Sam Shelton

**Climate and Energy**
Raef Porter

**Communication**
Monica Hernandez

**Connect Card**
Kirk Trost and Matt Carpenter

**Contracts Administration**
Lanette Espinoza

**Data & Mapping Services**

**Facilities**
Erik Johnson

**Government Affairs**
Erik Johnson

**Human Resources**
Erik Johnson

**Information Technology**
David Hodgson

**Member Services**
Rebecca Sloan

**Metropolitan Transportation Plan/Sustainable Communities Strategy**
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**Project Management Office**
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**Planning Tools**
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**Regional Air Quality Planning**
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**Regional Housing Needs Assessment (RHNA)**
Greg Chew

**Road/Highway/Bridge Planning**
Matt Carpenter

**Rural-Urban Connections Strategy (RUCS)**
David Shabazian

**Service Authority for Freeways and Expressways (SAFE)**
Barbara VaughanBechtold

**Shared Services**
Erik Johnson

**Transportation Demand Management**
Sabrina Bradbury

**Transit Planning and Funding**
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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, which are major funds and collectively represent 38 percent, 29 percent, and 74 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, is based solely on the report of the other auditors. 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 from material misstatement.

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



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***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SACOG as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparison for the Planning and Administrative General Fund and Capitol Valley Regional SAFE Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note A to the financial statements, SACOG adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statements No. 72, *Fair Value Measurement and Application*, effective July 1, 2015. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SACOG's basic financial statements. The introductory section, supplementary information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2017, on our consideration of SACOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SACOG's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 25, 2017

## Management's Discussion and Analysis

This section of the annual financial report presents a discussion of the financial position and changes in financial position for the Sacramento Area Council of Governments (SACOG) and its related component units for the fiscal year ended June 30, 2016. This discussion and analysis is intended to be used in conjunction with the financial statements and the notes to the financial statements, which follow this section.

## Overview

The update of the 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) was a major focus of the year. This plan covers the six-county region.

Metropolitan Planning Organizations (MPOs) are required to prepare a new MTP every four years. The Board of Directors adopted the last MTP/SCS in April 2012, and work began in 2014 to develop the next MTP/SCS, which was adopted in February 2016. In 2008, California enacted the Sustainable Communities and Climate Protection Act, also known as Senate Bill 375, which requires MPOs to include a Sustainable Communities Strategy (SCS) element in their MTP updates to further integrate transportation planning, land use planning, state affordable housing processes, streamlined environmental review under CEQA, and greenhouse gas emission reductions. With respect to the latter, the MTP/SCS forecasts greenhouse gas emission reductions of 8 percent by 2020 and 16 percent by 2035, if the MTP/SCS is implemented.

The work on the 2016 MTP/SCS update focused on development and public review of the draft plan and environmental impact report. The technical work for development of the draft plan and environmental impact report included development of policies and strategies of the plan, final transportation modeling and performance measurement, greenhouse gas target modeling and analysis, and environmental impact analysis. Both the draft plan and environmental impact report were circulated for 60-day public review. The SACOG Board certified the final environmental impact report and adopted the final MTP/SCS in February 2016.

Rural-Urban Connections Strategy (RUCS) work continues. RUCS is designed to study the challenges and opportunities in the rural areas, with an eye toward the economic sustainability of rural areas, as well as the transportation needs in rural areas, where agricultural vehicles often compete with commuters who bypass congested main roads for rural roads.

The Connect Card implementation continues, with full system application expected in 2016. The new system is expected to simplify and integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase the attractiveness of transit to new patrons. The project involves the implementation planning, procurement, and deployment of a regional universal transit fare card system.

The 511/STARNET Capital Improvement project completed all developmental work as was anticipated by June 30, 2015, and has now moved into an operations and maintenance phase. The project enables real-time sharing of data and live video, and the refinement of joint procedures for operations of roadways and public transportation safety activities. The project provides more timely and accurate information for travelers via the region's 511 website and interactive phone services.

SACOG's work in Plug-In Electric Vehicle planning continues, with work between various local jurisdictions in order to plan for plug-in electric vehicle infrastructure around California. These efforts will continue into the next year

The Call Box Modernization/Upgrade/Removal project began in March 2016, for Capitol Valley SAFE and Glenn County SAFE. The project calls for 501 call box removals; retrofits of 448 call boxes, including upgrades to the cellular technology and retrofits to meet ADA requirements; cellular-only upgrades to another 201 call boxes; painting and installation of new batteries in 649 call boxes; and more signage on 511/mobile phones roadside assistance.

The Sacramento Emergency Clean Air and Transportation (SECAT) program continues to provide for the retrofitting of diesel engines with cleaner, fuel-efficient engines.

SACOG's Project Delivery/Programming Team administers the program that approves federal and state funds to regional jurisdictions for capital types of projects. SACOG also administers many pass-through grants on behalf our member jurisdictions, and local transit agencies.

## Financial Highlights

The governmental activities net position of SACOG is $36,096,987 at June 30, 2016, which is a decrease of $7,539,999 compared to June 30, 2015. Total Assets remained relatively flat at $77 million, while Total Liabilities increased by $11 million. Total Net Position decreased by $7.5 million as total expenses exceed total revenues by that amount. Here are the highlights:

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) fund accounts for the activities related the bond proceeds from the State of California's Proposition 1B to fund transportation/transit projects. The PTMISEA fund balance decreased by $4.4 million from last year. The PTMISEA fund only received $887,174 compared to $10.9 million last year. Expenses were $5.4 million compared to $9.4 million last year. The annual funding is volatile and depends on various factors.

The combined four LTFs fund balance increased by $1 million. Three of the four counties had increased sales tax revenue over the prior year. Payments to jurisdictions also were slightly higher, as more funds were available for distribution. Sacramento County's LTF fund balance increased the most, by $1.2 million. Yolo County increased by $.1 million, Yuba County decreased by $0.2 million, and Sutter County decreased by $0.2 million. Fund balance changes can fluctuate from year to year depending on actual sales tax revenues received and how much of the previous fund balance was included in the annual apportionment (distribution). What each county planned to pay out of the previous year's fund balance is often less than originally planned due to the higher sales tax received during the year.

The STA fund balance unexpectedly decreased by $3.2 million to a negative $2.3 million, because of $3.2 million drop in revenue for the year. This was not resolved until October 2016, when the final two quarterly state payments were received, so SACOG was not able to revise the allocation liability (expense) number. This means that the FY 2016-17 allocation will need to be revised downward, so that some monies received for FY 2106-17 can be used to pay FY 2015-16 obligations, which total $11.2 million at year end.

The SACOG Planning and Administration Fund, which includes the SACOG Planning Fund, Board and Advocacy, and SACOG Managed funds, decreased $434,584 for the year. The decrease is a combination of four operational activities. Planned expenditures to grant recipients of the SACOG Managed Fund amounted to $453,123. The Board and Advocacy fund balance decreased by $26,680, as expenditures exceeded the annual member assessments. The Planning and Administration fund increased by $58,114. The GIS fund balance increased by $22,500 as additional revenues were received during the year.

For the Governmental Activities, the net effect of the pension changes for the current year (ending net pension liability, deferred inflows and outflows) reflects an approximate increase of $2.3 million in net pension liability and $0.2 million of pension expense.

The SACOG Financing Corporation's fund balance increased to $3.9 million as interest income was $34,364.

The Capitol Valley SAFE fund and Glenn County continue to be fiscally strong, with a reliable stream of vehicle registration revenue. Revenues were up slightly from last year. Both entities fund balances decreased at year end due to costs related to the March 2016 startup of the Call Box Modernization/Upgrade/Removal project. The fund balance decrease for each entity was $0.7 million and $57,171 respectively.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to SACOG's basic financial statements. SACOG's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of SACOG's finances, in a manner like private-sector businesses.

The statement of net position presents information on all SACOG's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SACOG is improving or deteriorating.

The statement of activities presents information showing how SACOG's net position changed during the last fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods (e.g., unused vacation leave).

## FUND FINANCIAL STATEMENTS

SACOG has 11 governmental funds used to account for the activities supported by grants, sales taxes, intergovernmental revenues, member assessments, charges for services, administrative services, and other similar types of revenue sources. These funds focus on the near-term annual inflows and outflows of resources, rather than the longer-term focus of governmental activities as seen in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison of the governmental funds to the government-wide statements.

The Board of Directors adopts separate annual budgets for the Planning and Administration Fund and the Board and Advocacy Fund, the latter of which is accounted for separately within the Planning and Administration Fund. The Board of Directors also adopts a separate capital budget. Much of the Planning and Administration fund budget is formulated through the OWP to comply with state and federal grant budgeting requirements. The OWP identifies the revenue sources and planned program expenditures for each of the project elements. The California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) also review and approve the OWP.

The SECAT and PTMISEA funds do not have annual budgets, as they are grant funded and used only for their ongoing specific programs. The STA fund and LTF funds also do not have annual budgets, but are funded and governed by California state statutes and California Code of Regulation requirements for each program. Capitol Valley Regional SAFE has an annual budget separately adopted by its Board of Directors, which is also the SACOG Board of Directors. The Glenn County SAFE fund does not have an annually adopted budget, but is used to account for the activities of SACOG and Capitol Valley SAFE on its behalf as identified in the agreement between the agencies.

## NOTES TO THE FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is necessary to acquire 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 A-33 through A-62 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator or a government's financial position. In the case of SACOG, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $36,096,987 at the close of the most recent fiscal year.

### CONDENSED STATEMENT OF NET POSITION
As of June 30, 2016, and 2015

| | Governmental Activities | | | | Increase |
|---|---|---|---|---|---|
| | 2016 | | 2015 | | (Decrease) |
| **ASSETS** | | | | | |
| Current and other assets | $ | 76,373,206 | $ | 75,478,636 | $ 894,570 |
| Capital Assets | | 204,303 | | 174,906 | 29,397 |
| Total Assets | $ | 76,577,509 | $ | 75,653,542 | $ 923,967 |
| **Deferred Outflows of Resources** | | | | | |
| Deferred outflows related to pension | | 2,111,596 | $ | 1,114,411 | $ 997,185 |
| **LIABILITIES** | | | | | |
| Other Liabilities | $ | 29,317,283 | $ | 20,517,038 | $ 8,800,245 |
| Long Term Liabilities | | 12,378,900 | | 10,120,367 | 2,258,533 |
| Total Liabilities | $ | 41,696,183 | $ | 30,637,405 | $ 11,058,778 |
| **Deferred Inflows of Resources** | | | | | |
| Deferred inflows related to pension | $ | 895,935 | $ | 2,493,562 | $ (1,597,627) |
| **NET POSITION** | | | | | |
| Investment in Capital Assets | $ | 204,303 | $ | 174,906 | $ 29,397 |
| Restricted: | | | | | |
| Transportation Projects | | 574,181 | | 700,946 | (126,765) |
| Transportation Claimaints | | 32,365,872 | | 37,546,082 | (5,180,210) |
| Unrestricted | | 2,952,631 | | 5,215,052 | (2,262,421) |
| Total Net Position | $ | 36,096,987 | $ | 43,636,986 | $ (7,539,999) |

Total current, other assets, and capital assets remained relatively flat, with only a small increase of $923,967 because of the following significant activity that occurred in each of SACOG's major funds:

- The combined assets of the four LTFs, increased by $3.3 million for the year. Balances can fluctuate, depending on if and when reimbursement claims are submitted and paid. Yolo County had the largest increase of $4.8 million and Sacramento County had the biggest decrease of $1.5 million. Yuba County and Sutter County had minor differences.

- State Transit Assistance fund assets had an increase of $2.2 million, mainly because the last two quarterly state payments were not received until October 2016, and because of the uncertainty of the final allocation amounts for the year.

- PTMISEA fund assets decreased by $3.3 million as grant revenues were only $887,174 compared to $10.7 million last year. Disbursements this year were $5.4 million.

- Capitol Valley SAFE and Glenn County assets decreased by $636,222. This is primarily due to start of the Call Box Modernization/Upgrade/Removal project and the costs associated with this project.

Total capital assets increased by $29,397 due to additions of $90,755 and depreciation expense of $61,358 for the year.

Deferred outflows related to pensions was $2,111,596 compared to $1,114,411 last year, resulting in an increase is $997,185. Last year was the first year GASB 68 was implemented. This ending calculation is based on the difference between expected and actual experience, changes in employers' proportion of contributions, and pension contributions subsequent to the measurement date. The biggest change was an increase of $724,738 in the change in the employer proportion of contributions.

Total liabilities increased by $11.1 million due to the following significant activity:

Other Liabilities increased by $8.8 million due to:

- Liabilities for the STA Fund jumped $5.5 million over last year to $11.2 million. This occurred because the last two quarterly state payments totaling $5.2 million were not received until October 2016. Also, since the first two quarterly payments were much lower than projected, there was uncertainty about how much to distribute to the jurisdictions. That was not finalized until October 2016.

- Liabilities for the combined four LTFs increased by $2.3 million for the year. The largest increase was for Yolo County of $4.9 million followed by Sutter County at $266,472, and Yuba at $158,511. Sacramento County decreased by $2.8 million. Liabilities can fluctuate if jurisdictions do not file timely claims to receive their LTF monies.

- PTMISEA liabilities increased by $1.1 million. This balance typically varies from year to year depending on when claim requests are submitted.

Long Term Liabilities increased by $2.3 million, primarily due to the increase in the net pension liability. Last year was the first year SACOG implemented of GASB 68, which is the recognition of SACOG's net pension liability.

Deferred inflows related to pension this year was a $895,935, which was a decrease of $1.6 million from last year. This relates to the GASB Statement No. 68 Pension adjustment calculation. This calculation is based on changes in assumptions and the net difference between projected and annual earnings on plan investments.

Net Position decreased by $7.5 million as result of:

- Net Investment in Capital Assets increased by $29,397, primarily due to asset additions of $90,755 offset by current year depreciation.

- Restricted net position for Transportation Projects decreased by $126,765 to $574,181. This balance represents revenues received during the year (or in past years) that were recognized as revenue; however, no offsetting costs were incurred during year. As a result, the on-going balance is shown as restricted net position, to be used to fund future expenses for these specific grants. The fact that it decreased reflects more expenses than income for the year.

- Restricted Transportation Claimants net position, decreased by $5.2 million. This category includes PTMISEA, the Four LTF Funds, Capitol Valley SAFE and Glenn SAFE. Two of the seven funds had large decreases in their restricted balances, with the largest being PTMISEA at $4.4 million, and SAFE at $788,980. The largest increase was the Sacramento County LTF by $1.2 million due to higher than expected sales tax revenue.

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- Unrestricted net position decreased by $2.3 million to $3 million. The decrease is attributed to four factors: A net $0.2 million increase due to the combined pension calculation (net pension liability, deferred outflows and inflows); an increase of $0.6 million related to the SMF committed fund balance; and a decrease to the SACOG Planning and Administrative fund of $0.9 million. Also, the negative $2.3 million of STA fund balance is being recognized as Unrestricted in accordance with GASB 54.

## CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2016 and 2015

| | Governmental Activities | | |
|---|---|---|---|
| | 2016 | 2015 | Increase (Decrease) |
| **Revenues** | | | |
| Program Revenues: | | | |
| Charges for services | $ 3,404,338 | $ 2,944,252 | $ 460,086 |
| Operating Grants and contributions | 12,259,076 | 26,601,357 | (14,342,281) |
| General revenues: | | | |
| State shared revenue - sales /use tax | 82,144,492 | 82,089,764 | 54,728 |
| Investment earnings | 407,335 | (49,609) | 456,944 |
| Other and In-Kind | 46,431 | 58,562 | (12,131) |
| Total Revenues | 98,261,672 | 111,644,326 | (13,382,654) |
| **Expenses** | | | |
| Planning and Administration | 16,149,917 | 19,462,387 | (3,312,470) |
| Transportation Claimants | 81,636,347 | 80,040,856 | 1,595,491 |
| PTMISEA | 5,452,494 | 9,424,005 | (3,971,511) |
| Capitol Valley Regional SAFE | 2,472,852 | 2,091,288 | 381,564 |
| Glenn County SAFE | 90,061 | 16,712 | 73,349 |
| Total expenses | 105,801,671 | 111,035,248 | (5,233,577) |
| Change in Net Position | (7,539,999) | 609,078 | (8,149,077) |
| Net- Position Beginning | 43,636,986 | 43,027,908 | 609,078 |
| Net - Position Ending | $ 36,096,987 | $ 43,636,986 | $ (7,539,999) |

Total revenue decreased by $13.4 million as a result of the following significant activity:

- Operating Grants and Contributions revenue reflects a net decrease of $14.3 million, primarily due to PTMISEA revenue decreasing by $9.9 million over last year. PTMISEA funding this year was $887,174 million compared to $10.8 last year. PTMISEA funding can vary significantly, and is dependent on state bond sales, which can vary from year to year, depending on the state's financial circumstances.

- The Planning and Administration Fund revenue reimbursements declined by $4.5 million compared to last year. SACOG operations are mostly reimbursement based, but revenues and expenditures can fluctuate from year to year, depending on what projects are completed by staff, and the dollar amount of pass-through project activity that SACOG manages/oversees for the year.

- Investment earnings increased by $456,944 over last year. This was to be expected as last years investments earning were lower due to an overallocation of prior years interest revenue by Sacramento County. The amount overallocated was repaid in FY 2016.

- State Shared Revenue – Sales and Use Tax (includes STA and the four LTF Funds) had a net increase of $54,728. STA revenue decreased unexpectedly by $3.3 million, and this was not finalized until October 2016, so SACOG was unable to revised the revenue allocation during the year. The FY 2016-17 STA allocation will have to be revised downward because of the revenue shortfall.

- The Sacramento County LTF sales tax revenue increased by $2.8 million (5%), Yolo County LTF sales tax revenue increased by 208,408 (2%), Sutter County LTF sales tax revenue increased by $229,315 (6%), and Yuba County LTF sales tax revenue decreased by $109,234 (8%).

Total expenses decreased by $5.2 million based on the following significant activity:

- Planning and Administration expenses decreased by $3.3 million over last year. Expenses can fluctuate from year to year depending on the Overall Work Program goals and the amount of consultant and pass-through costs that SACOG incurs in carrying out program activities.

- Transportation claimants' expenses for STA and the four LTF funds increased by $1.6 million. This number can vary from year to year because it is based on the annual apportionments, which is essentially based on the forecasted sales tax revenue for the year. Since sales tax revenues continue to be rising for most of the four LTF funds, this number continues to grow.

- PTMISEA expenses decreased by $4 million as a result of lower reimbursement requests, and the fact that SACOG only received $887,174 in revenue versus $10.8 in the previous year. Both revenue and expenses can fluctuate from year to year, depending on the State of California's ability to sell bonds, and the grantees' ability to complete their approved projects and request reimbursement.

- Both Capitol Valley SAFE and Glenn County SAFE had increased costs due to startup of the Call Box Modernization/Upgrade/Removal project in March 2016.

## Fund Financial Statement Analysis

As noted earlier, SACOG uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

### PLANNING AND ADMINISTRATION

The Planning and Administration Fund's fund balance decreased by $434,584. The decrease is a combination of four component activities within the fund:

The final budget included budgeted fund balance use of $3,319,809, so the difference between actual and budget was $2,885,225 to the positive.

<u>Restricted Fund balance for Transportation Projects decreased by $126,765 to $574,181</u>. The net decrease represents project expenditures incurred in the current year that had the related specific income recognized in a prior year, offset by any new revenues recognized in the current year with no offsetting expenditures this year.

<u>Committed Fund balance increased by $526,743</u> primarily because SACOG Managed Fund activity increased by a net $553,423, which was offset by a decrease in the Board and Advocacy Fund of $26,680. Payments to SACOG Managed Fund grantees were $453,123, additional commitments were $951,666, and interest earned was 44,880, resulting in the net increase of $553,423.

<u>Assigned Fund balance increased by $22,500</u> from revenues added to the GIS Recipients Fund.

<u>Unassigned Fund balance decreased by $862,474 compared to last year.</u>

SACOG's operations are primarily reimbursement based due to its funding structure. Typically, expenditures drive the offsetting revenues, which in most cases results in a net zero effect of fund balance. However, fund balance can be impacted by accounting requirements to recognize certain specific grant revenues even though there may not be offsetting grant expenditures in the current year.

Changes in fund balance can also depend on whether SACOG's annual source of local funds (TDA funds for planning and administration) are fully utilized, either as a match for federal grants and/or used to overmatch project costs, if deemed necessary to meet the project deliverables. The use of Unassigned fund balance can occur when SACOG uses more than its annual stream of TDA funding and dips into its cash reserves to cover operating costs. SACOG also tracks other Committed and Assigned reserve activities, which typically don't have a budget, like the SACOG Managed Fund and the GIS Recipient's reserve.

The final approved combined budgets for the Planning and Administration Fund and the Board and Advocacy Fund projected a use of reserves in the amount of $3,319,809. Actual fund balance decreased by $434,584 as explained above.

## SACOG FINANCING CORPORATION

The SACOG Financing Corporation, a legally-separate entity, was created to purchase the Meridian Plaza complex with a local developer. During FY 2004-05, the Meridian Plaza complex was sold, resulting in a net gain to the Financing Corporation of $1.2 million for the initial investment of $2 million. Since then, the proceeds have been invested in the Sacramento County investment pool and have accumulated interest earnings, bringing the total cash and investments in the fund to $3,889,283 at June 30, 2016.

Activity during the year consisted of the receipt of interest earnings of $34,364.

In 2006, the Board of Directors assigned amounts in the SACOG Financing Corporation for the potential funding of retiree health benefits. At the time, the Board noted that its action was policy only and, if at some future date, it is determined there is a better use for these funds, the policy could be modified or reversed.

## SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION PROGRAM (SECAT)

SECAT is in its 16th year of operation as a separate special revenue fund. The fund was originally advance-funded $66 million from the California Governor's Traffic Congestion Relief Program (TCRP). The goal of the program was to reduce nitrogen oxide (NOx) emissions in the region. SACOG had planned to close this fund in FY 2012-13; however, it continues to receive refunds from monies not fully utilized by the engine owners. Caltrans has directed SACOG to return these refunds to Caltrans as the administrator of the original TCRP program. SACOG is complying with the request.

During the year, more refunds and interest were received by SACOG, resulting in an ending cash balance of $233,249, which was $51,493 higher than last year. The additional funds received will be transferred to Caltrans in FY 2016-17 per Caltrans request.

## PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT & SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

The annual amount awarded to the PTMISEA program, now in its eighth year, was $887,174.  The last three years of awards were $10.7 million, $170,197, and $27.7 million, respectively. The amounts awarded can fluctuate dramatically from year to year. Amounts awarded are impacted by the State of California's ability to sell bonds for this program, and the number of grant requests received/approved.

Annual interest earnings totaled $165 thousand.

Current year expenditures were $5.4 million. The previous three years of expenditures were $9.4 million, $10.9 million, and $20.4 million, respectively. Expenditures can vary with grant reimbursement requests submitted by grantees. The SACOG Board of Directors approves all projects that receive PTMISEA funds.

Cash balance at year-end is $17.3 million versus $20.7 last year, decreasing by $3.2 million.

The Due to other Governments liability increased by $1,227,227 to $2,299,522 at year-end. This number can vary from year to year and is dependent on jurisdictions' filing timely claims so they can be paid by June 30 of each year.

Expenditures were for Civil Track Structures, Connect Card Implementation, Low Floor Buses (City of Folsom), Wheelchair project YCTD, and the Downtown/Riverfront Streetcar. More detail on this can be found in the Note O section of the Notes to Basic Financial Statements.

## STATE TRANSIT ASSISTANCE FUNDS (STA)

The State Transit Assistance fund was created under the Transportation Development Act (TDA) to provide funding for transportation planning, public transportation, and community transit purposes as specified by the legislature. The money is appropriated to the State Controller's Office and is then "allocated" by formula to each designated regional planning and programming agency. SACOG is responsible for the "allocation" of the STA Fund monies to the transit operators and claimants within its region. Sales and Use tax revenues are generated from gasoline and diesel fuel sales.

Sales and use tax revenues decreased by $3,161,614 (23%), to $10.4 million, for the year, compared to prior year. This is the second consecutive year for a decrease. Last year's revenue of $13,590,043, was a decrease of $775,370 from 2014. Fiscal years 2012 to 2014 reflected revenues of approximately $14.3 million each year. Sales tax revenues usually approximate the allocation amounts provided by the State of California.

The FY 2015-16 expenditure allocation was $13,701,839, based on data provided by the State of California in January/February 2015. This amount reflected an increase of $674,126 from the previous year's apportionment amount. The State did not provide any official midyear revisions to their original estimates. As a result, SACOG could not revise the allocation in a timely manner during the year. In fact, during the year there were delays in receiving the quarterly funds from the State, which meant SACOG could not distribute funds to the STA claimants, and the projected revenues were 20% lower than had been projected. The last two quarterly payments were not received until October 2016, and they were also significantly lower than budgeted.

One reason for payment delays had to do with a new method to allocate the 99314 funds (for Transit agencies) in FY 2015-16 that would have lowered the funds that those traditional agencies were used to receiving. This required a legal review, and a delay in payments resulted, and later a reinstatement of the original allocation methodology. However, the reason for the dramatic decrease of $3.1 million is due to lower gasoline and diesel fuel prices, which affected the taxes that generate this revenue.

Fund Balance, ended up at a negative $2,329,910. Last year's fund balance was $915,777. In FY 2012-13, the fund balance was a negative $72,779. Because the last two quarterly payments were paid so late, SACOG could not revise the allocation. The use of the prior year's fund balance of $915,777 did reduce the impact of the $3.1 million sales tax revenue decrease. SACOG will revise the FY 2016-17 expenditure allocation downward to recover the negative fund balance. This means some funds received in the FY 2016-17 year will be used to pay a portion of the 2015-16 obligations of $11.2 million.

The FY 2016-17 STA Allocation approved in January/February 2016 totaled $11,419,863. Of this $7,531,583 is for 99313 monies and $3,888,280 was for 99414 monies (there was no official amount allocated to each of the transit agencies) in the document provided by the State of California. SACOG will to make a recommendation to its Board, if needed, to revise the amounts allocated to the jurisdictions.

## LOCAL TRANSPORTATION FUNDS (LTF)

The four LTF special revenue funds are administered by SACOG on behalf of various county jurisdictions throughout the Sacramento region and used to fund various transportation-related activities as authorized by California law under the Transportation Development Act. Actual sales tax receipts affect the revenue for these funds. The Findings of apportionment, sometimes called findings or apportionment, is the annual process by which each county estimates its sales tax revenues, its use of prior year fund balance, and corresponding estimating disbursements to its local agencies, in a formalized process that includes SACOG. This is formalized in February of each year for the next fiscal year by an action of the SACOG Board. SACOG is responsible for the administration of the LTFs to these counties. The counties can amend their findings of apportionment through SACOG's board approval process.

## COUNTY OF SACRAMENTO LOCAL TRANSPORTATION FUND

Sales tax Revenue increased for the seventh year in row. This year's actual sales tax revenues increased by $2,887,853 (5%) to $56.5 million for the year. The previous year increase was $2,715,921 (5%), totaling $53.6 million. The sales tax estimate for the apportionment was $55,300,000. The difference between the actual sales tax revenue and the sales tax projection was a positive $1.2 million (2%).

Apportionment expenditures are usually expected to increase as sales tax revenue increases. The apportionment amount for FY 2015-16 was $55.3 million, which was $2.1 million higher than last year's apportionment. There were no apportionment amendments during the year, whereas last year there were two upward amendments.

Fund Balance, which represents cumulated unapportioned amounts, ended at $12.2 million, which was $1.2 million higher than last year. This increase is attributed to the higher than expected sales tax revenues, as there was no expectation to use prior fund balance for the current year's apportionment.

The apportionment for the FY 2016-17 year, is now projected at $57,600,000 in sales tax revenue and $600,000 use of the fund balance reserve. The original amendment was revised upward in September 2016. The revised sales tax estimate for FY 2016-17 is reasonable compared to the actual sales tax revenues for 2015-16. There may be another amendment later in 2016-17.

## COUNTY OF YUBA LOCAL TRANSPORTATION FUND

Sales tax Revenues decreased this year by $109,234 (8%), from its highest ever sales tax revenue number in 2015, at $1,318,133. Of the last seven years, only 2016 and 2014 had revenue decreases from the prior year. This year sales tax revenues were $1,208,899 which was $180,170 lower than the findings of apportionment sales tax estimate.

Apportionment expenditures were projected at $1,389,069, which was $260,069 less than last year.
Fund Balance, which represents cumulated unapportioned amounts, ended at $79,005, an overall decrease of $179,421. The decrease was higher than expected mainly because the actual sales tax was $180,170 lower than planned.

The apportionment for the FY 2016-17 year is projected at $1,001,000 in sales tax revenue and a negative $86,122 use of the fund balance reserve, netting to $914,878. The sales tax estimate for FY 2016-17 is conservative (at least 20% lower) compared to actual annual sales tax revenues for the past five years.

## COUNTY OF SUTTER LOCAL TRANSPORTATION FUND

Sales tax Revenues increased for the eighth year in a row, and for the first time topping the $4 million mark. This year's sales tax revenues increased by $229,315 (6%) to $4.1 million. The previous year increase was $191,051 (5%). The sales tax projection in the finding of apportionment was $3,899,986 so the actual sales tax revenue was $205,383 (5%) higher than the estimate.

The FY 2015-16 apportionment expenditure was based on a sales tax estimate of $3,899,986 and the use of $421,511 of fund balance, netting $4.3 million. This was $802,637 higher than last year apportionment, which included a significant fund balance amount from the prior year.

Fund Balance, which represents cumulated unapportioned amounts, ended at $277,365, a decrease of $204,041 from last year. This decrease is primarily due to the higher than expected actual sales tax revenue of $205,383, partially offsetting the planned use of fund balance of $421,511.

The apportionment for the FY 2016-17 year projects $4,283,338 in sales tax revenue and the use of $418,003 use of the fund balance reserve. The sales tax estimate for FY 2016-17 is reasonable based on the actual sales tax revenues for 2015-16.

## COUNTY OF YOLO LOCAL TRANSPORTATION FUND

Sales tax Revenue increased again, for the seventh straight year. This year sales tax revenues increased by $208,408 (2%) to $9.9 million for the year. The previous year increase was $220,491 (2%) for a total of $9.7 million.

Apportionment expenditures decreased by $871,461 (4%) over last year, to $9.8 million. The apportionment was higher last year because of the large accumulated fund balance amount from 2014 (approximately $1 million), that was added to 2015 expenditures. The apportionment amount was based on a sales tax estimate of $9,778,985 and the use of accumulated fund balance of $36,000 totaling $9,814,985.

Fund Balance, bounced back to a positive $116,307, as last year it was a negative $21,478. Normally fund balance is a positive. In that case the County had to essentially promised to pay (apportionment liabilities) out more than it has (or would collect) as of year-end.

The apportionment for the FY 2016-17 year projects $10,000,000 in sales tax revenue and $603,000 use of the fund balance reserve. The sales tax estimate for FY 2016-17 is slightly higher than actual sales tax revenues for 2015-16, so the County is optimistic about the economy.

## CAPITOL VALLEY REGIONAL SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS(SAFE)

The Capitol Valley SAFE remains a fiscally strong fund with a reliable stream of revenue. The SAFE fund balance decreased by $787,862 in FY 2015-16. This planned fund balance decrease was lower than budget by $704,588, as the Call Box Removal/Upgrade Modernization project did not get underway until March 2016 because of delays, and the ITS Master Plan/Regional Architecture Update did not start as planned.

The start of work on the modernization and associated removal project was delayed from October 2015 to March 2016 due to extended negotiations with the contractor. The project is removing approximately half of the call box system, addressing longstanding ADA deficiencies, and making necessary telecommunication upgrades that will keep the remaining call box system working. It is anticipated the telecommunications upgrade portion of the project will be completed by December 2016, and the remainder of the project will be finished by the end of FY 2016-17.

Actual Vehicle registration fees increased by 4% over last year, and 5% compared to the budgeted registration fee revenues. This is the third year in a row with an increase.

The Investment earnings for the year were higher than planned at $30,390.

Other income is a combination of services provided by SAFE to Glenn County SAFE and Placer County and call box knock down revenue. The biggest component of the $93,912, is reimbursement income from Glenn County for their costs related to the Call Box Removal/Upgrade Modernization project.

Equipment and Maintenance costs were $51,939 higher than budget because of the delay in the Call Box Removal/Upgrade project. The call box maintenance had to be continued because of the delay. The GTFS - Real Time Implementation project did start and incurred $20,000 in costs. The remaining budget of $80,000 was unused.

The Call Box Removal/Upgrade project costs were $331,314 less than budget. No work was performed on the ITS Master Plan/Regional Architecture Update, which was budgeted for $225,000. These two projects account for most of the final budgeted difference.

This restricted fund balance is limited by SAFE Board action in 2008, whereby a minimum fund balance of $1,000,000 was established to cover unexpected operating costs and to save for unplanned capital improvements.

### GLENN COUNTY SAFE

As expected, The Glenn County SAFE fund balance decreased by $57,171 compared to last year. The previous year's fund balance increased by $13,676. The primary reason for the decrease was the onset of the Call Box Removal/Upgrade Modernization project, related costs.

The start of work on the call box modernization and associated removal project was delayed from October 2015 to March 2016 due to extended negotiations with the contractor. Much of the work for the Glenn County SAFE, approximating $71,000, was completed in the current year. This work included removing two call boxes, IT upgrades and ADA improvements. The remainder of the project will be finished by the end of FY 2016-17.

Vehicle registration income has plateaued with only small increases (1% - 2%) over the past few years. The increase this year was 2% over last year, and registration income has increased every year for the last four years.

Annual operating costs were like last year, except for the $71,000 increase for the call box modernization project.

## Budget

Annually, the SACOG Board of Directors approves the budget in two phases. One phase is the OWP budget, which is the plan for the transportation-related projects. The OWP is funded largely by federal and state grants with matching funds from local sources. The projects are comprised of functions related to the responsibilities of a Metropolitan Planning Organization and Regional Transportation Planning Agency and centered on transportation and land use planning and project delivery to fulfill those plans. The OWP is available for public comment for a 30-day period during which the grantor agencies, both federal and state, various public organizations including member agencies, regional transit authorities, and the general public review the projects planned for the budget year and make comments. During the public comment period, a group formed of Federal Highway Administration (FHWA), Federal Transit Administration (FTA), California Department of Transportation and other parties impacted by the OWP, meet and discuss the OWP within the broader goals and guidelines of the region. At the close of the public comment period, the SACOG Board of Directors adopts the OWP as it has been amended during the review period. Final adoption of the OWP occurs in May or June of each year. After adoption by the Board of Directors, Caltrans, FHWA, and FTA approve the OWP. Throughout the year, amendments to the OWP budget occur for grants that are received, a realignment of priorities for projects or other occurrences that require a budget adjustment, and increases or decreases in federal or state funding allocations. Amendments to the OWP are also reviewed and approved by Caltrans.

The second phase of the budget process is the adoption of the operating budget for SACOG. This includes the administrative budget related to the OWP, capital assets budget, the Board of Directors and Advocacy Budget, and other related functions not associated with the OWP. This second phase is adopted no later than June for the following fiscal year.

SACOG's Planning and Administration fund original budget included the use of beginning fund balance of $1,977,525, which is a combination of the three items below:

- Use of funds from the SACOG Managed Fund of $1,797,000.
- Use of funds from the Board and Advocacy Fund of $38,974.
- Use of funds from SACOG Planning and Administration Fund of $141,551 for capital expenditures.

The total budgeted use of fund balance was later amended by $1,342,284 to $3,319,909, mainly due to an increase in the SACOG Managed fund amount.

The actual change in fund balance for the year in the Planning and Administration Fund was a decrease of $434,584. More information about this can be found in Note B of the Notes to the Financial Statements.

Actual revenues totaled $12,324,552 while the final approved budget revenue estimate was $47,051,969, leaving a difference of $34,727,417. Actual expenditures totaled $15,650,179 compared to the final budget estimate of $53,261,998, resulting in a difference of $37,611,819. Both actual and budgeted Transfer In revenue approximated $2.9 million. Both revenue and expenditures reflect an approximate corresponding (offsetting) difference ranging approximating $34.8 million to $37.6 million, as most SACOG revenues and expenditures are reimbursement based. It is not uncommon for SACOG to get this type of disparity between actual and budgeted numbers.

Budgeted grant revenues for specific projects are recorded at the total remaining grant amount available, which can be higher than actual expenditures for the year. For some projects, it makes more sense to budget the whole amount rather than a portion. The CMAQ SECAT project is one of those projects.

Approximately $21.3 million of the $34.8 million revenue difference is attributed to less need of Federal Funding than what was expected in the fiscal year.

- $9 million of CMAQ funding was not used related to the ongoing SECAT project
- $5.2 million of 5307 funding was not fully utilized for three projects (Streetcar, Connect Card, technical Transit)
- $3.6 million of CMAQ funding for the Regional Bikeshare Project was not utilized
- $1.8 million related to 5316/17 pass through projects was not fully used.

These unused grant funds will carry over into FY 2016-17 budget.

Use of State funds was $2 million less than planned. The primary difference is because $1.3 of PTMISEA funding for the Connect Card project was not needed this year. This unused funding will carry over into FY 2016-17.

Local fund budget difference approximates $3 million. Most of this difference is attributed to not fully utilizing $2 million of funding for the Downtown Riverfront Transit Project.

Services to Others had a large budget difference of $6.5 million. This difference is attributed to projects with Capitol Valley SAFE, which include STARNET operations, Reg ITS Master Plan, and other.

Approximately $2 million of the $34.7 million difference is attributed to a change of accounting treatment in the recording of In-kind revenue and the offsetting In-kind expenses, which results in zero actual amounts.

## Capital Assets

Total investment in capital assets at June 30, 2016, net of accumulated depreciation, was $204,303, an increase of $29,397 from the prior year. The primary reason for the increase was that Capital additions of $90,755 for the year exceeded depreciation expense of $61,358. Planning and Administration assets are primarily computers and other office equipment. SAFE and Glenn assets are fixed Call box capital costs, and both the cost and accumulated depreciation (which netted to –0-) were fully written off during the year, in accordance with SACOG's fixed asset policy.

| | Planning and Administration | Total Governmental Activities |
|---|---|---|
| Equipement, Furniture, Phones, Computers and Software | $ 1,321,087 | $ 1,321,087 |
| Less Accumulated Depreciation | (1,116,784) | (1,116,784) |
| Capital Assets, Net | $ 204,303 | $ 204,303 |

Additional information regarding capital assets can be found in the Note E to the Basic Financial Statements.

## Economic Factors and Next Year's Budget

One of the ongoing challenges for SACOG over the last several years has been the loss of revenues from the close out of certain multi-year discretionary earmarks/grants and finding new revenues to replace them. To address these challenges, SACOG has focused on four main strategies: cost containment measures related to staffing, overhead costs, and legal expenses; concessions from a cooperative Employees Association; discretionary grant awards through SACOG staff's entrepreneurial efforts with state and federal agencies; and increasing federal, state, and local funds.

SACOG is fortunate to have benefitted from a fiscally-sound labor Memorandum of Understanding (MOU) and continues to benefit from a strong relationship with the SACOG Employees Association (SEA), which has greatly supported SACOG's cost reduction and containment strategies. In recent years, the SEA has proactively worked with management to identify and implement additional savings through amendments to the MOU, including foregoing cost-of-living adjustments, assuming a greater share of retirement contributions, implementing a three-tier retirement system with reduced benefits, and modifying the formula for calculating retirement benefits.

While many of the revenues SACOG receives are based on formula planning funds or discretionary grant awards, the requirement to match those funds with non-federal and/or non-state dollars can be a challenge. The primary source of those matching dollars is the ¼ cent sales tax collected within each county for transportation. The last seven years have seen increases in sales tax revenues throughout the SACOG region, which effects SACOG's funding.

In the long term, we expect funding levels to increase as the economy continues to improve. The number of discretionary grants which SACOG typically receives each year for various transportation and transit planning functions is subject to change, but the state financial outlook is strong. A five-year authorization bill was passed in December 2015 that increased funding overall in federal fiscal year 2015-16, with inflationary growth.

Federal funds flowing through the state are secure from the state budget annual challenges, as they are segregated from other state funding sources. However, the release of those funds to SACOG can be delayed if the state budget is not approved in a timely manner. Since state budget reform was enacted in 2012 that allows for a simple majority of the Legislature to pass the budget, there have been no budget delays

In May 2016, the SACOG Board of Directors adopted a final FY 2016-17 budget of $49,837,412. This budget projected the use of reserve funds in categories like that of the previous year. Reserve funds planned usage includes $1,797,000 for projects for the SACOG Managed Fund, $38,974 for the Board of Director's and Advocacy Fund, and $141,551 for equipment. The budget includes the Overall Work Program (OWP), which includes expenditures to fund the transportation planning projects for the year, of which a significant portion includes rollover grant funding or pass-through to other agencies. The OWP continues a focus on the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), with particular emphasis on implementation now that the MTP/SCS 2035 was approved in April 2012.

This focus will include strategies to fund early year plan priorities and support local jurisdictions interested in pursuing SB375 CEQA benefits that became available with the adoption of the MTP/SCS. SACOG will also continue to complete work related to the RUCS project as part of, and in concert with, implementation of the MTP/SCS. Continuing projects include the next phase implementation of the Connect Card and the Intelligent Transportation Systems' STARNET project, and the Plug-In Electric Vehicle work.

SACOG and its component units remain fiscally stable. Management and the Board of Directors remain conservative in their financial policies and have not budgeted for revenues that are not quantified; expenditures are managed carefully and adjustments made as conditions require. While much of the budget relies on funding from the federal and state governments, there continues to be a steady flow, albeit reduced, of money from those programs that fund transportation. As additional funding is received, projects will be assessed to determine their priority within the SACOG Strategic Plan, planning goals for the year, and the availability of staff to work on the project. If funding is received that requires local matching funds, and no matching funds are available, management may decide to postpone the related project to a future year in order to be able to preserve the limited matching funds available. Despite the financial challenges, SACOG is committed to assisting our member agencies with their land use and transportation planning in order to create a more livable region.

## Requests for Information

This financial report is designed to provide the reader with a general overview of SACOG's finances and to demonstrate SACOG's accountability for the resources it receives. If you have questions about this report or need additional financial information, please contact the Finance Department, Sacramento Area Council of Governments, 1415 L Street, Suite 300, Sacramento, CA 95814.

# Statement of Net Position

June 30, 2016

| | | Governmental Activities |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and investments | $ | 52,422,903 |
| Receivables | | 23,865,648 |
| Other assets | | 84,655 |
| **Non-current assets:** | | |
| Capital assets, net | | 204,303 |
| Total Assets | | 76,577,509 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Deferred outflows related to pensions | | 2,111,596 |
| **LIABILITIES** | | |
| **Current liabilities:** | | |
| Payables | | 29,257,675 |
| Long term liabilities - Due within one year | | 12,984 |
| Compensated absences - Due within one year | | 46,624 |
| Subtotal | | 29,317,283 |
| **Non-current Liabilities** | | |
| Long term liabilities | | 37,871 |
| Compensated absences | | 885,859 |
| Net other post employment benefit liability | | 210,594 |
| Net pension liability | | 11,244,576 |
| Subtotal | | 12,378,900 |
| Total Liabilities | | 41,696,183 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred inflows related to pensions | | 895,935 |
| **NET POSITION** | | |
| Investment in Capital Assets | | 204,303 |
| Restricted for Transportation Projects | | 574,181 |
| Restricted for Transportation Claimants | | 32,365,872 |
| Unrestricted | | 2,952,631 |
| Total Net Position | $ | 36,096,987 |

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

# Statement of Activities

For the Fiscal Year Ended June 30, 2016

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| Planning and administration | $ 16,149,917 | $ 851,521 | $ 11,371,902 | $ (3,926,494) |
| Transportation claimants | 81,636,347 | - | - | (81,636,347) |
| PTMISEA | 5,452,494 | - | 887,174 | (4,565,320) |
| Capitol Valley Regional SAFE | 2,472,852 | 2,521,364 | - | 48,512 |
| Glenn County SAFE | 90,061 | 31,453 | - | (58,608) |
| Total Governmental Activities | $ 105,801,671 | $ 3,404,338 | $ 12,259,076 | $ (90,138,257) |

| | |
|---|---|
| General revenues: | |
| State shared revenue - sales and use tax | $ 82,144,492 |
| Investment earnings | 407,335 |
| Other | 46,431 |
| Total General Revenue | 82,598,258 |
| Change in net position | (7,539,999) |
| Net Position - Beginning | 43,636,986 |
| Net Position - Ending | $ 36,096,987 |

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

# Balance Sheet
# Governmental Funds
June 30, 2016

| | Planning and Administration | Special Revenue: SACOG Financing Corporation | Special Revenue: Sacramento Emergency Clean Air and Transportation Program | Special Revenue: Public Transportation Modernization, Improvement & Service Enhancement Account | Special Revenue: State Transit Assistance |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and investments | $ 9,355,282 | $ 3,889,283 | $ 232,169 | $ 17,382,683 | $ 3,695,778 |
| Accounts receivable | - | - | - | - | - |
| Miscellaneous receivable | 2,723 | - | - | - | - |
| Due from other governments | 6,202,711 | - | - | - | 5,183,772 |
| Interest receivable | 54,699 | 20,372 | 1,070 | 95,456 | 22,188 |
| Prepaid items | 81,339 | - | - | - | - |
| Total assets | $ 15,696,754 | $ 3,909,655 | $ 233,239 | $ 17,478,139 | $ 8,901,738 |
| **Liabilities and Fund Balances** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 2,455,859 | $ - | $ - | $ - | $ - |
| Accrued liabilities | 74,297 | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Due to other governments | - | - | 233,239 | 2,299,522 | 11,231,648 |
| Total liabilities | 2,530,156 | - | 233,239 | 2,299,522 | 11,231,648 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | 81,339 | - | - | - | - |
| Restricted: | | | | | |
| PTMISEA Funds | - | - | - | 15,178,617 | - |
| State Transit Assistance Funds | - | - | - | - | - |
| Local Transportation Funds - Sacramento County | - | - | - | - | - |
| Local Transportation Funds - Yuba County | - | - | - | - | - |
| Local Transportation Funds - Sutter County | - | - | - | - | - |
| Local Transportation Funds - Yolo County | - | - | - | - | - |
| Capitol Valley Regional SAFE | - | - | - | - | - |
| Glenn County SAFE | - | - | - | - | - |
| Transportation Projects | 574,181 | | | | |
| Committed: | | | | | |
| Board & Advocacy | 384 | - | - | - | - |
| SACOG Managed Fund Grantees | 1,351,093 | - | - | - | - |
| Assigned: | | | | | |
| Legal Defense | 500,000 | - | - | - | - |
| Self Insurance | 200,000 | - | - | - | - |
| Project Specific Carryover Funds | 193,182 | - | - | - | - |
| GIS Recipients | 184,897 | - | - | - | - |
| Post Employment Benefits (OPEB) | - | 3,909,655 | - | - | - |
| Unassigned: | | | | | |
| Unasigned Fund Balance | 10,081,522 | - | - | - | (2,329,910) |
| Total fund balances | 13,166,598 | 3,909,655 | - | 15,178,617 | (2,329,910) |
| Total liabilities and fund balances | $ 15,696,754 | $ 3,909,655 | $ 233,239 | $ 17,478,139 | $ 8,901,738 |

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

# Balance Sheet
# Governmental Funds

June 30, 2016

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Local Transportation Funds | | | | Capitol Valley Regional SAFE | Glenn County SAFE | Total Governmental Funds |
| Sacramento County | Yuba County | Sutter County | Yolo County | | | |
| $ 5,780,650 | $ 28,255 | $ - | $ 7,767,436 | $ 4,114,249 | $ 177,118 | $ 52,422,903 |
| - | - | - | - | 537,282 | 5,712 | 542,994 |
| - | - | - | - | 218 | - | 2,941 |
| 9,126,800 | 209,100 | 712,100 | 1,625,600 | - | - | 23,060,083 |
| 36,372 | 161 | 4,385 | | 24,081 | 846 | 259,630 |
| - | - | - | - | 3,315 | - | 84,654 |
| $ 14,943,822 | $ 237,516 | $ 716,485 | $ 9,393,036 | $ 4,679,145 | $ 183,676 | $ 76,373,205 |
| $ - | $ - | $ - | $ - | $ 283,034 | $ 89,937 | $ 2,828,830 |
| - | - | - | - | - | - | 74,297 |
| - | - | - | - | - | - | - |
| 2,715,779 | 158,511 | 439,120 | 9,276,729 | - | - | 26,354,548 |
| 2,715,779 | 158,511 | 439,120 | 9,276,729 | 283,034 | 89,937 | 29,257,675 |
| - | - | - | - | 3,315 | - | 84,654 |
| - | - | - | - | - | - | 15,178,617 |
| - | - | - | - | - | - | - |
| 12,228,043 | - | - | - | - | - | 12,228,043 |
| - | 79,005 | - | - | - | - | 79,005 |
| - | - | 277,365 | - | - | - | 277,365 |
| - | - | - | 116,307 | - | - | 116,307 |
| - | - | - | - | 4,392,796 | - | 4,392,796 |
| - | - | - | - | - | 93,739 | 93,739 |
| | | | | | | 574,181 |
| - | - | - | - | - | - | 384 |
| - | - | - | - | - | - | 1,351,093 |
| - | - | - | - | - | - | 500,000 |
| - | - | - | - | - | - | 200,000 |
| - | - | - | - | - | - | 193,182 |
| - | - | - | - | - | - | 184,897 |
| - | - | - | - | - | - | 3,909,655 |
| - | - | - | - | - | - | 7,751,612 |
| 12,228,043 | 79,005 | 277,365 | 116,307 | 4,396,111 | 93,739 | 47,115,530 |
| $ 14,943,822 | $ 237,516 | $ 716,485 | $ 9,393,036 | $ 4,679,145 | $ 183,676 | $ 76,373,205 |

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION:**

| | |
|---|---|
| Fund balances - total governmental funds | $ 47,115,530 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Net OPEB Obligation. | (210,594) |
| Long term liability, not due in the current period, therefore, not reported in the funds. | (50,855) |
| Capital assets used in government activities are not financial resources, and are not reported in the funds. | 204,303 |
| Compensated absences not due and payable in the current period, and not reported in the funds. | (932,483) |
| Net pension Liability | (11,244,576) |
| Deferred Inflows Related to Pension | (895,935) |
| Deferred Outflows Related to Pension | 2,111,596 |
| Net position of governmental activities | $ 36,096,987 |

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

# Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2016

| | | Special Revenue | | | |
|---|---|---|---|---|---|
| | Planning and Administration | SACOG Financing Corporation | Sacramento Emergency Clean Air and Transportation Program | Public Transportation Modernization, Improvement & Service Enhancement Account | State Transit Assistance |
| **Revenues:** | | | | | |
| Sales and use taxes | $ - | $ - | $ - | $ 887,174 | $ 10,428,429 |
| Vehicle registration fees and traffic fines | - | - | - | - | - |
| Intergovernmental: | | | | | |
| Federal | 7,560,062 | - | - | - | - |
| State | 2,726,891 | - | | | - |
| Local | 1,084,949 | - | - | - | - |
| Charges for services | 475,533 | - | - | - | - |
| Member assessments | 375,988 | - | - | - | - |
| Investment earnings | 54,698 | 34,364 | - | 165,062 | 27,723 |
| In-kind | - | - | - | - | - |
| Other | 46,431 | - | - | - | - |
| Total revenues | 12,324,552 | 34,364 | - | 1,052,236 | 10,456,152 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| Transportation Claimaints | | | | | |
| City of Elk Grove | - | - | - | - | 924,267 |
| City of Citrus Heights | - | - | - | - | 427,568 |
| City of Davis | - | - | - | - | 479,714 |
| City of Folsom | - | - | - | - | 396,441 |
| City of Galt | - | - | - | - | 122,838 |
| City of Isleton | - | - | - | - | 4,122 |
| City of Live Oak | - | - | - | - | - |
| City of Marysville | - | - | - | - | - |
| City of Sacramento | - | - | - | - | - |
| City of West Sacramento | - | - | - | - | 257,095 |
| City of Rancho Cordova | - | - | - | - | - |
| City of Wheatland | - | - | - | - | - |
| City of Winters | - | - | - | - | 35,295 |
| City of Woodland | - | - | - | - | 289,396 |
| City of Yuba City | - | - | - | - | - |
| County of Sacramento | - | - | - | - | 154,872 |
| County of Sutter | - | - | - | - | - |
| County of Yolo | - | - | - | - | 124,851 |
| County of Yuba | - | - | - | - | - |
| Sacramento Regional Transit District | - | - | - | - | 9,349,733 |
| Yuba-Sutter Transit Authority | - | - | - | - | 932,162 |
| Yolo County Transportation District | - | - | - | - | 203,485 |
| Paratransit, Inc | - | - | - | - | - |
| SAFE services | - | - | - | - | - |
| Freeway service patrol | - | - | - | - | - |
| Equipment and maintenance | - | - | - | - | - |
| Insurance and DMV fees | - | - | - | - | - |
| Planning and administration | 15,106,301 | - | - | - | - |
| Other SAFE Projects | | | | | |
| Public Transportation Modernization Improvement & Service Enhancement | - | - | - | 5,452,494 | - |
| Payments to SMF grantees | 453,123 | - | - | - | - |
| Capital outlay | 90,755 | - | - | - | - |
| Total expenditures | 15,650,179 | - | - | 5,452,494 | 13,701,839 |
| Excess (deficiency) of revenues over (under) expenditures | (3,325,627) | 34,364 | - | (4,400,258) | (3,245,687) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 2,891,043 | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | 2,891,043 | - | - | - | - |
| Net change in fund balances | (434,584) | 34,364 | - | (4,400,258) | (3,245,687) |
| Fund balances - beginning | 13,601,182 | 3,875,291 | - | 19,578,875 | 915,777 |
| Fund balances - ending | $ 13,166,598 | $ 3,909,655 | $ - | $ 15,178,617 | $ (2,329,910) |

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

# Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2016

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Local Transportation Funds | | | | Capitol Valley Regional SAFE | Glenn County SAFE | Total Governmental Funds |
| Sacramento County | Yuba County | Sutter County | Yolo County | | | |
| $ 56,511,243 | $ 1,208,899 | $ 4,105,369 | $ 9,890,552 | $ - | $ - | $ 83,031,666 |
| - | - | - | - | 2,521,363 | 31,453 | 2,552,816 |
| | | | | | | |
| - | - | - | - | - | - | 7,560,062 |
| - | - | - | - | - | - | 2,726,891 |
| - | - | - | - | - | - | 1,084,949 |
| - | - | - | - | - | - | 475,533 |
| - | - | - | - | - | - | 375,988 |
| 18,607 | 749 | 12,087 | 62,218 | 30,390 | 1,437 | 407,335 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 46,431 |
| 56,529,850 | 1,209,648 | 4,117,456 | 9,952,770 | 2,551,753 | 32,890 | 98,261,671 |
| | | | | | | |
| 5,858,238 | - | - | - | - | - | 6,782,505 |
| 3,082,240 | - | - | - | - | - | 3,509,808 |
| - | - | - | 3,039,004 | - | - | 3,518,718 |
| 2,698,345 | - | - | - | - | - | 3,094,786 |
| 885,509 | - | - | - | - | - | 1,008,347 |
| 29,713 | - | - | - | - | - | 33,835 |
| - | - | 366,996 | - | - | - | 366,996 |
| - | - | - | - | - | - | - |
| 357,147 | - | - | - | - | - | 357,147 |
| - | - | - | 2,317,733 | - | - | 2,574,828 |
| 50,994 | - | - | - | - | - | 50,994 |
| - | 63,164 | - | - | - | - | 63,164 |
| - | - | - | 318,189 | - | - | 353,484 |
| - | - | - | 2,608,931 | - | - | 2,898,327 |
| - | - | 1,540,935 | - | - | - | 1,540,935 |
| 1,538,698 | - | - | - | - | - | 1,693,570 |
| - | - | 774,868 | - | - | - | 774,868 |
| - | - | - | 1,130,538 | - | - | 1,255,389 |
| - | 395,445 | - | - | - | - | 395,445 |
| 36,553,780 | - | - | - | - | - | 45,903,513 |
| - | 873,768 | 1,462,332 | - | - | - | 3,268,262 |
| - | - | - | - | - | - | 203,485 |
| 1,987,941 | - | - | - | - | - | 1,987,941 |
| - | - | - | - | 726,938 | 87,743 | 814,681 |
| - | - | - | - | 886,303 | | 886,303 |
| - | - | - | - | 414,471 | - | 414,471 |
| - | - | - | - | 22,141 | 152 | 22,293 |
| - | - | - | - | 422,995 | 2,166 | 15,531,462 |
| | | | | 866,767 | | 866,767 |
| | | | | | | |
| - | - | - | - | - | - | 5,452,494 |
| - | - | - | - | - | - | 453,123 |
| - | - | - | - | - | | 90,755 |
| 53,042,605 | 1,332,377 | 4,145,131 | 9,414,395 | 3,339,615 | 90,061 | 106,168,696 |
| 3,487,245 | (122,729) | (27,675) | 538,375 | (787,862) | (57,171) | (7,907,025) |
| - | - | - | - | - | - | 2,891,043 |
| (2,257,395) | (56,692) | (176,366) | (400,590) | - | - | (2,891,043) |
| (2,257,395) | (56,692) | (176,366) | (400,590) | - | - | - |
| 1,229,850 | (179,421) | (204,041) | 137,785 | (787,862) | (57,171) | (7,907,025) |
| 10,998,193 | 258,426 | 481,406 | (21,478) | 5,183,973 | 150,910 | 55,022,555 |
| $ 12,228,043 | $ 79,005 | $ 277,365 | $ 116,307 | $ 4,396,111 | $ 93,739 | $ 47,115,530 |

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

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2016

| | |
|---|---|
| Net change in fund balances - total governmental funds (page A-26) | $ (7,907,025) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | 90,755 |
| Change in OPEB Liability | 51,239 |
| Depreciation expense for Planning & Administrative Fund | (61,358) |
| Change in a Long Term Debt | 12,984 |
| Change in Compensated absences | 27,001 |
| Pension Expense Adjustment for GASB #68 reporting | 246,405 |
| Change in net position of governmental activities (page A-19) | $ (7,539,999) |

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

# Statement of Revenues, Expenditures, and Changes in Fund Balances Budget And Actual — Planning And Administration

For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Intergovernmental: | | | | |
| Federal | $ 27,382,174 | $ 28,812,932 | $ 7,560,062 | $ (21,252,870) |
| State | 4,895,040 | 4,769,321 | 2,726,891 | (2,042,430) |
| Local | 10,178,883 | 4,009,870 | 1,084,949 | (2,924,921) |
| Services to Others | 2,182 | 6,976,822 | 475,533 | (6,501,289) |
| Member assessments | 375,988 | 375,988 | 375,988 | - |
| Investment earnings | 10,000 | 10,000 | 54,698 | 44,698 |
| In-kind | 2,036,613 | 2,025,071 | - | (2,025,071) |
| Other | 71,965 | 71,965 | 46,431 | (25,534) |
| Total revenues | 44,952,845 | 47,051,969 | 12,324,552 | (34,727,417) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Planning and administration | 47,784,612 | 49,909,198 | 15,106,301 | 34,802,897 |
| Payments to SMF grantees | 1,797,000 | 3,097,000 | 453,123 | 2,643,877 |
| Capital outlay | 255,800 | 255,800 | 90,755 | 165,045 |
| Total expenditures | 49,837,412 | 53,261,998 | 15,650,179 | 37,611,819 |
| Deficiency of revenues under expenditures | (4,884,567) | (6,210,029) | (3,325,627) | 2,884,402 |
| **Other Financing Sources:** | | | | |
| Transfers in | 2,907,042 | 2,890,220 | 2,891,043 | 823 |
| Total Other Financing Sources | 2,907,042 | 2,890,220 | 2,891,043 | 823 |
| Change in fund balances | $ (1,977,525) | $ (3,319,809) | (434,584) | $ 2,885,225 |
| Fund balance - beginning | | | 13,601,182 | |
| | | | $ 13,166,598 | |

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

# Statement of Revenues, Expenditures, and Changes in Fund Balances
# Budget And Actual –Capitol Valley Regional Safe Special Revenue Fund

For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Postive (Negative) |
| **Revenues:** | | | | |
| Vehicle registration fees | $ 2,314,568 | $ 2,314,568 | $ 2,427,451 | $ 112,883 |
| Investment earnings | 9,000 | 9,000 | 30,390 | 21,390 |
| Other | 130,740 | 130,740 | 93,912 | (36,828) |
| Total revenues | 2,454,308 | 2,454,308 | 2,551,753 | 97,445 |
| **Expenditures:** | | | | |
| Current: | | | | |
| SAFE services | 727,000 | 727,000 | 726,938 | 62 |
| Freeway Service Patrol | 901,116 | 901,116 | 886,303 | 14,813 |
| Equipment and maintenance | 362,532 | 362,532 | 414,471 | (51,939) |
| Insurance and DMV fees | 21,000 | 21,000 | 22,141 | (1,141) |
| Planning and administration | 400,000 | 400,000 | 422,995 | (22,995) |
| Other SAFE Projects: | | | | |
| ITS Master Plan/Regional Architecture Update | 225,000 | 225,000 | - | 225,000 |
| Updating San Joaquin TDM Rideshare/ Website | 150,000 | 150,000 | 117,971 | 32,029 |
| GTFS-Real Time Implementation | 100,000 | 100,000 | 20,000 | 80,000 |
| Callbox (CBX) Removals/Telephone Upgrades | 1,060,110 | 1,060,110 | 728,796 | 331,314 |
| Total expenditures | 3,946,758 | 3,946,758 | 3,339,615 | 607,143 |
| Excess of revenues over expenditures | $ (1,492,450) | $ (1,492,450) | (787,862) | $ 704,588 |
| Fund balance - beginning | | | 5,183,973 | |
| Fund balance - ending | | | $ 4,396,111 | |

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

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## NOTE A — Summary of Significant Accounting Policies

### I. REPORTING ENTITY

In January 1965, the Sacramento Regional Area Planning Commission (SRAPC) was organized under the State Planning Law to provide a forum for elected officials to address multi-county problems, issues, and needs. In January 1981, the Sacramento Area Council of Governments (SACOG) succeeded SRAPC under a new Joint Powers Agreement pursuant to Section 6500 of the California Government Code. Title 26 of the Internal Revenue Code, Section 115, states that income derived from a governmental function is tax exempt. Since SACOG's members are all governmental entities and SACOG exercises the common powers of its members, SACOG exercises governmental functions. Therefore, SACOG's income is exempt from federal taxation.

SACOG is an association of local governments formed by six counties and 22 cities. SACOG's member governments are the counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba, and the cities of Auburn, Citrus Heights, Colfax, Davis, Elk Grove, Folsom, Galt, Isleton, Lincoln, Live Oak, Loomis, Marysville, Placerville, Rocklin, Rancho Cordova, Roseville, Sacramento, West Sacramento, Wheatland, Winters, Woodland, and Yuba City.

SACOG is governed by a 31-member Board of Directors composed of elected officials representing the member governments. The Board of Directors maintains budgetary controls over SACOG's accounts.

***SACOG's various designations and certifications include:***

*Designations as:*

- Regional Transportation Planning Agency (RTPA) for Sacramento, Sutter, Yolo, and Yuba counties by the California State Secretary of Business, Transportation and Housing Agency.

- Metropolitan Planning Organization (MPO) by the Governor and the U.S. Department of Transportation for the Sacramento, Yuba City, and Davis Urbanized Areas.

- Metropolitan Planning Organization in the Sacramento Metropolitan Planning Area (MPA) by the California State Secretary of Business, Transportation and Housing Agency.

- Airport Land Use Commission (ALUC) for Sacramento, Sutter, Yolo and Yuba counties

- Service Authority for Freeway and Expressways for Sacramento, San Joaquin, Yolo, Yuba, Sutter, and El Dorado counties.

- Area Wide Clearinghouse for the counties of Sacramento, Sutter, Yolo, and Yuba and the cities of Lincoln, Rocklin, and Roseville by the State of California Procedures of Intergovernmental Review of Federal Financial Assistance and Direct Development Activities.

## NOTE A — Summary of Significant Accounting Policies, Continued

- Designated recipient for the Sacramento large urbanized area for FTA Section 5316 Job Access Reverse Commute (JARC) and FTA Section 5317 New Freedom Programs.

*Joint Certification as:*

- Sacramento Area Metropolitan Planning Process by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

The governmental reporting entity consists of SACOG and its component units. Component units are legally separate organizations for which the Board is financially responsible, or other organizations whose nature and significant relationship with SACOG are such that exclusion would cause SACOG's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either SACOG's ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to or impose a financial burden on SACOG.

***Blended Component Units:***

The Sacramento Area Council of Governments Financing Corporation (Corporation) was established on April 9, 2002, and is governed by SACOG's Board of Directors Government Relations and Public Affairs Committee. Although it is legally separate from SACOG, the Corporation is reported as if it were part of the primary government because its sole purpose was to purchase, own, lease, encumber and dispose of all or any interest in certain real property located at 14th and L Streets and 15th and K Streets in Sacramento, California, which was to benefit SACOG. After the property was sold, it was legally determined that the Corporation should continue to exist in order to manage the proceeds from the sale of the property, until another use is determined.

The Sacramento Area Council of Governments Service Authority for Freeway Emergencies, also known as the Capitol Valley Regional Service Authority for Freeways and Expressways (Capitol Valley SAFE), is a legally constituted public entity created and established pursuant to the provisions of Chapter 14 of Division 3 of the Street and Highways Code of the State of California (the "Freeway Act") to serve as the service authority for freeway emergencies in the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo, and Yuba. Under the Freeway Act, Capitol Valley SAFE is authorized to impose a fee on vehicles registered in the six counties for the implementation, maintenance and operation of the motorist aid system of call boxes. Capitol Valley SAFE is administered by a governing board consisting of members of SACOG's Board of Directors plus one member representing San Joaquin County and one member representing the cities of San Joaquin County. SACOG provides administrative services for Capitol Valley SAFE. Capitol Valley SAFE is included in SACOG's reporting entity because of the significance of its financial or operational relationship and its mutual governing board.

The financial statements of SACOG have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant policies:

## NOTE A — Summary of Significant Accounting Policies, Continued

### II. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and statement of activities report information on all of the activities of SACOG. SACOG is engaged only in governmental activities, which are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of SACOG's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Program revenues include (i) charges paid by the recipients of the goods or services offered by the programs and (ii) grants and contributions that are restricted for meeting the operational requirements of SACOG's activities. Sales and use taxes, investment earnings, and other revenues not properly included among program revenues are reported as general revenues.

### III. 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 the 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* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, SACOG considers revenues to be available if they are collected within six months from the end of the current fiscal period. SACOG uses a six-month availability period to align with the reimbursement timeline associated with most of its funding sources, except for LTF revenues, which is 60 days. Revenues considered susceptible to accrual primarily include sales tax revenues, federal, state and local funds, as well as investment earnings. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Major sources of revenue are federal, state and local planning grants and sales tax revenues. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. When such funds are received in advance, they are recorded as deferred revenue until SACOG has satisfied the grantor's eligibility requirements. Such funding is subject to review by the funding agency and may result in disallowance in subsequent periods. Sales taxes collected and held by the state at year-end on behalf of SACOG are recognized as revenue.

## NOTE A — Summary of Significant Accounting Policies, Continued

**SACOG Reports the Following General Fund:**

***Planning and Administration Fund***
Used to account for SACOG's transportation planning and administration activities funded from various federal, state and local sources. Included in it are the transactions for the Board and Advocacy Fund and the SACOG Managed Fund.

**SACOG Reports the Following Major Special Revenue Funds:**

***SACOG Financing Corporation Fund***
Used to account for the proceeds received from the sale of the Meridian Plaza building and for annual interest revenue earned on the funds. The Financing Corporation is a blended component unit and its general fund is reported as a special revenue fund of SACOG.

***Sacramento Emergency Clean Air and Transportation Program Fund (SECAT)***
Accounts for the revenues and expenditures restricted for SACOG's administration of the Traffic Congestion Relief Program (TCRP), funded by the State of California.

***Public Transportation, Modernization, Improvement & Service Enhancement Account***
Used to account for restricted funds from Public Transportation, Improvement & Service Enhancement Account (PTMISEA) Regional Funds. SACOG is the grant recipient for these funds and will pass the funding to transit agencies for approved transit projects. SACOG Board approval is required for the subrecipient funding agreements.

***State Transit Assistance Fund***
Created pursuant to the Transportation Development Act (TDA) to account for the allocations received from the state restricted for transportation planning and mass transportation purposes. Funds are derived from the statewide sales tax on gasoline and diesel fuel.

***Local Transportation Funds***
Created pursuant to the TDA to account for the proceeds received from the State Board of Equalization of the ¼ cent of the state's 7.5 percent retail sales tax collected within the below listed counties. These restricted funds are administered by SACOG on behalf of each County and used to fund various transportation related activities as authorized by California Law, under the Transportation Development Act.

- Sacramento County
- Yuba County
- Sutter County
- Yolo County

## NOTE A — Summary of Significant Accounting Policies, Continued

***Capitol Valley Regional SAFE Fund***

Used to account for SACOG's administrative activities for implementing, operating and maintaining the motorist aid system of call boxes and 511 operations within the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo and Yuba. Revenues are derived from the vehicle registration fee imposed pursuant to the provisions of Chapter 14 of Division 3 of the Streets and Highways Code.

***Glenn County SAFE Fund***

Used to account for activities in accordance with the contract with the County of Glenn for implementing, operating and maintaining the motorist aid system of call boxes within the County of Glenn pursuant to Street and Highways Code section 2553. Revenues are derived from the vehicle registration fee imposed pursuant to the provisions of Chapter 14 of Division 3 of the Streets and Highways Code.

### IV. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/ INFLOWS, AND NET POSITION OR FUND BALANCE

***Investments***

Investments are recorded at fair value.

<u>Fair Value Measurement</u>

As of July 1, 2015, the Commission retrospectively applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. SACOG categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

***Accounts Receivable/Payable***

These amounts represent receivables/payables with other non-government agencies, vendors, employees and other miscellaneous transactions due at June 30, 2016.

***Due from/to Other Governments***

These amounts represent receivables/payables with other federal, state and local governments.

***Interest Receivable***

Investment income earned but not yet received at June 30, 2016.

***Prepaid Items***

Payments for services that will benefit periods beyond June 30, 2016.

## NOTE A — Summary of Significant Accounting Policies, Continued

***Capital Assets (including Intangible Assets)***

Capital and intangible assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the Sacramento Area Council of Governments date of receipt of donation. Capital and intangible assets are defined by SACOG as assets with an initial, individual cost of more than $5,000 and an estimated useful life more than two years. Capital and intangible assets used in operations are depreciated/ amortized using the straight-line method over their estimated useful lives in the government-wide statements of net position. The estimated useful lives for furniture and equipment are 3 to 15 years.

***Compensated Absences***

It is SACOG's policy to permit employees to accumulate earned but unused paid time off (PTO) leave benefits. Employees are entitled to PTO depending on the length of service and other factors.

SACOG has recognized a liability in the government-wide financial statements for unused PTO leave in which employees have a vested right and which is attributable to employee services already performed. A current liability for this amount is reported in the governmental funds only if the PTO has matured, for example, as a result of employee resignations and retirements. The Planning and Administration Special Revenue Fund is used to liquidate the compensated absences liability.

***Interfund Transfers***

Interfund transfers typically report the amounts provided to SACOG for planning and administrative services performed by the four Local Transportation Funds.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. SACOG reports deferred outflows related to pensions which are the result of the implementation of Government Accounting Standards Board, GASB 68, *Accounting and Reporting for Pensions.*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. SACOG reports deferred inflows related to pensions because of the implementation of GASB 68.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE A — Summary of Significant Accounting Policies, Continued

### *Fund Balance Policy*

The Fund Balance Policy establishes the procedures for reporting fund balance in SACOG's financial statements for its various government funds. Certain commitments and assignments of fund balance will help ensure that there are adequate financial resources to protect the agency against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs management to prepare financial reports which accurately categorize fund balance as per Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The general policies applicable to all SACOG funds are as follows:

1. Maintaining adequate fund balance reserves is an essential part of sound financial management. SACOG realizes the importance of reserves in providing reliable service to its members, financing its operations, and funding emergencies should the need arise.
2. For committed fund balances, the highest level of decision-making authority is the Board of Directors; a SACOG Board resolution or motion is required to formally establish, modify, or rescind a fund balance commitment.
3. The Board delegates to the Chief Executive Officer and/or the Chief Operating Officer authority to assign, change, and manage unassigned fund balance transactions going in and out of the funds where SACOG's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.
4. It is the policy of SACOG that when an expenditure is incurred, and both restricted and unrestricted fund balance is available for the expenditure, that the expenditure reduces the restricted balance first and the unrestricted balance second.
5. It is the policy of SACOG that when an expenditure is incurred, and committed, assigned, or unassigned fund balance is available for the expenditure, that the expenditure reduces the committed balance first, the assigned fund balance second, and the unassigned fund balance last.
6. SACOG's Fund Balance Policy will be reviewed as a part of the annual budget process.

### *Fund Balance*

*Nonspendable* – This category represents amounts that cannot be spent because they are either (i) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (ii) legally or is contractually required to be maintained intact, such as the principal portion of endowment.

*Restricted Fund Balance* – This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

## NOTE A — Summary of Significant Accounting Policies, Continued

Restricted for Transportation Projects' relates to specific grant funds for specific projects that were received in advance of work performed. The revenue was recognized in the current year; however, fund balance is being restricted for the expenditures for these project activities, as they are expected to occur in future years.

*Committed* – This category represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, and remain binding unless removed in the same manner. SACOG's Board of Directors is the highest level of decision-making authority. Any formal actions to establish (and modify or rescind) a fund
balance commitment would have to be approved the Board of Directors through Board resolution or motion.

Board and Advocacy – represents a portion of fund balance segregated for that portion of discretionary revenue available to support activities of the Board of Directors.

SACOG Managed Fund grantees – represents a portion of the SACOG Managed Fund balance segregated for grantee commitments that are contracted for, but services have not yet been acted on by the grantee.

*Assigned* – This category represents amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision-making or by an official designated for that purpose. The SACOG Board of Directors has designated the Chief Executive Officer and Chief Operating Officer for this purpose.

*Unassigned Fund Balance* – This category includes amounts that do not fall into one of the above four categories. The general fund is the only fund that should report a positive amount this category of fund balance. These funds are the amounts in the Planning and Administration Fund not classified as nonspendable, restricted, committed, or assigned.

The unassigned fund balance also includes funds previously reported in the SACOG Managed Fund. The SACOG Managed Fund has been used to accumulate funds from local agencies for reimbursement of projects originally expected to have been completed with local funds, but were instead funded with available Federal Funds. Through these reimbursement arrangements, SACOG has been able to accumulate flexible local funds without the burden of state and federal restrictions and processes. The SACOG Managed Fund has been used to provide financing and cash flow to benefit local agency projects. Historically, the Fund has been treated as a separate special revenue fund and was consolidated with the Planning and Administration Fund in accordance with GASB 54 in fiscal year 2011. As of June 30, 2016, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed fund is $7.1 million (Managed Fund cash balance of $8,402,152 minus $1,351,093 (Committed) to equal $7.1 million.). Management continues work on developing an official Board policy for these funds.

## NOTE A — Summary of Significant Accounting Policies, Continued

### *Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *New Accounting Pronouncements Adopted in Current Year*

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures should be organized by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. SACOG implemented this standard as of July 1, 2015,.

In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. For the applicable provisions, effective, this year, SACOG has determined that this statement did not have a material effect on the financial statements.

In June 2015, GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify in the context of the current governmental financial reporting environment the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The implementation of the Statement did not have a material effect on the financial statements.

In December 2015, GASB issued Statement No. 79, Certain External Investment Pools and Pool Participants. The Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Statement establishes additional note disclosure requirements for qualifying external investment pools that require measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Both the qualifying external investment pools and their participants are required to disclose information about any limitations or restrictions on participant withdrawals. The Statement is effective for the periods beginning after June 15, 2015. The implementation of the Statement did not have a material effect on the financial statements.

## NOTE B — Budgetary Information

The Board adopts an annual budget for the SACOG Planning and Administration and Capitol Valley SAFE Special Revenue funds based on anticipated projects at the beginning of the year. SACOG reports its primary activities through the Planning and Administrative General Fund. The budget is approved in two phases. One phase is the Overall Work Program (OWP) budget, the plan for transportation related projects which is a major portion of the Planning and Administration fund budget, which is approved by the California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) after adoption by the Board of Directors. The second phase of the budget process is the adoption of the operating budget. This includes the OWP, Board of Directors and Advocacy operating project budget, capital asset, and can include other related functions not associated with the OWP.

The annual budgets are adopted on a basis consistent with generally accepted accounting principles and are presented in the modified accrual basis of accounting. Within the OWP budget, the level of budgetary control is at the element level. Board approval is needed if costs are expected to exceed the element total, or if new projects are added to the element.

No annual adopted budget is prepared for the SACOG Financing Corporation because the only activity is interest income. No adopted budget is prepared for the PTMIEA fund due to the nature of how revenue is determined, and the ending fund balance at June 30 becomes the amount available for the next fiscal year. Both STA and LTF have distinct and separate annual Board approval processes (February and March of each year) whereby their annual funds are apportioned and allocated for the next year, and therefore not included in SACOG's budgetary process. Glenn County SAFE is a legally separate organization (and included as a component unit herein) that has contracted with SACOG to provide management and accounting services for implementing, operating, and maintaining the motorist aid system of callboxes with the County of Glenn pursuant to Street and Highway Code Section 2553. The County of Glenn has not directed SACOG to prepare a budget for their activities.

Because of SACOG's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. SACOG's annual budget differs from that of a local government in two respects: (i) the uncertain nature of grant awards from other entities, and (ii) conversion of grant budgets to a fiscal year basis.

## NOTE C — Cash and Investments

### AUTHORIZED INVESTMENTS

The table below identifies the investments types that are authorized by the California Government Code Section 53601 et seq. and 53635 et seq.; which constitutes SACOG's investment policy, for funds held with the Sacramento County Pooled Investment Fund. The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Sacramento County Board of Supervisors, and independent special districts (SACOG being a JPA) whose "Treasurer" is the Sacramento County Director of Finance. The following articles, in order of supremacy, govern the Pooled Investment Fund.

## NOTE C — Cash and Investments, Continued

1. California Government Code
2. Sacramento County Annual Investment Policy of the Pooled Investment Fund
3. Current Investment Guidelines
4. Approved Lists of banks, note issuers, money market funds, and firms as broker/dealers

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes.

The specific objectives for the Pooled Investment Fund are ranked in order of importance.

1. Safety of Principal
2. Liquidity
3. Public Trust
4. Maximum Rate of Return

| | Maximum Maturities | Maximum Concentrations | Maximum Investment in One Issuer | Minimum Rating |
|---|---|---|---|---|
| U.S. Treasury Notes and Agency Obligations | 5 years | 100% | -- | SP-1/MIGI |
| Bonds Issued by Local Agencies | 5 years | 80% | -- | SP-1/MIGI |
| Registered State Warrants and Municipal Notes | 5 years | 80% | -- | None |
| Bankers' Acceptances | 180 days | 40% | 10% | A-1 |
| Commercial Paper | 270 days | 40% | 10% | A1/P1 |
| Negotiable Certificates of Deposit | 180 days | 30% | 10% | A-1 |
| CRA Bank Deposits/Certificates of Deposit | 1 Year | 30% | -- | A-2/P-2 |
| Repurchase Agreements | 1 year | 30% | 10% | None |
| Reverse Repurchase Agreements | 92 days | 20% | 10% | None |
| Medium Term Corporate Notes | 180 days | 30% | 10% | A-1 |
| Shares of Money Market Mutual fund | SEC regs | 20% | 10% | None |
| Collateralized Mortgage Obligations | 180 days | 20% | 10% | None |
| Local Agency Investment Fund (LAIF) | --- | $65 million per account | 10% | None |

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

No more than 80 percent of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. No more than 10 percent of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

### 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. SACOG manages its exposure to interest rate risk by investing a significant portion of its investments in investment pools not subject to such risk and by purchasing investments with maturity dates evenly distributed over time. SACOG's investments and maturities are as follows:

## NOTE C — Cash and Investments, Continued

| | Maturity | | |
|---|---|---|---|
| | No Maturity | 0 - 5 Years | Total Fair Values Balance at June 30, 2016 |
| Petty Cash | $ 300 | $ - | $ 300 |
| Deposits in banks | 198,244 | - | 198,244 |
| County of Sacramento investment pool | - | 44,428,668 | 44,428,668 |
| County of Yolo investment pool | - | 7,767,436 | 7,767,436 |
| County of Yuba investment pool | - | 28,255 | 28,255 |
| Total cash and Investments | $ 198,544 | $ 52,224,359 | $ 52,422,903 |

### 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. SACOG's investments in the County of Sacramento, County of Sutter, County of Yolo and County of Yuba's investment pools are not rated.

### 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 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.

SACOG has no exposure to custodial credit risk because it primarily invests in external investment pools. The California Government Code does 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. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. At year end, the carrying amount of SACOG's cash deposits was $198,244 which was fully insured and collateralized.

## NOTE C — Cash and Investments, Continued

Fair Value Measurements
SACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As
of June 30, 2016, SACOG held no individual investments. All funds are invested in the County Treasurer's Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SACOG's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, the SACOG's proportionate share of investments in the County Treasurer's Investment Pool at June 30, 2016 of $52,224,359 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

## NOTE D — Receivables

Receivables as of June 30, 2016, for SACOG are as follows:

| Fund Name | Accounts Receivable | Due from Other Governments | Interest Receivable | Miscellaneous Accounts Receivable | Total |
|---|---|---|---|---|---|
| Planning and Administration | $ - | $ 6,202,711 | $ 54,699 | $ 2,723 | $ 6,260,133 |
| SACOG Financing Corporation | - | - | 20,372 | - | 20,372 |
| SECAT | - | - | 1,070 | - | 1,070 |
| PTMISEA | - | - | 95,456 | - | 95,456 |
| State Transit Assistance | - | 5,183,772 | 22,188 | - | 5,205,960 |
| Sacramento County Local Transportation Fund | - | 9,126,800 | 36,372 | - | 9,163,172 |
| Yuba County Local Transportation Fund | - | 209,100 | 161 | - | 209,261 |
| Sutter County Local Transportation Fund | - | 712,100 | 4,385 | - | 716,485 |
| Yolo County Local Transportation Fund | - | 1,625,600 | - | - | 1,625,600 |
| Capitol Valley Regional SAFE | 537,282 | - | 24,081 | 218 | 561,581 |
| Glenn County SAFE | 5,712 | - | 846 | - | 6,558 |
| **Total Receivables – Governmental Activities** | $ 542,994 | $ 23,060,083 | $ 259,630 | $ 2,941 | $ 23,865,648 |

The amount of receivables not expected to be collected in one year is $44,220. This amount is made up of retention withheld on grants.

## NOTE E — Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | June 30, 2015 | Additions | Deletions | June 30, 2016 |
|---|---|---|---|---|
| **SACOG** | | | | |
| Computers | $ 289,720 | $ 11,284 | $ - | $ 301,004 |
| Furniture and Equipment | 681,349 | - | - | 681,349 |
| Phones | 44,408 | - | - | 44,408 |
| Intangible Assets - Software | 214,855 | - | - | 214,855 |
| Leasehold Improvements | - | 47,851 | - | 47,851 |
| Automobiles | - | 31,620 | - | 31,620 |
| Total for SACOG | 1,230,332 | 90,755 | - | 1,321,087 |
| **Capitol Valley SAFE** | | | | |
| SAFE Equipment | 5,202,240 | - | 5,202,240 | - |
| **Glenn County SAFE** | | | | |
| SAFE Equipment | 195,659 | - | 195,659 | - |
| **Total Capital Assets** | 6,628,231 | 90,755 | 5,397,899 | 1,321,087 |
| **Less Accumulated Depreciation/Amortization for:** | | | | |
| **SACOG** | | | | |
| Computers | 227,002 | 22,340 | - | 249,342 |
| Furniture and Equipment | 645,299 | 8,836 | - | 654,135 |
| Phones | 4,758 | 6,344 | - | 11,102 |
| Intangible Assets - Software | 178,367 | 16,978 | - | 195,345 |
| Leasehold Improvements | - | 1,063 | - | 1,063 |
| Automobiles | - | 5,797 | - | 5,797 |
| Total for SACOG | 1,055,426 | 61,358 | - | 1,116,784 |
| **Capitol Valley SAFE** | | | | |
| SAFE Equipment | 5,202,240 | - | 5,202,240 | - |
| **Glenn County SAFE** | | | | |
| SAFE Equipment | 195,659 | - | 195,659 | - |
| **Total Accumulated Depreciation/Amortization** | 6,453,325 | 61,358 | 5,397,899 | 1,116,784 |
| **Net Book Value of Capital Assets** | | | | |
| SACOG | | | | |
| Computers | 62,718 | (11,056) | - | 51,662 |
| Furniture and Equipment | 36,050 | (8,836) | - | 27,214 |
| Phones | 39,650 | (6,344) | - | 33,306 |
| Intangible Assets - Software | 36,488 | (16,978) | - | 19,510 |
| Leasehold Improvements | - | 46,788 | - | 46,788 |
| Automobiles | - | 25,823 | - | 25,823 |
| Total for SACOG | 174,906 | 29,397 | - | 204,303 |
| **Capitol Valley SAFE** | | | | |
| SAFE Equipment | - | - | - | - |
| **Glenn County SAFE** | | | | |
| SAFE Equipment | - | - | - | - |
| **Total Net Book Value of Capital Assets** | $ 174,906 | $ 29,397 | $ - | $ 204,303 |

## NOTE E — Capital Assets, Continued

Depreciation expense was charged to the Planning and Administration fund governmental fund as follows:

| | | |
|---|---|---|
| Planning and Administration | $ | 61,358 |
| **Total depreciation expense** | **$** | **61,358** |

## NOTE F — Payables

Payables as of June 30, 2016, for SACOG are as follows:

| Fund Name | Accounts Payable | Accrued Liabilities | Due to Other Governments | Total |
|---|---|---|---|---|
| Planning and Administration | $ 2,455,859 | $ 74,297 | $ - | $ 2,530,156 |
| Sacramento Emergency Clean Air and Transportation Program | - | - | 233,239 | 233,239 |
| PTMISEA | - | - | 2,299,522 | 2,299,522 |
| State Transit Assistance Fund | - | - | 11,231,648 | 11,231,648 |
| Sacramento County Local Transportation Fund | - | - | 2,715,779 | 2,715,779 |
| Sutter County Local Transportation Fund | - | - | 439,120 | 439,120 |
| Yolo County Local Transportation Fund | - | - | 9,276,729 | 9,276,729 |
| Yuba County Local Transportation Fund | - | - | 158,511 | 158,511 |
| Capitol Valley Regional SAFE | 283,034 | - | - | 283,034 |
| Glenn County SAFE | 89,937 | - | - | 89,937 |
| Total Payables – Governmental Activities | $ 2,828,830 | $ 74,297 | $ 26,354,548 | $ 29,257,675 |

## NOTE G — Operating Lease

In July 2002, SACOG entered into a lease agreement to lease office space in the Meridian Plaza office building. SACOG moved into the building on August 18, 2003, and the lease commitment was for 10.5 years with early termination available after 7 years if the landlord sells the property within the first 5 years after completion. That lease was amended effective October 1, 2010. The lease term was extended for ten years through September 30, 2019, with new lease rates.

Rental expenditures for the fiscal year ended June 30, 2016 were $620,800. Credits for common area and rent costs were $6,835.

## NOTE G — Operating Lease, Continued

As of June 30, 2016, SACOG minimum lease payments required under the lease are as follows:

| Year ending June 30 | | |
|---|---|---|
| 2017 | $ | 638,369 |
| 2018 | | 644,226 |
| 2019 | | 661,796 |
| 2020 | | 166,913 |
| Total | $ | 2,111,304 |

## NOTE H — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2016, was as follows:

| | July 1, 2015 | Additions | Deletions | June 30, 2016 | Due within One year |
|---|---|---|---|---|---|
| Compensated Absences | $ 959,484 | $ 754,143 | $ 781,144 | $ 932,483 | $ 46,624 |

| Detailed Breakout of Additions and Deletions | | |
|---|---|---|
| Management Leave | 20,443 | 20,443 |
| Paid Time Off | 620,921 | 538,930 |
| Terminations/Special Pay Out | | 178,979 |
| Payroll Taxes | 12,496 | 42,792 |
| Increase in Value of Prior Years' Hours | 100,283 | |
| | 754,143 | 781,144 |

| Other Leave | | |
|---|---|---|
| Bereavement | 3,272 | 3,272 |
| Jury Duty | 2,660 | 2,660 |
| Holiday | 228,797 | 228,797 |
| Floating Holiday | 36,407 | 36,407 |
| | 271,136 | 271,136 |

A portion of the ending balance is expected to be paid out in the next fiscal year so is categorized as due within one year. The Planning and Administration fund is used to liquidate the compensated absences liability.

## NOTE I — Contingent Liabilities, Commitments and Long-Term Liabilities

SACOG has received federal and state grants for specific purposes that are subject to review and audit by the granting agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

Based on prior experience, SACOG believes such disallowance, if any, will be immaterial.

Commitments generally represent open consultant contracts, whereby the goods and services for which the contracts were set up, were not received or provided by the end of the year, and are expected to be liquidated in the following year(s). In some cases, certain longer term consultant contract amounts (commitments) are shown at their total amount, even though the work to be performed will cover multiple future years' activity and be funded by future revenues.

Commitments (purchase orders) for the Planning and Administration Fund are $3,906,593 at June 30, 2016. The PTMISEA Fund commitments (purchase orders) totaled $7,653,703 at June 30, 2016. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

In 2010, SACOG incurred a long-term severance liability (in lieu of an OPEB benefit) of $129,814 (that is separate from the OPEB CERBT information found in Note N) as a result of an agreement with an employee who retired from SACOG. Payments approximate $13,000 per year, over 10 years. The balance of this liability is $50,855 at June 30, 2016.

In 2012, Caltrans began an Incurred Cost Audit of various SACOG procedures, with primary emphasis on procurements and contract management. The timeframe for the audit was 2011-2014. Caltrans provided SACOG with a prognosis of their findings, and an initial proposal, which was to disallow $2.1 million in costs in April 2016. Much of the costs were incurred after the alleged defects were identified, but SACOG was not informed of the deficiencies so that corrections may be made to various processes, and thereby minimize the funds at risk until the draft audit report was received in April 2016.

Although SACOG does acknowledge some technical errors in some of its procurements and contract management, it has significant disagreements with the proposed findings and conclusions. SACOG believed that it has complied with the intent of the law and oversight regulations, and that taxpayer dollars have not been misspent, and the disallowance amount is extremely unreasonable compared to errors that actually took place.

In June 2016, this issue and management's detailed responses were communicated to the Board, as an informational item only. SACOG received a final determination and corrective action plan from Caltrans in January 2017, which requires SACOG to submit a plan to overmatch certain funding sources in the Overall Work Program for a total of $1,360,337 over a period of ten(10) years and repay Caltrans $26,776 for disallowed costs according to a mutually determined payment schedule.

## NOTE J — 401(a)/ Special Pay Plans

The Board of Directors has established three defined contribution plans (IRC Section 401(a)) for the employees. The plans are fully vested. As a defined contribution plan, benefits are dependent solely on amounts contributed to the plan plus investment earnings.

The first plan is the FICA-Alternative Plan. This plan is for temporary employees and interns. These employees are exempt from the Old Age and Survivors Disability portion of Social Security and employees contribute 7.5 percent of their gross pay to the plan. These funds are fully vested to the employee. Under this program, neither SACOG nor the employee contributes to Social Security. SACOG does not contribute to this plan, and it is funded solely by the employee.

The second plan is for year-end PTO hours and employees who terminate employment. Effective July 1, 2006, the negotiated agreement with the SACOG Employee Association effected an amendment to the contract provisions such that the cash value of Paid Time Off (PTO) leave in excess of 592 hours for those employees over age 50 is deposited to the Special Pay Plan. In addition, any employee who separates from SACOG employment will have the cash value of accumulated PTO hours over 80 hours deposited to the Special Pay Plan, subject to IRS limitation. In May 2010, the plan was amended to include contract employees age 35 and older that have a leave balance over 592 hours. Total contributions to this plan were $160,545 for the year. This plan is administered by ICMA retirement corporation.

The third plan is a voluntary 401(a) money purchase program for employees. SACOG does not contribute to the plan, and it is funded solely by the employee on a volunteer basis.

## NOTE K — Risk Management

SACOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SACOG reports its risk management activities in its Planning and Administration Fund and Capitol Valley Regional SAFE Special Revenue Fund. SACOG purchases commercial insurance through the Golden State Risk Management Authority, a pooled risk Joint Power Authority.

## NOTE K — Risk Management, Continued

SACOG's deductibles and maximum coverage are as follows:

| Coverage | Deductible | Maximum per Occurrence |
|---|---|---|
| General liability, bodily injury and property damage liability | $ - | $ 25,000,000 |
| Personal injury | - | 25,000,000 |
| Non-owned and hired automobile liability | - | 25,000,000 |
| Owned automobile liability | - | 25,000,000 |
| Public official errors and omissions | - | 25,000,000 |
| Fire damage | 1,000 | 600,000,000 |
| Uninsured motorist | - | 25,000,000 |
| Employment practice liability | - | 5,000,000 |
| Crime policy | 2,500 | 15,000,000 |
| Products and Completed Operations | - | 50,000,000 |
| Policy Property Limit | 1,000 | 600,000,000 |
| Insured Property Limit | 1,000 | 600,000,000 |

SACOG made one annual payment toward the premium. There was no deductible paid by SACOG regarding workers' compensation. The Planning and Administration Fund is used to record any worker's compensation claims.

To date, there have been no reductions in any of SACOG's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the last three years.

## NOTE L — Pension Plan

### PLAN DESCRIPTION

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple- Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. SACOG sponsors one miscellaneous rate Plan. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Assembly Bill (AB) 340 Pension reform created the Public Employees Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of "new member" under PEPRA. Employees who meet the definition of "classic member" hired on or after January 1, 2013 fall into the Tier II benefit formula.

## NOTE L — Pension Plan, Continued

### BENEFITS PROVIDED

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

| | MISCELLANEOUS | | |
|---|---|---|---|
| | Tier I | Tier II | PEPRA |
| Hire Date | Prior to May 1, 2011 | May 1, 2011 - December 31, 2012 | On or after January 1, 2013 |
| Benefit Formula | 2.5% @ 55 | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 55 | 55 | 62 |
| Monthly benefits, as a % of annual salary | 2.5% | 2% | 2% |
| Required employee contribution rates | 8% | 7% | 6.50% |
| Required employer contribution rates | 11.00% | 8.95% | 6.70% |

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed monthly. SACOG's required contribution for the unfunded liability was $680,643 in fiscal year 2016.

### CONTRIBUTIONS

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SACOG is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. During the year, SACOG paid 3.10 percent of the employees' contribution on behalf of its Tier I employees and the employee contributed the remaining 4.90 percent. For Tier II, SACOG paid 2.10 percent of the employee's contribution, and the employee contributed 4.90 percent. For the PEPRA Tier, SACOG paid 1.60 percent of the employee's contribution and the employee contributes the remaining 4.90 percent.

SACOG's contributions to the Plan for the year ended June 30, 2016 were $1,120,046 for Tier 1, $33,043 for Tier II, and $41,113 for PEPRA, for a total of $1,194,202.

## NOTE L — Pension Plan, Continued

### PENSION LIABILITIES, PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

As of June 30, 2016, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of $11,244,576.

SACOG's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015 using standard update procedures. SACOG's proportion of the net pension liability was based on a projection of the SACOG's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SACOG's proportionate share of the net pension liability as of June 30, 2014, and 2015 was as follows:

| | |
|---|---|
| Proportion - June 30, 2014 | 0.14297% |
| Proportion - June 30, 2015 | 0.16382% |
| Change - Increase (Decrease) | 0.02085% |

For the year ended June 30, 2016, SACOG recognized pension expense of $947,797. At June 30, 2016, SACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 63,077 | $ - |
| Changes in assumptions | - | 596,768 |
| Net differences between projected and actual earnings on plan investments | - | 299,167 |
| Changes in employer's proportion and differences between employer's contributions and proportionate share of contributions | 854,317 | - |
| Pension contributions subsequent to measurement date | 1,194,202 | - |
| Total | $ 2,111,596 | $ 895,935 |

$1,194,202 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year ended June 30 | |
|---|---|
| 2017 | $ 52,097 |
| 2018 | 45,164 |
| 2019 | (1,010) |
| 2020 | (74,792) |
| | $ 21,459 |

## NOTE L — Pension Plan, Continued

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

| | |
|---|---|
| Valuation Date | June 30, 2014 |
| Measurement Date | June 30, 2015 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.65% |
| Inflation | 2.75% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.65% (1) |
| Mortality | Based on CalPERS Experience Study |

(1)Net of pension plan investment expenses, including inflation

There was a change in the discount rate assumption for the June 30, 2015 measurement date. GASB 68, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. The underlying mortality assumptions and all other actuarial assumptions used in the June 2014 valuation were based on results of a 2010 CalPERS Experience Study for the period from 1997 to 2011. The experience study report can be obtained at CalPERS' website under Forms and Publications.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class

In determining the long-term expected rate of return, staff considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11- 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

## NOTE L — Pension Plan, Continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 (1) | Real Return Years 11+ (2) |
|---|---|---|---|
| Global Equity | 51.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0% | 0.99 | 2.43 |
| Inflation Sensitive | 6.0% | 0.45 | 3.36 |
| Private Equity | 10.0% | 6.83 | 6.95 |
| Real Estate | 10.0% | 4.50 | 5.13 |
| Infrastructure and Forestland | 2.0% | 4.50 | 5.09 |
| Liquidity | 2.0% | (0.55) | (1.05) |
| | 100% | | |

(1) An expected inflation of 2.5% used for this period
(2) An expected inflation of 3.0% used for this period

Discount Rate - The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section. CalPERS Board approved phased reduction of this rate over three years to 7% in December 2016.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the SACOG's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what SACOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | | |
|---|---|---|
| 1% Decrease | | 6.65% |
| Net Pension Liability | $ | 18,857,939 |
| | | |
| Current Discount Rate | | 7.65% |
| Net Pension Liability | $ | 11,244,576 |
| | | |
| 1% Increase | | 8.65% |
| Net Pension Liability | $ | 4,958,861 |

*Pension Plan Fiduciary Net Position* – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

## NOTE M — Other Post-Employment Health Benefits (OPEB)

### SACOG POST-RETIREMENT MEDICAL BENEFIT PLAN

***(A) Plan Description***

SACOG provides three-tier post-retirement health insurance coverage, in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA), Chapter One, Article 8 of the California Public Employees Retirement Law, to employees who retire under the Public Employee's Retirement System on or after attaining the age of 50.

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently $1,940.82 per month.
- Tier II employees, those hired after November 1, 2005, and before June 30, 2006, are funded based on the vesting schedule identified in Article 8 of the PEMHCA. Employees who have five years of SACOG service and five years of other PERS service shall receive the premium value of 50 percent of the Kaiser Bay Area/Sacramento Family rate. Tier II employees will also receive an additional 5 percent of the premium for each year up to 20 years of service which will entitle them to 100 percent of the Kaiser Bay Area/Sacramento Family rate.
- Tier III employees, those hired on or after July 1, 2006, are subject to the same vesting schedule as Tier II employees; however, their benefit is limited to the Kaiser/Sacramento Two-Party Basic premium, currently $1,390.22 per month.

In addition, employees hired prior to July 1, 2006, may "opt out" of any retiree health benefits in exchange for monthly cash payments, net of OASDI and Medicare premiums, equal to the Kaiser Bay Area/Sacramento Two-Party Basic premium as of the retirement date, for ten years from the date of retirement. As of June 30, 2016, 35 retirees and their spouses met the Tier I eligibility requirements; and there was one Tier II retiree and no Tier III retirees.

SACOG provides post-retirement health benefits to spouses, surviving spouses and dependent children (up to age 26) of eligible retirees.

SACOG's policy is to contribute the cost of retiree and dependent medical coverage based on the limits identified above. Once the eligible retiree has reached the age of 65, the retiree is required to enroll in Medicare, and the cost to SACOG decreases.

In an effort to further secure the funding of the OPEB obligation; in 2006 the SACOG Board of Directors directed that the funds in the SACOG Financing Corporation fund be assigned for the future costs of the employee post-retirement health benefits. At that time, the Board noted that its action was policy only and, if at some future date it is determined there is a better use for these funds, the policy could be modified or reversed. At June 30, 2016, the amount available in the fund is $3,889,283. Authority to establish and amend the benefit provisions of the plan resides with the SACOG Board of Directors.

## NOTE M — Other Post-Employment Health Benefits (OPEB), Continued

In July 2008, SACOG established an Other Post Employment Health Benefit (OPEB) irrevocable trust with the California Employer's Retiree Benefit Trust Program (CERBT) administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. This trust is used to accumulate resources to fund future benefits; however, it does not represent the activities of the plan. Financial statements of CERBT are included in the CalPERS CAFR. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

### *(B) Funding Policy*

The contribution rate is determined on an annual basis by an independent actuary and is authorized by the SACOG Board of Directors. The contribution rate is based on the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (for funding excess) over a period not to exceed thirty years. The ARC for the fiscal year ended June 30, 2016, was 5.77% of annual covered payroll.

### *(C) Annual OPEB Cost and Net OPEB Obligation*

For the fiscal year ended June 30, 2016, SACOG's annual OPEB cost (expense) was estimated to be $292,404; which was based on the actuarial dated July 1, 2015. SACOG contributed $344,108 for the year. The cumulative estimated Net OPEB Obligation at June 30, 2016, is $210,594.

| Description | Amount |
|---|---|
| Annual Required Contribution (ARC) | $ 292,404 |
| Interest on Net OPEB Obligation | 18,328 |
| Adjustment to Annual Required Contribution | (17,863) |
| Annual OPEB Cost | 292,869 |
| Contributions made | 344,108 |
| Increase in Net OPEB | (51,239) |
| Net OPEB Obligation at beginning of year | 261,833 |
| Net OPEB Obligation at end of year | $ 210,594 |

SACOG's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2016, 2015, and 2014, were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| 2014 | $329,998 | 100% | $261,833 |
| 2015 | $348,424 | 100% | $261,833 |
| 2016 | $292,404 | 100% | $210,594 |

## NOTE M — Other Post-Employment Health Benefits (OPEB), Continued

### *(D) Funded Status & Funding Progress*

As of June 30, 2015, the most recent actuarial valuation, the plan was 62 percent funded. The actuarial accrued liability for benefits was $5,845,136 and the actuarial value of assets was $3,613,870, resulting in an unfunded actuarial accrued liability (UAAL) of $2,231,266. The covered payroll (annual payroll of active employees covered by the plan) was $5,070,320, and the ratio of the UAAL to the covered payroll was 44 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In 2006, the Board of Directors assigned amounts in the SACOG Financing Corporation for the potential funding of retiree health benefits. At the time, the Board noted that its action was a policy only and, if at some future date it is determined there is a better use for these funds, the policy could be modified or reversed

### *(E) Actuarial Methods and Economic Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 4 percent. Both rates include a 2.75 percent inflation assumption.

The actuarial value of SACOG's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. SACOG's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2015, was twenty-four years.

SACOG participates in the California Employers Retiree Benefit Trust (CERBT) and the SACOG Board of Directors in October 2011 approved using Asset Strategy #1. The long-term investment goal of Strategy No. 1 is a 7.61 percent annual rate of return and as a result the valuation is based on a 7.61 discount rate. In November of 2014 the CALPERS Board of Administration approved the revision of the statement of Investment Policy, to reflect the recently adopted strategic asset allocation

## NOTE M — Other Post-Employment Health Benefits (OPEB), Continued

changes. The rate for Strategy No. 1 effective November 1, 2014 is a 7.28 percent annual rate of return.

The health care cost trend rate is projected to increase an average of 4% percent per year.

## NOTE N — Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $3.6 billion was set aside by the state as instructed by statute into the PTMISEA account. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA activity for SACOG for the fiscal years ended June 30, 2015, and 2016 are as follows:

| | PTMISEA |
|---|---|
| Cash Balance at June 30, 2014 | $ 19,220,954 |
| Receipts: Interest | (17,349) |
| Receipts: PTMISEA Funding | 10,780,660 |
| Disbursements: Mobile Acess Routers | (304,585) |
| Disbursements: Bus Recplacements, City of Elk Grove | (35,144) |
| Disbursements : Low Floor Buses, City of Folsom | (460,000) |
| Disbursements: Connect Card Implementation | (1,363,427) |
| Disbursements: Surveillance Equipment | (37,500) |
| Disbursements: Southline SSCP-Long Lead items | (697,310) |
| Disbursements: Downtown/Riverfront Streetcar | (1,023,692) |
| Disbursements: Civil Track Structures | (5,298,212) |
| Disbursements: Paratransit | (102,643) |
| Cash Balance at June 30, 2015 | 20,661,752 |
| Receipts: Interest | 59,023 |
| Receipts: PTMISEA Funding | 887,174 |
| Disbursements : Low Floor Buses, City of Folsom | (925,081) |
| Disbursements: Connect Card Implementation | (748,310) |
| Disbursements: Downtown/Riverfront Streetcar | (378,991) |
| Disbursements: Civil Track Structures | (1,693,117) |
| Disbursements: Wheelchair project YCTD | (479,767) |
| Cash Balance at June 30, 2016 | $ 17,382,683 |

## NOTE O — New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has released the following new standards during the last fiscal year.

GASB Statement No. 73 - In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015 except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. SACOG has not determined its effect on the financial statements for the provisions effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement No. 43, and Statement No. 50, Pension Disclosures. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. SACOG has not determined its effect on the financial statements.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. SACOG has not determined its effect on the financial statements.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is not effective until the fiscal year ending June 30, 2017. SACOG has not determined its effect on the financial statements.

## NOTE O — New Accounting Pronouncements, Continued

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. This Statement amends the scope and applicability of Statement 68 to exclude pensions provide to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pension through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement is not effective until the fiscal year ending June 30, 2017. SACOG has not determined its effect on the financial statements.

GASB Statement No. 80 – In January 2015, GASB issued Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. This Statement is not effective until the fiscal year ending June 30, 2017. SACOG has not determined its effect on the financial statements.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. SACOG has not determined its effect on the financial statements.

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, Pension Issues-An Amendment of GASB Statements No. 67, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice or financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. SACOG has not determined its effect on the financial statements.

## NOTE O — New Accounting Pronouncements, Continued

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. SACOG has not determined its effect on the financial statements.

# Required Supplementary Information
# Schedule of Funding Progress

For the Fiscal Year Ended June 30, 2016

## OTHER POST-EMPLOYMENT BENEFIT PLAN

| | A | B | C<br>(B-A) | D<br>(A/B) | E | F<br>(C/E) |
|---|---|---|---|---|---|---|
| Actual Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) (B-A) | Funded Ratio | Covered Payroll | UAAL as Percentage of Covered |
| 6/30/2011 | $2,578,675 | $5,494,630 | $2,915,955 | 47% | $4,499,386 | 65% |
| 6/30/2013 | $2,879,055 | $5,354,655 | $2,475,600 | 54% | $4,945,535 | 50% |
| 7/1/2015 | $3,613,870 | $5,845,136 | $2,231,266 | 62% | $5,070,320 | 44% |

# Required Supplementary Information

For the Fiscal Year Ended June 30, 2016

## Schedule of SACOG'S Proportionate Share Of The Net Pension Liability

LAST 10 YEARS*

| | 2016 | 2015 |
|---|---|---|
| SACOG's Proportion of the net pension liability | 0.16382% | 0.14297% |
| SACOG's Proportionate share of the net pension liability | $ 11,244,576 | $ 8,896,169 |
| Covered - employee payroll | $ 5,070,320 | $ 5,095,286 |
| SACOG's Proportionate Share of the net pension liability as a percentage of covered-employee payroll | 45.09% | 57.28% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.40% | 79.82% |
| Measement Date: | June 30, 2015 | June 30, 2014 |

**Notes to Schedule:**

* Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

# Required Supplementary Information

For the Fiscal Year Ended June 30, 2016

## Schedule of Contributions

LAST 10 YEARS*

| | 2016 | 2015 |
|---|---|---|
| Actuarially determined contributions | $ 1,194,202 | $ 984,832 |
| Contributions in relation to the actuarially determined contribution | 1,194,202 | 984,832 |
| Contribution deficiency (excess) | $ - | $ - |
| Covered-employee payroll | $ 5,066,256 | $ 5,070,320 |
| Contributions as a percentage of covered-employee payroll | 23.57% | 19.42% |

**Notes to Schedule**

* - Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

# Schedule of Revenues and Expenditures
# Board of Directors and Advocacy
# Budget And Actual
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Final Budget (over) and under budget |
| **Revenues:** | | | | |
| Member assessments | $ 375,988 | $ 375,988 | $ 375,988 | $ - |
| Investment earnings | 10,000 | 10,000 | 9,818 | (182) |
| Funds from Board and Advocacy Reserve | 38,974 | 38,974 | 26,680 | (12,294) |
| Total revenues | 424,962 | 424,962 | 412,486 | (12,476) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Meetings | 46,181 | 46,181 | 80,407 | (34,226) |
| Directors Fees | 60,000 | 60,000 | 45,445 | 14,555 |
| Consultant | 70,000 | 70,000 | 58,866 | 11,134 |
| Other (printing, supplies) | 12,000 | 12,000 | 13,929 | (1,929) |
| Memberships | 26,000 | 26,000 | 29,241 | (3,241) |
| Salaries and Benefits | 210,781 | 210,781 | 184,598 | 26,183 |
| Total expenditures | 424,962 | 424,962 | 412,486 | 12,476 |
| Excess of Expenditures over Revenues | $ - | $ - | $ - | $ - |

# Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2016

| | | |
|---|---|---|
| **DIRECT COSTS:** | | |
| Salaries | $ | 3,230,015 |
| **INDIRECT COSTS:** | | |
| Allocated Indirect Costs (69.70%): | | |
| Service costs | | 2,251,320 |
| Actual Indirect Costs: | | |
| Building expenses | | 627,635 |
| Career Development Program | | 64,409 |
| Consultants | | 193,000 |
| Depreciation | | 61,358 |
| Insurance | | 72,503 |
| Legal | | 92,152 |
| Office Equipment | | 43,835 |
| Office Equipment Maintenance | | 8,037 |
| Meetings | | 1,655 |
| Memberships | | 43,282 |
| Miscellaneous | | 8,359 |
| Travel Expenses | | 14,869 |
| Parking | | 7,510 |
| Postage | | 5,028 |
| Publications/Periodicals | | 2,442 |
| Salaries | | 991,498 |
| Computer Software and Maintenance | | 121,058 |
| Supplies | | 37,119 |
| Accounting Services | | 14,481 |
| Telecommunications | | 22,940 |
| Unemployment costs | | 5,333 |
| Temporary labor services | | 37,880 |
| Printing costs | | 1,979 |
| Total indirect costs | | 2,478,361 |
| Under-absorbed indirect costs | $ | (227,041) |

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# Statistical Section

For the Fiscal Year Ended June 30, 2016

The Statistical section contains comprehensive statistical data that relates to physical, economic, social and political characteristics of SACOG's ongoing operations and impact within the six-county region it serves. It is intended to provide users with a broad and more complete understanding of SACOG and its financial affairs than is possible from the financial statements and supporting schedules.

In this section, readers will find comparative information related to SACOG's revenue sources, expenditures, and demographics.

In addition, this section provides information related to demographic data encompassing the six-county region that SACOG serves, and other miscellaneous statistics pertaining to services provided by SACOG.

In contrast to the financial section, the statistical section information is not subject to independent audit.

## Index of Tables

# Net Position by Component

For Ten Fiscal Years Ended June 30

| | 2007 | | 2008 | | 2009 | | 2010 | |
|---|---|---|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES:** | | | | | | | | |
| Net Investment in Capital Assets | $ | 1,508,043 | $ | 2,624,670 | $ | 2,062,372 | $ | 1,282,726 |
| Restricted for Transportatio Projects | | - | | - | | - | | - |
| Restricted for Transportation Claimants | | 5,197,396 | | 7,119,396 | | 11,681,253 | | 13,895,556 |
| Unrestricted | | 11,573,273 | | 13,203,519 | | 27,759,660 | | 35,583,893 |
| **Total governmental activities Net Position** | $ | 18,278,712 | $ | 22,947,585 | $ | 41,503,285 | $ | 50,762,175 |

Note: For SACOG, governmental activities are the same as the Primary Government Activities. Therefore, the Primary Government Activent Activities section is not shown.

Source:
Agency Annual Reports `

# Net Position by Component

For Ten Fiscal Years Ended June 30

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 769,096 | $ 281,982 | $ 102,217 | $ 148,847 | $ 174,906 | $ 204,303 |
| - | - | 882,560 | 917,880 | 700,946 | 574,181 |
| 34,088,672 | 38,980,228 | 49,966,728 | 36,701,567 | 37,546,082 | 32,365,872 |
| 17,851,804 | 16,669,133 | 16,183,317 | 15,798,418 | 5,215,052 | 2,952,631 |
| $ 52,709,572 | $ 55,931,343 | $ 67,134,822 | $ 53,566,712 | $ 43,636,986 | $ 36,096,987 |

# Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009 * | 2010 |
|---|---|---|---|---|
| **EXPENSES** | | | | |
| Transportation Claimants | $ 92,928,882 | $ 71,889,819 | $ 62,570,554 | $ 62,176,903 |
| Planning and Administration | 14,015,459 | 11,103,987 | 14,959,542 | 17,283,003 |
| Sacramento Emergency Clean Air & Transportation Program | 12,250,196 | 5,926,133 | 8,984,793 | 2,494,831 |
| SACOG Managed Fund | - | - | 1,941,314 | 1,068,276 |
| PTMISEA | - | - | 68,584 | 4,742,226 |
| Capitol Valley SAFE | 2,274,985 | 5,431,978 | 2,302,480 | 2,431,941 |
| Glenn County SAFE | 35,230 | 101,897 | 30,311 | 33,236 |
| **Total Expenses** | $ 121,504,752 | $ 94,453,814 | $ 90,857,578 | $ 90,230,416 |
| **PROGRAM REVENUES** | | | | |
| Operating Grants and Contributions: | | | | |
| Planning and Administration | $ 10,313,252 | $ 12,260,257 | $ 16,900,076 | $ 14,153,990 |
| Sacramento Emergency Clean Air & Transportation Program | 12,250,196 | 5,926,133 | 11,437,452 | - |
| PTMISEA | | | 4,060,255 | 15,319,020 |
| Charges for Services: | | | | |
| Planning and Administration | 1,156,341 | 1,237,811 | 1,190,472 | 430,347 |
| SACOG Managed Fund | - | - | 3,051,000 | - |
| Capitol Valley SAFE | 2,215,115 | 2,208,656 | 2,195,851 | 2,145,307 |
| Glenn County SAFE | 30,515 | 30,876 | 30,243 | 29,386 |
| Total Program Revenues | 25,965,419 | 21,663,733 | 38,865,349 | 32,078,050 |
| **Net Expense** | $ (95,539,333) | $ (72,790,081) | $ (51,992,229) | $ (58,152,366) |
| **General Revenues and Other Changes in Net Assets** | | | | |
| State Shared Revenue - Sales and Use Taxes | $ 87,759,141 | $ 75,580,640 | $ 63,210,973 | $ 66,132,449 |
| Investment Earnings | 1,640,450 | 1,168,227 | 766,571 | 529,002 |
| In-Kind Revenue | - | - | - | 627,948 |
| Other | 489,765 | 710,086 | 653,710 | 121,857 |
| Loss on Disposal of Capital Assets | (103,720) | - | - | - |
| **Total General Revenues** | $ 89,785,636 | $ 77,458,953 | $ 64,631,254 | $ 67,411,256 |
| Change in Net Position | (5,753,697) | 4,668,872 | 12,639,025 | 9,258,890 |
| Net Position - Beginning | 24,032,409 | 18,278,712 | 28,864,260 | 41,503,285 |
| Prior Period Adjustment Pension Liability GASB 68 | | | | |
| Net Position - Ending | $ 18,278,712 | $ 22,947,584 | $ 41,503,285 | $ 50,762,175 |

*2009 numbers have been restated
Note; For SACOG, governmental activities are the same as the Primary Government

**2011. The SACOG Managed Fund activity was transferred into the SACOG Planning and Administration Fund due to GASB 54 reporting requirements.

*Source: Individual internal fund statements*

# Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

| 2011** | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 51,508,069 | $ 73,899,504 | $ 72,395,499 | $ 82,519,242 | $ 80,040,856 | $ 81,636,347 |
| 20,668,754 | 16,548,264 | 18,329,698 | 23,478,952 | 19,462,387 | 16,149,917 |
| 1,313 | 58,172 | - | - | - | - |
| n/a | n/a | n/a | n/a | n/a | n/a |
| 1,579,144 | 6,385,003 | 20,405,161 | 10,872,693 | 9,424,005 | 5,452,494 |
| 2,293,278 | 2,247,338 | 2,030,134 | 1,955,345 | 2,091,288 | 2,472,852 |
| 16,061 | 15,851 | 10,196 | 23,781 | 16,712 | 90,061 |
| $ 76,066,619 | $ 99,154,132 | $ 113,170,688 | $ 118,850,013 | $ 111,035,248 | $ 105,801,671 |
| $ 17,371,115 | $ 11,909,077 | $ 15,319,095 | $ 22,010,737 | $ 15,820,697 | $ 11,371,902 |
| - | - | - | - | - | - |
| 800,000 | 13,695,246 | 27,710,682 | 170,197 | 10,780,660 | 887,174 |
| 581,041 | 481,980 | 561,106 | 424,844 | 586,896 | 851,521 |
| - | - | - | - | - | - |
| 2,081,247 | 2,261,157 | 2,189,461 | 2,269,183 | 2,326,565 | 2,521,364 |
| 28,722 | 30,763 | 29,655 | 30,303 | 30,790 | 31,453 |
| 20,862,125 | 28,378,223 | 45,809,999 | 24,905,264 | 29,545,608 | 15,663,414 |
| $ (55,204,494) | $ (70,775,909) | $ (67,360,689) | $ (93,944,749) | $ (81,489,640) | $ (90,138,257) |
| $ 55,894,683 | $ 73,300,929 | $ 77,777,632 | $ 79,607,818 | $ 82,089,764 | $ 82,144,492 |
| 261,290 | 249,031 | 336,414 | 81,680 | (49,608) | 407,335 |
| 649,531 | 293,611 | 320,458 | 582,399 | - | - |
| 346,387 | 154,109 | 129,664 | 104,742 | 58,562 | 46,431 |
| - | - | - | - | - | - |
| $ 57,151,891 | $ 73,997,680 | $ 78,564,168 | $ 80,376,639 | $ 82,098,718 | $ 82,598,258 |
| 1,947,397 | 3,221,771 | 11,203,479 | (13,568,110) | 609,078 | (7,539,999) |
| 50,762,175 | 52,709,572 | 55,931,343 | 67,134,822 | 43,027,908 | 43,636,986 |
| $ 52,709,572 | $ 55,931,343 | $ 67,134,822 | $ 53,566,712 | $ 43,636,986 | $ 36,096,987 |

# Planning and Administration Fund
# Changes in Fund Balance

For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009* | 2010 |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Federal | $ 7,552,527 | $ 6,240,742 | $ 7,463,171 | $ 12,157,504 |
| State | 137,739 | 841,536 | 1,406,497 | 1,204,156 |
| Local | 1,278,986 | 1,072,500 | 1,012,580 | 743,493 |
| Charges for Services | 841,255 | 922,725 | 840,987 | 146,077 |
| Member Assessments | 315,086 | 315,086 | 349,485 | 284,270 |
| Investment Earnings | 176,007 | 109,952 | 80,243 | 12,696 |
| In-Kind | - | - | - | 625,448 |
| Other | 449,382 | 614,434 | 622,954 | 86,467 |
| Total Revenues | 10,750,982 | 10,116,975 | 11,775,917 | 15,260,111 |
| **EXPENDITURES** | | | | |
| Planning and Administration | 11,693,873 | 11,219,835 | 13,155,044 | 16,981,392 |
| Community Design Grants | - | - | - | - |
| Planning Grants | 1,121,115 | 1,343,608 | 1,188,305 | - |
| Payments to SMF agencies | - | - | - | - |
| Capital Outlay | 45,758 | 77,311 | 48,806 | 42,278 |
| Total Expenditures | 12,860,746 | 12,640,754 | 14,392,155 | 17,023,670 |
| Deficiency of Revenues under Expenditures | (2,109,764) | (2,523,779) | (2,616,238) | (1,763,559) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 2,918,782 | 2,468,402 | 2,301,584 | 2,033,399 |
| Transfers out | - | (28,748) | - | - |
| Change in Fund Balance | 809,018 | (84,125) | (314,654) | 269,840 |
| Fund Balance - Beginning | 2,793,316 | 3,602,334 | 3,518,209 | 3,203,555 |
| Fund Balance - Ending | $ 3,602,334 | $ 3,518,209 | $ 3,203,555 | $ 3,473,395 |
| **RESERVATIONS OF FUND BALANCE - PRE GASB 54** | | | | |
| Reserved for Prepaid Items | $ 69,377 | $ 70,833 | $ 118,876 | $ 68,505 |
| Unreserved, Designated for: | - | - | - | - |
| Contingencies | 700,000 | 700,000 | 700,000 | 700,000 |
| Operating Cash Reserve | - | - | 1,500,000 | 1,500,000 |
| Encumbrances | 1,553,754 | 1,513,569 | - | - |
| **Fund Balance Categories under GASB 54** | | | | |
| Nonspendable - prepaid Items | 129,903 | 168,856 | 212,056 | 151,573 |
| **Restricted:** | | | | |
| Restricted for Transportation Projects | - | - | - | - |
| **Committed:** | | | | |
| Board and Advocacy | - | - | - | - |
| Community Design Grantees | - | - | - | - |
| **Assigned:** | | | | |
| Legal Defense | - | - | - | - |
| Self Insurance | - | - | - | - |
| Project Specific Carryover Funds | - | - | - | 194,065 |
| GIS Receipients | - | - | - | 75,451 |
| **Unassigned:** | | | | |
| Unassigned Fund Balance | 1,149,300 | 1,064,951 | 672,623 | 783,801 |
| **Total Ending Fund Balance** | $ 3,602,334 | $ 3,518,209 | $ 3,203,555 | $ 3,473,395 |

*2009 was restated by $71,320

**2011 Beginning Fund Balance was restated as the SACOG Managed Fund was transferred into the Planning and Administration, in accordance with the new GASB 54 Reporting requirements.

Source: Individual internal fund statements

# Planning and Administration Fund
# Changes in Fund Balance

For Ten Fiscal Years Ended June 30

| 2011** | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 13,637,674 | $ 8,678,720 | $ 9,533,766 | $ 12,847,391 | $ 10,476,372 | $ 7,560,062 |
| 3,088,223 | 2,676,805 | 4,654,503 | 4,783,759 | 3,923,625 | 2,726,891 |
| 645,220 | 553,552 | 1,130,826 | 1,410,738 | 1,420,700 | 1,084,949 |
| 296,771 | 197,710 | 277,719 | 140,574 | 302,626 | 475,533 |
| 284,270 | 284,270 | 284,270 | 284,270 | 284,270 | 375,988 |
| 56,532 | 50,047 | 75,288 | 11,847 | (22,172) | 54,698 |
| 649,531 | 293,611 | 320,458 | 582,399 | - | - |
| 288,978 | 66,295 | 79,108 | 69,354 | 36,732 | 46,431 |
| 18,947,199 | 12,801,010 | 16,355,938 | 20,130,332 | 16,422,153 | 12,324,552 |
| | | | | | |
| 20,022,388 | 15,857,825 | 18,182,940 | 22,331,342 | 19,002,274 | 15,106,301 |
| 390,310 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 517,451 | 146,758 | 1,005,170 | 647,705 | 453,123 |
| 16,816 | 42,023 | 66,086 | 95,110 | 75,716 | 90,755 |
| 20,429,514 | 16,417,299 | 18,395,784 | 23,431,622 | 19,725,695 | 15,650,179 |
| | | | | | |
| (1,482,315) | (3,616,289) | (2,039,846) | (3,301,290) | (3,303,542) | (3,325,627) |
| | | | | | |
| 2,124,575 | 2,547,066 | 2,445,564 | 2,802,773 | 2,821,163 | 2,891,043 |
| - | - | - | - | - | - |
| | | | | | |
| 642,260 | (1,069,223) | 405,718 | (498,517) | (482,379) | (434,584) |
| | | | | | |
| 14,603,324 | 15,245,584 | 14,176,361 | 14,582,079 | 14,083,562 | 13,601,182 |
| | | | | | |
| $ 15,245,584 | $ 14,176,361 | $ 14,582,079 | $ 14,083,562 | $ 13,601,182 | $ 13,166,598 |
| | | | | | |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| | | | | | |
| 58,725 | 72,497 | 95,313 | 18,011 | 75,929 | 81,339 |
| | | | | | |
| - | - | 882,560 | 917,880 | 583,947 | 574,181 |
| | | | | | |
| 109,539 | 211,122 | 233,770 | 166,323 | 37,999 | 384 |
| 1,412,071 | 1,820,244 | 1,712,060 | 1,256,846 | 797,670 | 1,351,093 |
| | | | | | |
| 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| 194,065 | 193,182 | 193,182 | 193,182 | 193,182 | 193,182 |
| 62,397 | 89,897 | 117,397 | 139,897 | 162,397 | 184,897 |
| | | | | | |
| 12,708,787 | 11,089,419 | 10,647,797 | 10,691,423 | 11,050,059 | 10,081,522 |
| $ 15,245,584 | $ 14,176,361 | $ 14,582,079 | $ 14,083,562 | $ 13,601,183 | $ 13,166,598 |

# Changes in Fund Balances – Governmental Funds

## For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009* | 2010 |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Sales and Use Taxes | $ 87,759,141 | $ 75,580,640 | $ 63,210,973 | $ 66,132,449 |
| Vehicle registration fees and traffic fines | 2,245,630 | 2,239,532 | 2,226,094 | 2,174,693 |
| Intergovernmental: | | | | |
| Federal | 7,552,527 | 6,240,742 | 7,463,171 | 12,157,504 |
| State | 12,387,935 | 6,768,648 | 20,445,532 | 16,523,176 |
| Local | 2,622,986 | 5,410,000 | 7,540,080 | 792,331 |
| Charges for services | 841,255 | 922,725 | 840,987 | 146,077 |
| Member assessments | 315,086 | 315,086 | 349,485 | 284,270 |
| Investment earnings | 1,640,450 | 1,168,227 | 766,571 | 529,002 |
| In-Kind | - | - | 524,413 | 627,948 |
| Other | 489,765 | 710,086 | 129,297 | 121,857 |
| Total Revenues | 115,854,775 | 99,355,686 | 103,496,603 | 99,489,307 |
| **EXPENDITURES** | | | | |
| City of Elk Grove | 6,083,245 | 4,961,671 | 4,816,070 | 4,453,961 |
| City of Citrus Heights | 4,355,157 | 3,261,077 | 3,030,674 | 2,718,195 |
| City of Davis | 4,031,515 | 3,060,636 | 2,742,094 | 2,875,410 |
| City of Folsom | 3,417,484 | 2,611,488 | 2,469,833 | 2,342,024 |
| City of Galt | 1,141,920 | 863,102 | 817,643 | 745,182 |
| City of Isleton | 40,834 | 31,365 | 29,461 | 25,426 |
| City of Live Oak | 306,102 | 364,421 | 128,846 | 236,516 |
| City of Marysville | 8,856 | 48,781 | 39,846 | 67,049 |
| City of Sacramento | 384,147 | 517,112 | 314,308 | 253,973 |
| City of West Sacramento | 2,381,012 | 1,970,250 | 1,850,226 | 1,952,997 |
| City of Rancho Cordova | 46,767 | 38,710 | 39,750 | 32,551 |
| City of Wheatland | 113,644 | 109,987 | 57,047 | 73,562 |
| City of Winters | 413,239 | 313,752 | 283,631 | 292,099 |
| City of Woodland | 3,161,298 | 2,416,275 | 2,226,637 | 2,317,034 |
| City of Yuba City | 1,116,305 | 1,634,398 | 135,202 | 508,249 |
| County of Sacramento | 1,489,561 | 974,665 | 1,145,801 | 1,109,664 |
| County of Sutter | 729,615 | 906,757 | 232,880 | 538,880 |
| County of Yolo | 1,353,669 | 1,041,769 | 953,893 | 969,937 |
| County of Yuba | 699,670 | 895,991 | 311,142 | 549,293 |
| Sacramento Regional Transit District | 56,002,015 | 41,280,919 | 37,381,148 | 36,298,222 |
| Yolo County Transportation District | 171,433 | 95,753 | 67,986 | 143,020 |
| Yuba-Sutter Transit Authority | 3,338,658 | 2,764,093 | 1,765,555 | 2,268,254 |
| Paratransit, Inc | 2,142,736 | 1,726,847 | 1,730,882 | 1,405,405 |
| SAFE services | 408,988 | 368,075 | 348,682 | 403,004 |
| Freeway service patrol | 665,000 | 697,525 | 791,631 | 814,681 |
| Equipment and maintenance | 726,099 | 517,207 | 573,455 | 443,720 |
| Insurance and DMV fees | 20,567 | 19,719 | 19,666 | 17,365 |
| Planning and Administration (includes planning grants) | 13,923,774 | 13,605,568 | 14,912,347 | 17,118,422 |
| Other SAFE Projects | - | - | - | - |
| SACOG Managed Fund | - | - | 1,941,314 | 1,068,276 |
| Public Transportation Moderization Improvement & Service Enhancement | - | - | 68,584 | 4,742,226 |
| Community Design Grants | - | - | - | - |
| SECAT grants or refunds | 12,250,196 | 5,926,133 | 8,984,793 | 2,494,831 |
| Capital outlay | 45,758 | 2,500,319 | 48,806 | 42,278 |
| **Total Expenditures** | 120,969,264 | 95,524,365 | 90,259,833 | 89,321,706 |
| Excess of Revenues over Expenditures | (5,114,489) | 3,831,321 | 13,236,770 | 10,167,601 |
| **OTHER FINANCING USES** | | | | |
| Transfers in | 2,918,782 | 2,497,150 | 2,301,584 | 2,033,399 |
| Transfers out | (2,918,782) | (2,497,150) | (2,301,584) | (2,033,399) |
| Total other financing uses | - | - | - | - |
| Net Change in Fund Balances | (5,114,489) | 3,831,321 | 13,236,770 | 10,167,601 |
| Fund Balance - Beginning | 22,474,803 | 17,360,315 | 27,108,311 | 40,345,081 |
| **Fund Balance - Ending** | $ 17,360,314 | $ 21,191,636 | $ 40,345,081 | $ 50,512,682 |

*2009 was restated.

*Source: Individual internal fund statements*

# Changes in Fund Balances – Governmental Funds

## For Ten Fiscal Years Ended June 30

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 56,694,683 | $ 86,996,175 | $ 105,488,314 | $ 79,778,015 | $ 92,870,424 | $ 83,031,666 |
| 2,109,969 | 2,291,919 | 2,219,115 | 2,299,485 | 2,357,355 | 2,552,816 |
| 13,637,674 | 8,678,720 | 9,533,766 | 12,847,391 | 10,476,372 | 7,560,062 |
| 3,088,223 | 2,676,805 | 4,654,503 | 4,783,759 | 3,923,625 | 2,726,891 |
| 645,220 | 553,552 | 1,130,826 | 1,410,738 | 1,420,700 | 1,084,949 |
| 296,771 | 197,710 | 277,719 | 140,574 | 302,626 | 475,533 |
| 284,270 | 284,270 | 284,270 | 284,270 | 284,270 | 375,988 |
| 261,290 | 249,031 | 336,414 | 81,680 | (49,608) | 407,335 |
| 649,531 | 293,611 | 320,458 | 582,399 | - | - |
| 346,387 | 154,109 | 129,664 | 104,742 | 58,562 | 46,431 |
| 78,014,018 | 102,375,902 | 124,375,049 | 102,313,053 | 111,644,326 | 98,261,671 |
| 3,855,576 | 5,708,010 | 5,784,892 | 6,359,521 | 6,640,834 | 6,782,505 |
| 2,387,142 | 3,376,119 | 3,016,818 | 3,368,745 | 3,464,765 | 3,509,808 |
| 2,054,718 | 3,074,492 | 3,522,718 | 3,643,141 | 3,773,822 | 3,518,718 |
| 1,936,048 | 2,788,369 | 2,667,342 | 2,965,270 | 2,994,838 | 3,094,786 |
| 657,899 | 929,674 | 857,479 | 966,917 | 993,483 | 1,008,347 |
| 22,299 | 31,494 | 29,151 | 32,531 | 33,478 | 33,835 |
| 464,676 | 333,610 | 319,649 | 336,684 | 293,500 | 366,996 |
| - | - | | 77,028 | - | - |
| 270,420 | 331,851 | 295,055 | 339,472 | 353,082 | 357,147 |
| 1,487,468 | 2,132,866 | 2,514,725 | 2,651,674 | 2,757,538 | 2,574,828 |
| 34,747 | 42,932 | 41,159 | 47,641 | 49,906 | 50,994 |
| 45,266 | 62,663 | 55,756 | 85,968 | 51,472 | 63,164 |
| 219,278 | 312,839 | 338,503 | 367,905 | 381,115 | 353,484 |
| 1,755,475 | 2,523,464 | 2,840,885 | 2,993,489 | 3,109,907 | 2,898,327 |
| 2,787,330 | 1,345,087 | 1,464,744 | 1,696,190 | 1,289,439 | 1,540,935 |
| 1,051,691 | 1,365,862 | 1,579,742 | 1,681,590 | 1,667,857 | 1,693,570 |
| 1,232,138 | 715,189 | 679,161 | 756,226 | 641,138 | 774,868 |
| 735,302 | 1,042,866 | 1,258,760 | 1,366,234 | 1,381,364 | 1,255,389 |
| 374,072 | 352,238 | 410,109 | 883,272 | 359,374 | 395,445 |
| 27,382,646 | 43,151,709 | 40,062,709 | 44,128,867 | 44,967,605 | 45,903,513 |
| - | 201,715 | 2,807,839 | 2,872,942 | 2,732,566 | 203,485 |
| 1,264,700 | 2,251,612 | 214,427 | 213,026 | 140,588 | 3,268,262 |
| 1,489,178 | 1,824,843 | 1,633,876 | 1,882,136 | 1,963,186 | 1,987,941 |
| 384,153 | 360,441 | 436,837 | 367,588 | 364,335 | 814,681 |
| 834,494 | 851,210 | 848,418 | 831,623 | 857,834 | 886,303 |
| 450,983 | 459,685 | 455,440 | 656,886 | 584,818 | 414,471 |
| 21,255 | 19,780 | 20,393 | 11,291 | 21,462 | 22,293 |
| 20,156,239 | 15,945,296 | 18,258,075 | 22,443,080 | 19,281,825 | 15,531,462 |
| - | - | - | - | - | 866,767 |
| - | 517,451 | - | - | - | - |
| 1,579,144 | 6,385,003 | 20,405,161 | 10,872,693 | 9,424,005 | 5,452,494 |
| 390,310 | - | 146,758 | 1,005,170 | 647,705 | 453,123 |
| 1,313 | 58,172 | - | - | - | - |
| 16,816 | 42,023 | 66,086 | 95,110 | 75,716 | 90,755 |
| 75,342,776 | 98,538,565 | 113,032,667 | 115,999,910 | 111,298,557 | 106,168,696 |
| 2,671,242 | 3,837,337 | 11,342,382 | (13,686,857) | 345,769 | (7,907,025) |
| 2,124,575 | 2,547,066 | 2,445,564 | 2,445,564 | 2,821,163 | 2,891,043 |
| (2,124,575) | (2,547,066) | (2,445,564) | (2,445,564) | (2,821,163) | (2,891,043) |
| - | - | - | - | - | - |
| 2,671,242 | 3,837,337 | 11,342,382 | (13,686,857) | 345,769 | (7,907,025) |
| 50,512,682 | 53,183,924 | 57,021,261 | 68,363,643 | 54,676,786 | 55,022,555 |
| $ 53,183,924 | $ 57,021,261 | $ 68,363,643 | $ 54,676,786 | $ 55,022,555 | $ 47,115,530 |

# Components of Fund Balances

For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009* | 2010 |
|---|---|---|---|---|
| **MAJOR FUNDS - Pre GASB 54** | | | | |
| Reserved | $ 71,523 | $ 73,143 | $ 121,026 | $ 70,656 |
| Unreserved, designated for: | | | ` | |
| Contingencies | 760,000 | 760,000 | 760,000 | 700,000 |
| Operating Cash Reserve | - | - | 1,500,000 | 2,542,000 |
| Encumbrances | 1,553,754 | 1,513,569 | | |
| Glenn County SAFE | - | - | - | - |
| Board and Advocacy | 129,903 | 168,856 | 212,056 | 151,573 |
| Project Specific Carryover Funds | - | - | - | 194,065 |
| Community Design Grantees | - | - | - | 1,660,260 |
| Reserved for GIS receipients | - | - | - | 75,451 |
| Post Retirement Health Benefits | 3,543,559 | 3,699,737 | 3,789,940 | 2,785,847 |
| Total unreserved, designated | 5,987,216 | 6,142,162 | 6,261,996 | 8,109,196 |
| Unreserved, undesignated | 11,301,575 | 14,976,331 | 33,999,177 | 42,332,830 |
| **Fund Balance Categories under GASB 54** | | | | |
| Reserved for prepaid items | - | - | - | - |
| **Restricted:** | | | | |
| SECAT Program | - | - | - | - |
| PTMISEA Funds | - | - | - | - |
| State Transit Assistance Funds | - | | | |
| Local Transportation Funds - Sacramento County | - | - | - | - |
| Local Transportation Funds - Yuba County | - | - | - | - |
| Local Transportation Funds - Sutter County | - | - | - | - |
| Local Transportation Funds - Yolo County | - | - | - | - |
| Capitol Valley Regional SAFE | - | - | - | - |
| Glenn County SAFE | - | - | - | - |
| Restricted for Transportation Projects | | - | - | - |
| **Committed:** | | | | |
| Board and Advocacy | - | - | - | - |
| Community Design Grantees (SMF) | - | - | - | - |
| **Assigned:** | | | | |
| Legal Defense | - | - | - | - |
| Self Insurance | - | - | - | - |
| Project Specific Carryover Funds | - | - | - | - |
| GIS Receipients | - | - | - | - |
| Post Employment Benefits (OPEB) | - | - | - | - |
| Planning and Administration Fund | - | - | - | - |
| **Assigned:** | | | | |
| Unassigned Fund Balance | - | - | - | - |
| **Total Fund Balance** | $ 17,360,314 | $21,191,636 | $40,382,199 | $50,512,682 |

Unassigned Fund Balance

* 2009 was restated.

Format conforms with GASB 54 guidelines.

*Source: Agency Annual Reports*

# Components of Fund Balances

For Ten Fiscal Years Ended June 30

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 60,877 | 74,621 | 97,511 | 20,472 | 75,929 | 84,654 |
| 11,959 | - | - | - | - | - |
| 14,151,893 | 21,528,870 | 28,952,646 | 18,276,282 | 19,578,874 | 15,178,617 |
| 113,418 | 255,441 | (72,779) | 351,541 | 915,777 | - |
| 13,017,462 | 9,397,543 | 13,270,404 | 11,856,983 | 10,998,193 | 12,228,043 |
| 389,688 | 693,038 | 761,228 | 67,647 | 258,426 | 79,005 |
| 573,654 | 668,609 | 537,017 | 116,659 | 481,406 | 277,365 |
| 2,154,733 | 2,191,913 | 1,741,805 | 968,827 | (21,478) | 116,307 |
| 3,571,169 | 4,127,375 | 4,573,048 | 4,926,394 | 5,183,974 | 4,392,796 |
| 104,696 | 117,439 | 130,580 | 137,234 | 150,910 | 93,739 |
| - | - | 882,560 | 917,880 | 700,946 | 574,181 |
| 109,539 | 211,122 | 233,770 | 166,323 | 27,063 | 384 |
| 1,412,071 | 1,820,244 | 1,712,060 | 1,256,846 | 797,670 | 1,351,093 |
| 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| 194,065 | 193,182 | 193,182 | 193,182 | 193,182 | 193,182 |
| 62,397 | 89,897 | 117,397 | 139,897 | 162,397 | 184,897 |
| 2,805,516 | 2,820,548 | 3,885,417 | 3,889,196 | 3,875,291 | 3,909,655 |
| 1,042,000 | 1,042,000 | - | - | - | - |
| 12,708,787 | 11,089,419 | 10,647,797 | 10,691,423 | 10,943,995 | 7,751,612 |
| $53,183,924 | $57,021,261 | $68,363,643 | $54,676,786 | $55,022,555 | $47,115,530 |

# Total Population by Jurisdiction

For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **SACOG Region** | **2,236,491** | **2,266,234** | **2,290,482** | **2,312,406** | **2,327,914** | **2,341,006** | **2,360,844** | **2,378,721** | **2,404,700** | **2,439,231** |
| **El Dorado County** | **176,226** | **177,897** | **179,150** | **180,682** | **180,483** | **180,712** | **182,286** | **182,404** | **184,917** | **183,750** |
| Placerville | 10,204 | 10,275 | 10,324 | 10,365 | 10,306 | 10,369 | 10,441 | 10,527 | 10,673 | 10,702 |
| South Lake Tahoe | 21,888 | 21,737 | 21,517 | 21,407 | 21,328 | 21,343 | 21,498 | 21,409 | 21,738 | 20,807 |
| Unincorporated | 144,134 | 145,885 | 147,309 | 148,910 | 148,849 | 149,000 | 150,347 | 150,468 | 152,506 | 152,241 |
| **Placer County** | **325,985** | **333,805** | **340,995** | **347,133** | **351,463** | **355,328** | **357,463** | **366,115** | **369,454** | **373,976** |
| Auburn | 12,993 | 13,079 | 13,232 | 13,307 | 13,378 | 13,468 | 13,446 | 13,804 | 13,818 | 14,070 |
| Colfax | 1,815 | 1,822 | 1,843 | 1,946 | 1,966 | 1,977 | 1,969 | 1,998 | 1,994 | 2,068 |
| Lincoln | 38,360 | 40,726 | 41,787 | 42,589 | 43,144 | 43,572 | 43,818 | 45,206 | 45,837 | 47,339 |
| Loomis | 6,345 | 6,385 | 6,416 | 6,427 | 6,460 | 6,500 | 6,493 | 6,608 | 6,623 | 6,692 |
| Rocklin | 52,718 | 54,561 | 55,566 | 56,720 | 57,767 | 58,295 | 58,484 | 59,672 | 60,252 | 60,531 |
| Roseville | 108,503 | 111,259 | 114,869 | 118,180 | 120,307 | 122,060 | 123,514 | 126,956 | 128,382 | 134,073 |
| Unincorporated | 105,251 | 105,973 | 107,282 | 107,964 | 108,441 | 109,456 | 109,739 | 111,871 | 112,548 | 109,203 |
| **Sacramento County** | **1,380,172** | **1,394,510** | **1,406,168** | **1,417,259** | **1,427,961** | **1,435,153** | **1,445,806** | **1,454,406** | **1,470,912** | **1,495,297** |
| Citrus Heights | 83,552 | 83,347 | 83,317 | 83,382 | 83,583 | 83,881 | 84,345 | 84,544 | 85,147 | 86,291 |
| Elk Grove | 142,003 | 146,083 | 149,302 | 152,652 | 154,440 | 155,937 | 159,074 | 160,688 | 162,899 | 167,965 |
| Folsom | 69,257 | 71,064 | 71,625 | 72,139 | 72,393 | 72,725 | 72,294 | 74,014 | 74,909 | 77,246 |
| Galt | 22,996 | 23,371 | 23,584 | 23,654 | 23,757 | 24,076 | 24,185 | 24,289 | 24,607 | 25,450 |
| Isleton | 800 | 800 | 802 | 805 | 808 | 810 | 815 | 815 | 820 | 846 |
| Rancho Cordova | 59,502 | 61,526 | 62,724 | 64,024 | 65,475 | 66,093 | 66,927 | 67,839 | 69,112 | 72,203 |
| Sacramento | 452,711 | 458,965 | 463,633 | 466,740 | 469,477 | 470,956 | 473,509 | 475,122 | 480,105 | 485,683 |
| Unincorporated | 549,351 | 549,354 | 551,181 | 553,863 | 558,028 | 560,675 | 564,657 | 567,095 | 573,313 | 579,613 |
| **Sutter County** | **91,563** | **92,983** | **93,918** | **94,765** | **94,620** | **95,065** | **95,851** | **95,733** | **95,948** | **97,308** |
| Live Oak | 7,890 | 8,255 | 8,355 | 8,422 | 8,446 | 8,247 | 8,341 | 8,481 | 8,546 | 8,346 |
| Yuba City | 61,835 | 62,974 | 64,042 | 64,818 | 64,792 | 65,300 | 65,841 | 65,677 | 66,363 | 68,052 |
| Unincorporated | 21,838 | 21,754 | 21,521 | 21,525 | 21,382 | 21,518 | 21,669 | 21,575 | 21,039 | 20,910 |
| **Yolo County** | **192,826** | **196,219** | **198,642** | **200,484** | **201,071** | **202,133** | **205,999** | **206,381** | **209,393** | **214,555** |
| Davis | 64,412 | 64,712 | 65,143 | 65,558 | 65,421 | 65,052 | 66,471 | 66,656 | 66,757 | 68,314 |
| West Sacramento | 45,179 | 46,979 | 47,962 | 48,582 | 49,048 | 49,292 | 50,460 | 50,836 | 51,272 | 53,082 |
| Winters | 6,584 | 6,648 | 6,638 | 6,630 | 6,609 | 6,839 | 6,974 | 6,979 | 6,954 | 7,214 |
| Woodland | 52,917 | 54,118 | 54,750 | 55,400 | 55,345 | 55,646 | 56,908 | 57,223 | 57,525 | 57,526 |
| Unincorporated | 23,734 | 23,762 | 24,149 | 24,314 | 24,648 | 25,304 | 25,186 | 24,687 | 26,885 | 28,419 |
| **Yuba County** | **69,719** | **70,820** | **71,609** | **72,083** | **72,316** | **72,615** | **73,439** | **73,682** | **74,076** | **74,345** |
| Marysville | 12,312 | 12,285 | 12,310 | 12,304 | 12,098 | 12,104 | 12,250 | 12,266 | 12,051 | 12,010 |
| Wheatland | 3,489 | 3,488 | 3,506 | 3,519 | 3,459 | 3,469 | 3,493 | 3,495 | 3,437 | 3,519 |
| Unincorporated | 53,918 | 55,047 | 55,793 | 56,260 | 56,759 | 57,042 | 57,696 | 57,921 | 58,588 | 58,816 |

*Source* : State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State, California Department of Finance, Demographic Research Unit, as of of January 1, of each year.

# Total Households by County

For Ten Fiscal Years Ended June 30

| | 2007 | | 2008 | | 2009 | |
|---|---|---|---|---|---|---|
| | Total Units | Vacant | Total Units | Vacant | Total Units | Vacant |
| **SACOG Region** | **903,731** | **60,424** | **916,203** | **60,780** | **922,560** | **63,442** |
| El Dorado County | 82,695 | 13,992 | 83275 | 14,024 | 83,871 | 14,107 |
| Placer County | 144,207 | 15,603 | 147408 | 15,701 | 149,265 | 16,061 |
| Sacramento County | 545,287 | 23,720 | 551,219 | 23,627 | 553,916 | 23,874 |
| Sutter County | 33,069 | 1,485 | 33,491 | 1,503 | 33,681 | 1,506 |
| Yolo County | 71,755 | 2,533 | 73,138 | 2,563 | 73,811 | 4,347 |
| Yuba County | 26,718 | 3,091 | 27,672 | 3,362 | 28,016 | 3,547 |

| | 2010 | | 2011 | | 2012 | |
|---|---|---|---|---|---|---|
| | Total Units | Vacant | Total Units | Vacant | Total Units | Vacant |
| **SACOG Region** | **932,323** | **90,378** | **935,759** | **90,071** | **937,035** | **90,173** |
| El Dorado County | 88,121 | 17,926 | 88,272 | 17,957 | 88,300 | 17,965 |
| Placer County | 152,422 | 20,003 | 153,730 | 20,107 | 154,525 | 20,188 |
| Sacramento County | 555,335 | 41,944 | 556,973 | 42,060 | 558,209 | 42,143 |
| Sutter County | 33,846 | 2,421 | 33,920 | 2,426 | 33,935 | 2,427 |
| Yolo County | 74,984 | 4,178 | 75,326 | 4,192 | 74,379 | 4,171 |
| Yuba County | 27,615 | 3,906 | 27,538 | 3,329 | 27,687 | 3,279 |

| | 2013 | | 2014 | | 2015 | |
|---|---|---|---|---|---|---|
| | Total Units | Vacant | Total Units | Vacant | Total Units | Vacant |
| **SACOG Region** | **940,393** | **90,455** | **945,012** | **91,473** | **948,072** | **89,424** |
| El Dorado County | 88,495 | 17,999 | 88,950 | 18,072 | 89,293 | 18,471 |
| Placer County | 155,782 | 20,312 | 157,117 | 20,435 | 158,518 | 20,458 |
| Sacramento County | 559,806 | 42,244 | 561,460 | 42,353 | 562,950 | 41,311 |
| Sutter County | 33,971 | 2,430 | 34,080 | 2,437 | 34,140 | 2,736 |
| Yolo County | 74,589 | 4,184 | 75,600 | 4,884 | 75,231 | 3,931 |
| Yuba County | 27,750 | 3,286 | 27,805 | 3,292 | 27,940 | 2,517 |

| | 2016 | |
|---|---|---|
| | Total Units | Vacant |
| **SACOG Region** | **952,314** | **87,702** |
| El Dorado County | 89,675 | 20,038 |
| Placer County | 159,959 | 20,724 |
| Sacramento County | 564,517 | 37,602 |
| Sutter County | 34,205 | 2,701 |
| Yolo County | 75,869 | 3,781 |
| Yuba County | 28,089 | 2,856 |

Source: California Department of Finances E-5 City/County Population and Housing Estimates (Annual) (http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/ReportsPapers.php)
Note: Counts as of July 1, of each year.

# Labor Force & Unemployment by County

For Ten Fiscal Years Ended June 30

| | 2006 | | | | 2007 | | | |
|---|---|---|---|---|---|---|---|---|
| | Labor Force | Employment | Unemploy-ment | Rate | Labor Force | Employment | Unemploy-ment | Rate |
| **SACOG Region** | **1,107,500** | **1,052,900** | **54,600** | **4.9** | **1,126,700** | **1,063,100** | **63,600** | **6.0** |
| El Dorado County | 93,600 | 89,300 | 4,300 | 4.6 | 94,500 | 89,600 | 4,900 | 5.2 |
| Placer County | 169,000 | 161,900 | 7,100 | 4.2 | 174,400 | 165,900 | 8,500 | 4.9 |
| Sacramento County | 682,600 | 650,300 | 32,300 | 4.7 | 690,900 | 653,100 | 37,800 | 5.5 |
| Sutter County | 41,100 | 37,400 | 3,700 | 8.9 | 42,400 | 38,300 | 4,100 | 9.6 |
| Yolo County | 94,700 | 89,800 | 4,900 | 5.2 | 96,700 | 91,000 | 5,700 | 5.9 |
| Yuba County | 26,500 | 24,200 | 2,300 | 8.8 | 27,800 | 25,200 | 2,600 | 9.3 |

| | 2008 | | | | 2009 | | | |
|---|---|---|---|---|---|---|---|---|
| | Labor Force | Employment | Unemploy-ment | Rate | Labor Force | Employment | Unemploy-ment | Rate |
| **SACOG Region** | **1,128,600** | **1,045,200** | **83,400** | **7.4** | **1,128,400** | **997,800** | **130,600** | **11.6** |
| El Dorado County | 92,400 | 85,900 | 6,400 | 6.9 | 91,800 | 81,500 | 10,300 | 11.3 |
| Placer County | 176,200 | 164,700 | 11,500 | 6.5 | 179,000 | 160,100 | 18,900 | 10.6 |
| Sacramento County | 690,400 | 640,800 | 49,600 | 7.2 | 687,600 | 609,600 | 78,000 | 11.3 |
| Sutter County | 42,000 | 36,900 | 5,200 | 12.3 | 42,100 | 34,900 | 7,200 | 17.0 |
| Yolo County | 99,500 | 92,200 | 7,300 | 7.4 | 99,200 | 88,000 | 11,200 | 11.3 |
| Yuba County | 28,100 | 24,700 | 3,400 | 12.0 | 28,700 | 23,700 | 5,000 | 17.3 |

| | 2010 | | | | 2011 | | | |
|---|---|---|---|---|---|---|---|---|
| | Labor Force | Employment | Unemploy-ment | Rate | Labor Force | Employment | Unemploy-ment | Rate |
| **SACOG Region** | **1,111,000** | **966,700** | **144,500** | **13.0** | **1,110,800** | **974,400** | **136,500** | **12.3** |
| El Dorado County | 90,800 | 79,400 | 11,500 | 12.6 | 91,000 | 80,300 | 10,700 | 11.8 |
| Placer County | 177,100 | 156,800 | 20,300 | 11.5 | 175,100 | 156,200 | 18,900 | 10.8 |
| Sacramento County | 674,900 | 588,600 | 86,300 | 12.8 | 675,600 | 594,100 | 81,500 | 12.1 |
| Sutter County | 42,100 | 33,800 | 8,300 | 19.8 | 43,300 | 35,200 | 8,200 | 18.8 |
| Yolo County | 98,000 | 85,300 | 12,700 | 13.0 | 97,800 | 85,700 | 12,100 | 12.4 |
| Yuba County | 28,100 | 22,800 | 5,400 | 19.1 | 28,000 | 22,900 | 5,100 | 18.2 |

Source: Labor Force Data for Sub-County Areas (Annual), State of California Employment Development Department Labor Market Information Division (http://www.labormarketinfo.edd.ca.gov/)

# Labor Force & Unemployment by County

For Ten Fiscal Years ended June 30

| | 2012 | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | Labor Force | Employment | Unemploy-ment | Rate | Labor Force | Employment | Unemploy-ment | Rate |
| **SACOG Region** | **1,118,600** | **997,100** | **121,500** | **10.9** | **1,114,500** | **1,015,100** | **99,200** | **8.9** |
| El Dorado County | 90,500 | 81,100 | 9,400 | 10 | 90,100 | 82,600 | 7,500 | 8.3 |
| Placer County | 178,800 | 162,000 | 16,800 | 9 | 178,200 | 164,800 | 13,400 | 7.5 |
| Sacramento County | 680,200 | 608,400 | 71,800 | 11 | 678,200 | 619,100 | 59,000 | 8.7 |
| Sutter County | 42,800 | 35,300 | 7,500 | 18 | 42,600 | 36,200 | 6,400 | 14.9 |
| Yolo County | 98,500 | 87,200 | 11,300 | 12 | 97,900 | 88,700 | 9,200 | 9.4 |
| Yuba County | 27,800 | 23,100 | 4,700 | 17 | 27,500 | 23,700 | 3,700 | 13.6 |

| | 2014 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Labor Force | Employment | Unemploy-ment | Rate | Labor Force | Employment | Unemploy-ment | Rate |
| **SACOG Region** | **1,122,000** | **1,038,000** | **84,000** | | **1,133,100** | **1,063,600** | **69,600** | |
| El Dorado County | 88,800 | 82,600 | 6,200 | 7.0 | 89,100 | 84,100 | 5,100 | 5.7 |
| Placer County | 176,500 | 165,400 | 11,100 | 6.3 | 178,200 | 169,200 | 9,000 | 5.0 |
| Sacramento County | 682,200 | 632,200 | 50,000 | 7.3 | 689,000 | 647,600 | 41,400 | 6.0 |
| Sutter County | 44,500 | 38,800 | 5,700 | 12.7 | 44,800 | 40,000 | 4,800 | 10.8 |
| Yolo County | 101,800 | 94,000 | 7,800 | 7.7 | 103,900 | 97,200 | 6,700 | 6.4 |
| Yuba County | 28,200 | 25,000 | 3,200 | 11.2 | 28,100 | 25,500 | 2,600 | 9.2 |

Source: Labor Force Data for Sub-County Areas (Annual), State of California Employment Development Department Labor Market

# Largest Employment Centers by County*

For Last Two Fiscal Years

**El Dorado County**

| 2014 | | | 2015 | | |
|---|---|---|---|---|---|
| Employer | # of Emps | % | Employer | # of Emps | % |
| El Dorado County | 1,850 | 3.7% | Blue Shield of California | 2,069 | 3.9% |
| Blue Shield of California | 1,839 | 3.6% | El Dorado County | 1,859 | 3.5% |
| Marshall Medical Center | 1,502 | 3.0% | Red Hawk Casino | 1,250 | 2.4% |
| Red Hawk Casino | 1,400 | 2.8% | Marshall Medical Center | 1,154 | 2.2% |
| DST Output | 850 | 1.7% | DST Output | 850 | 1.6% |
| U.S. Government | 800 | 1.6% | Barton Health | 839 | 1.6% |
| State of California | 693 | 1.4% | State of California | 764 | 1.5% |
| Barton Health | 604 | 1.2% | Safeway Inc. | 703 | 1.3% |
| El Dorado County Office of Education | 600 | 1.2% | El Dorado Union High School District | 670 | 1.3% |
| Sierra-at-Tahoe Resort LLC | 600 | 1.2% | El Dorado County Office of Education | 664 | 1.3% |
| El Dorado Union High School District | 595 | 1.2% | Sierra-at-Tahoe Resort LLC | 650 | 1.2% |
| Raley's Inc. | 504 | 1.0% | | | 0.0% |
| County Employment Estimate | 50,600 | 100.0% | County Employment Estimate | 52,500 | 100.0% |

**Placer County**

| 2014 | | | 2015 | | |
|---|---|---|---|---|---|
| Employer | # of Emps | % | Employer | # of Emps | % |
| Sutter Health | 3,890 | 2.7% | Kaiser Permanente | 3,839 | 2.5% |
| Kaiser Permanente | 3,826 | 2.6% | Sutter Health | 3,693 | 2.4% |
| Squaw Valley Resort | 2,500 | 1.7% | Squaw Valley Resort | 2,500 | 1.6% |
| Thunder Valley Casino Resort | 2,391 | 1.6% | Placer County | 2,378 | 1.6% |
| Placer County | 2,300 | 1.6% | Hewlett-Packard Co. | 2,000 | 1.3% |
| Hewlett-Packard Co. | 2,230 | 1.5% | Thunder Valley Casino Resort | 1,875 | 1.2% |
| City of Roseville | 1,254 | 0.9% | Pride Industries | 1,221 | 0.8% |
| Pride Industries | 1,164 | 0.8% | Safeway Inc. | 1,218 | 0.8% |
| Roseville City School District | 1,006 | 0.7% | City of Roseville | 1,047 | 0.7% |
| State of California | 940 | 0.6% | Roseville City School District | 1,015 | 0.7% |
| Raley's Inc. | 909 | 0.6% | State of California | 993 | 0.7% |
| Wells Fargo & Co. | 800 | 0.5% | Raley's Inc. | 930 | 0.6% |
| County Employment Estimate | 145,500 | 100.0% | County Employment Estimate | 151,800 | 100.0% |

**Sacramento County**

| 2014 | | | 2015 | | |
|---|---|---|---|---|---|
| Employer | # of Emps | % | Employer | # of Emps | % |
| State of California | 72,220 | 12.0% | State of California | 74,329 | 12.1% |
| Sacramento County | 10,700 | 1.8% | Sacramento County | 10,598 | 1.7% |
| US Government | 9,906 | 1.6% | UC Davis Health System | 9,706 | 1.6% |
| Sutter Health Sacramento Sierra Region | 9,905 | 1.6% | US Government | 9,668 | 1.6% |
| Dignity Health | 7,352 | 1.2% | Sutter Health | 8,817 | 1.4% |
| Intel Corp | 6,212 | 1.0% | San Juan Unified School District | 7,523 | 1.2% |
| Kaiser Permanente | 6,000 | 1.0% | Kaiser Permanente | 6,464 | 1.1% |
| Elk Grove Unified School District | 5,421 | 0.9% | Dignity Health | 6,286 | 1.0% |
| Sacramento City Unified School District | 5,410 | 0.9% | Intel Corp | 6,200 | 1.0% |
| City of Sacramento | 4,200 | 0.7% | Elk Grove Unified School District | 5,758 | 0.9% |
| San Juan Unified School District | 4,140 | 0.7% | City of Sacramento | 4,262 | 0.7% |
| County Employment Estimate | 602,000 | 100.0% | County Employment Estimate | 615,600 | 100.0% |

(Continued)

# Largest Employment Centers by County*

For Last Two Fiscal Years

| Sutter County | | | | | |
|---|---|---|---|---|---|
| 2014 | | | 2015 | | |
| Employer | # of Emps | % | Employer | # of Emps | % |
| Yuba City Unified School District | 1,500 | 5.3% | Sutter County | 925 | 3.2% |
| Sutter County | 920 | 3.2% | Wal-Mart | 500 | 3.2% |
| Wal-Mart | 650 | 2.3% | Sunsweet Growers | 600 | 1.7% |
| Sunsweet Growers | 630 | 2.2% | Novartis | 525 | 2.0% |
| Sutter County Office of Education | 550 | 1.9% | Sierra Gold Nurseries | 415 | 1.8% |
| Sutter Medical Foundation | 450 | 1.6% | Sutter Medical Foundation | 340 | 1.4% |
| Sysco Sacramento | 330 | 1.2% | Sysco Sacramento | 330 | 1.2% |
| Yuba City | 300 | 1.1% | Yuba City | 300 | 1.1% |
| Express Services | 300 | 1.1% | | | 1.0% |
| 4 Leaf Farm Labor | 300 | 1.1% | | | 0.0% |
| The Fountains | 300 | 1.1% | | | 0.0% |
| Sierra Gold Nurseries Inc | 300 | 1.1% | | | 0.0% |
| Live Oak Unified School District | 215 | 0.8% | | | 0.0% |
| County Employment Estimate | 28,400 | 100.0% | County Employment Estimate | 29,300 | 100.0% |

| Yolo County | | | | | |
|---|---|---|---|---|---|
| 2014 | | | 2015 | | |
| Employer | # of Emps | % | Employer | # of Emps | % |
| University of California, Davis | 30,532 | 30.1% | University of California, Davis | 30,815 | 29.2% |
| State of California | 2,704 | 2.7% | State of California | 2,753 | 2.6% |
| US Government | 2,182 | 2.1% | US Government | 2,323 | 2.2% |
| Cache Creek Casino Resort | 2,000 | 2.0% | Cache Creek Casino Resort | 2,180 | 2.1% |
| Yolo County | 1,350 | 1.3% | Yolo County | 1,517 | 1.4% |
| Woodland Joint Unified School District | 936 | 0.9% | United Parcel Service | 1,429 | 1.4% |
| Clark Pacific Corp | 850 | 0.8% | Woodland Joint Unified School District | 1,116 | 1.1% |
| Raley's Inc | 805 | 0.8% | Clark Pacific Corp | 1,016 | 1.0% |
| Woodland Healthcare | 783 | 0.8% | Raley's Inc | 794 | 0.8% |
| Sutter Davis Hospital | 750 | 0.7% | Woodland Memorial Hospital | 725 | 0.7% |
| Xerox Corp | 623 | 0.6% | Walgreens | 691 | 0.7% |
| Nugget Market Inc | 400 | 0.4% | Pacific Gas & Electric | 635 | 0.6% |
| City of Davis | 365 | 0.4% | Sutter Health | 601 | 0.6% |
| County Employment Estimate | 101,600 | 100.0% | County Employment Estimate | 105,600 | 100.0% |

| Yuba County | | | | | |
|---|---|---|---|---|---|
| 2014 | | | 2015 | | |
| Employer | # of Emps | % | Employer | # of Emps | % |
| Rideout Memorial Hospital | 1,800 | 11.3% | Rideout Memorial Hospital | 1,250 | 7.7% |
| Beale AFB | 1,300 | 8.2% | Beale AFB | 1,300 | 8.0% |
| Yuba County | 915 | 5.8% | Yuba County | 920 | 5.6% |
| State of California | 800 | 5.0% | State of California | 770 | 4.7% |
| Marysville Joint Unified School District | 650 | 4.1% | Marysville Joint Unified School District | 650 | 4.0% |
| Yuba Community College District | 550 | 3.5% | Yuba Community College District | 540 | 3.3% |
| WalMart | 400 | 2.5% | WalMart | 450 | 2.8% |
| Wheatland Elementary School District | 300 | 1.9% | Wheatland Elementary School District | 320 | 2.0% |
| Yuba county Office of Education | 250 | 1.6% | Yuba county Office of Education | 250 | 1.5% |
| Plumas Elementary School District | 230 | 1.4% | | | 0.0% |
| Pacific Gas & Electric | 220 | 1.4% | | | 0.0% |
| County Employment Estimate | 15,900 | 100.0% | County Employment Estimate | 16,300 | 100.0% |

# Public School Enrollment by County

For Ten Fiscal Years Ended June 30

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|
| **SACOG Region** | **394,681** | **395,240** | **397,285** | **398,098** | **399,127** |
| El Dorado | 29,332 | 29,417 | 29,662 | 29,336 | 29,972 |
| Placer | 63,742 | 64,401 | 65,708 | 67,088 | 68,278 |
| Sacramento | 239,026 | 238,233 | 238,346 | 237,722 | 236,936 |
| Sutter | 17,771 | 19,137 | 19,599 | 20,020 | 20,652 |
| Yolo | 29,460 | 29,493 | 29,507 | 29,591 | 29,366 |
| Yuba | 15,350 | 14,559 | 14,463 | 14,341 | 13,923 |

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---|---|---|---|---|
| **SACOG Region** | **400,310** | **401,784** | **402,061** | **403,258** | **406,734** |
| El Dorado | 29,781 | 29,441 | 27,237 | 26,960 | 26,987 |
| Placer | 68,815 | 69,831 | 70,141 | 70,496 | 71,435 |
| Sacramento | 237,362 | 238,290 | 240,216 | 241,022 | 242,725 |
| Sutter | 21,110 | 21,170 | 21,390 | 21,459 | 21,693 |
| Yolo | 29,404 | 29,250 | 29,185 | 29,345 | 29,681 |
| Yuba | 13,838 | 13,802 | 13,892 | 13,976 | 14,213 |

Source: County Reports (Annual), California Department of Education

# Total Acreage by County

| | Total Acreage |
|---|---|
| **SACOG Region** | **4,199,415** |
| El Dorado | 1,145,825 |
| Placer | 959,744 |
| Sacramento | 637,640 |
| Sutter | 389,537 |
| Yolo | 654,720 |
| Yuba | 411,950 |

Source: U.S. Census Bureau, Census 2000 Tiger Line File

# Average Annual Wages by County

For Ten Fiscal Years Ended June 30

| | 2006 | | 2007 | | 2008 | | 2009 | |
|---|---|---|---|---|---|---|---|---|
| | Average Weekly Wages | Average Annual Wages[1] | Average Weekly Wages | Average Annual Wages[1] | Average Weekly Wages | Average Annual Wages[1] | Average Weekly Wages | Average Annual Wages[1] |
| **SACOG Region** | **$782** | **$40,638** | **$808** | **$41,992** | **$833** | **$43,316** | **$842** | **$43,784** |
| El Dorado County | $693 | $36,049 | $719 | $37,384 | $742 | $38,584 | $748 | $38,896 |
| Placer County | $797 | $41,431 | $822 | $42,770 | $824 | $42,848 | $839 | $43,628 |
| Sacramento County | $816 | $42,418 | $842 | $43,773 | $867 | $45,084 | $875 | $45,500 |
| Sutter County | $580 | $30,183 | $590 | $30,687 | $608 | $31,616 | $629 | $32,708 |
| Yolo County | $719 | $37,396 | $753 | $39,170 | $776 | $40,352 | $777 | $40,404 |
| Yuba County | $627 | $32,627 | $663 | $34,454 | $701 | $36,452 | $716 | $37,232 |

| | 2010 | | 2011 | | 2012* | | 2013* | |
|---|---|---|---|---|---|---|---|---|
| | Average Weekly Wages | Average Annual Wages[1] | Average Weekly Wages | Average Annual Wages | Average Weekly Wages | Mean Annual Wages[2] | Average Weekly Wages | Average Annual Wages[2] |
| **SACOG Region** | **$861** | **$44,772** | **$876** | **$45,552** | **$997** | **$51,844** | **$997** | **$51,844** |
| El Dorado County | $736 | $38,272 | $740 | $38,490 | $1,005 | $52,261 | $1,005 | $52,238 |
| Placer County | $861 | $44,772 | $883 | $45,924 | $1,005 | $52,261 | $1,005 | $52,238 |
| Sacramento County | $899 | $46,748 | $915 | $47,557 | $1,005 | $52,261 | $1,005 | $52,238 |
| Sutter County | $628 | $32,656 | $639 | $33,249 | $820 | $42,633 | $821 | $42,676 |
| Yolo County | $790 | $41,080 | $799 | $41,534 | $1,005 | $52,261 | $1,005 | $52,238 |
| Yuba County | $750 | $39,000 | $754 | $39,185 | $820 | $42,633 | $821 | $42,676 |

| | 2014 | | 2015 | |
|---|---|---|---|---|
| | Average Weekly Wages | Average Annual Wages | Average Weekly Wages | Average Annual Wages[1] |
| **SACOG Region** | **$919** | **$47,788** | **$954** | **$49,614** |
| El Dorado County | $805 | $41,860 | $837 | $43,524 |
| Placer County | $947 | $49,244 | $989 | $51,428 |
| Sacramento County | $948 | $49,296 | $983 | $51,116 |
| Sutter County | $682 | $35,464 | $714 | $37,128 |
| Yolo County | $847 | $44,044 | $872 | $45,344 |
| Yuba County | $774 | $40,248 | $823 | $42,796 |

* Data for 2012 and 2013 were only available at the Metropolitan Statistical Area (MSA) level, individual county level data was

Source: California Employment Development Department, Labor Market Information Division

[1]Average Annual Wages based upon Average Weekly Wages

[2] Average Weekly Wages based upon Average Annual Wages (of 1st Quarter of Employment data)

# Transit Providers by County

| SACOG REGION | TRANSIT PROVIDERS |
|---|---|
| **El Dorado County** | El Dorado Transit |
| **Placer County** | Auburn Transit<br>Lincoln Transit<br>Placer County Transit<br>Roseville Transit |
| **Sacramento County** | Elk Grove Transit<br>Folsom Stage Lines<br>Paratransit, Inc.<br>Sacramento Regional Transit District<br>South County Transit/LINK |
| **Yolo County** | Davis Community Transit<br>UC Davis - TAPS<br>Unitrans<br>Yolo County Transportation District |
| **Yuba-Sutter County** | Yuba-Sutter Transit |

Source: SACOG

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# Summary of Full-Time Equivalent Employees
# By Function & Program
For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **FUNCTION** | | | | | | | | | | |
| Chief Executive Officer* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chief Operations Officer/General Counsel | | | | | | | 1 | 1 | 1 | 1 |
| Administration | 6 | 6 | 9 | 8 | 9 | 9 | 8 | 8 | 8 | 9 |
| Finance | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 3 | 3 | 4 |
| Research Analysts* | 11 | 13 | 9 | 10 | 12 | 12 | 11 | 11 | 11 | 11 |
| Information Technology | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Planning | 20 | 18 | 19 | 19 | 19 | 19 | 23 | 22 | 22 | 21 |
| Public Affairs and Communications | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 5 | 6 | 7 |
| Interns | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 1 |
| **Total Approved Full-Time Positions** | **50** | **51** | **51** | **51** | **54** | **53** | **57** | **54** | **56** | **56** |

*Formerly called Executive Director

# Summary of Full-Time Equivalent Employees
# By Project

For Ten Fiscal Years Ended June 30

| | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|
| **Direct Projects** | | | | |
| Interagency Relations and Program Management | 1.2 | 1.4 | n/a | n/a |
| Project Delivery and Programming | 3.7 | 3.0 | n/a | n/a |
| Multimodal Transportation Planning and Coordination | 6.1 | 6.1 | n/a | n/a |
| Air Quality Planning, Analysis and Coordination | 0.8 | 2.0 | n/a | n/a |
| Transit Planning and Coordination | 4.0 | 4.0 | n/a | n/a |
| Housing and Land Use | 3.3 | 0.6 | n/a | n/a |
| Regional Monitoring and Forecasting | 10.5 | 5.7 | n/a | n/a |
| Geographic Information Systems | n/a | n/a | n/a | n/a |
| Public Information/Outreach and Advocacy | 4.0 | 3.8 | n/a | n/a |
| Services | 1.2 | 1.5 | n/a | n/a |
| Special Projects and Local Technical Assistance/NEPA Linkages | 0.7 | 1.0 | n/a | n/a |
| Regional Blueprint Programming | 0.6 | n/a | n/a | n/a |
| Metropolitan Transportation Plan | n/a | 9.1 | n/a | n/a |
| Sustainable Communities Strategy Implementation Grant from Strategic Growth Council, Round #2 | n/a | n/a | n/a | n/a |
| Services to Other Agencies (pass-through) | 0.6 | 0.8 | n/a | n/a |
| Misc Other Funding | n/a | n/a | n/a | n/a |
| Government Relations, Public Affairs & Administration | n/a | n/a | 4.9 | 5.1 |
| Long-Range Transportation Planning | n/a | n/a | 10.1 | 3.5 |
| Short-Range Transportation Planning & Studies | n/a | n/a | 1.4 | 0.4 |
| Continuing Transportation Implementation | n/a | n/a | 5.7 | 11.0 |
| Land Use & Housing Planning | n/a | n/a | 8.7 | 11.1 |
| Public Services | n/a | n/a | 2.8 | 2.8 |
| Member & Agency Services | n/a | n/a | 4.9 | 4.7 |
| Services to Other Agencies | n/a | n/a | 0.9 | 0.5 |
| Board and Advocacy | 0.3 | 0.5 | 0.2 | 0.3 |
| Subtotal - Direct Projects | 37.0 | 39.5 | 39.6 | 39.4 |
| **Indirect** | 11.8 | 11.1 | 12.2 | 12.4 |
| **Total FTEs Based on Total Hours** | **48.8** | **50.6** | **51.8** | **51.8** |

# Summary of Full-Time Equivalent Employees
# By Project
For Ten Fiscal Years Ended June 30

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | 12.0 | 10.8 | 3.9 | 4.7 | 11.1 |
| n/a | n/a | n/a | 1.0 | 1.2 | 2.9 |
| n/ a | 0.2 | 0.3 | 0.2 | 0.1 | 0.7 |
| n/ a | n/ a | 0.2 | 0.6 | 0.4 | 1.1 |
| 4.5 | 4.7 | 4.0 | 5.6 | 6.1 | 5.5 |
| 6.0 | 3.7 | 3.5 | 4.2 | 3.0 | 1.7 |
| 1.1 | 2.8 | 1.3 | 2.3 | 1.6 | 2.5 |
| 8.9 | 6.8 | 7.8 | 6.9 | 8.1 | 6.7 |
| 10.2 | 4.4 | 3.5 | 6.8 | 8.4 | 4.2 |
| 2.7 | n/ a | n/ a | n/ a | n/ a | n/ a |
| 3.7 | 7.0 | 8.6 | 9.6 | 8.6 | 5.7 |
| 0.5 | 0.5 | 0.4 | 1.0 | 0.7 | 1.6 |
| 0.2 | 0.2 | 0.2 | 0.6 | 0.4 | 1.3 |
| 37.8 | 42.3 | 40.7 | 42.7 | 43.4 | 45.0 |
| 12.8 | 11.7 | 12.3 | 14.3 | 10.6 | 10.6 |
| **50.6** | **54.0** | **53.0** | **57.0** | **54.0** | **55.6** |

# Summary of Full-time Equivalent Employees
# By Project

Year Ended June 30, 2016

| | | 2016 |
|---|---|---|
| **Direct Projects** | | |
| Core and Long-Range Member, Agency, and Transportaion Services and Planning Activities | 100 | 27.3 |
| Discrtionary Tranportaion Planning Grant Activities | 200 | 2.1 |
| Other Planning Grant and Partnersips | 220 | 7.0 |
| Pass-Throug to other Agencies | 400 | 0.0 |
| Services to Other Agencies | 500 | 2.9 |
| Board and Advocacy | 990 | 1.8 |
| Subtotal - Direct Projects | | 41.1 |
| **Indirect** | | 12.9 |
| **Total FTEs Based on Total Hours** | | **54.0** |

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# Planning & Administration Fund
# Indirect Service Cost Comparison
For the 10 Years Ended June 30

| | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| **INDIRECT COSTS** | | | | |
| Building Costs | $ 641,863 | $ 638,875 | $ 677,089 | $ 601,854 |
| Career Development Program | 49,690 | 52,408 | 89,195 | 42,699 |
| Consultants | 39,071 | 116,034 | 269,661 | 100,131 |
| Depreciation | 136,081 | 133,337 | 86,257 | 82,426 |
| Insurance | 67,478 | 69,959 | 68,903 | 68,251 |
| Legal | 257,799 | 320,942 | 259,557 | 242,566 |
| Maintenance | 6,176 | 13,295 | 11,580 | 14,590 |
| Meetings | 12,099 | 5,300 | 12,187 | 7,269 |
| Memberships | 42,794 | 25,377 | 25,511 | 17,246 |
| Miscellaneous | 676 | 2,530 | 3,719 | 4,664 |
| Mileage | 11,408 | 14,093 | 12,915 | 14,171 |
| Office Equipment | 16,825 | 19,591 | 11,044 | 2,823 |
| Parking | 7,400 | 7,550 | 9,450 | 10,376 |
| Postage | 22,605 | 21,367 | 9,014 | 17,998 |
| Printing | 16,671 | 1,762 | 9,081 | (1,931) |
| Publications | 4,227 | 4,869 | 3,567 | 2,264 |
| Salaries and Benefits | 1,164,671 | 1,337,701 | 1,423,539 | 1,496,208 |
| Software & Maintenance | 36,601 | 49,921 | 51,418 | 62,364 |
| Supplies | 38,499 | 45,429 | 53,275 | 70,105 |
| Accounting Services | 8,169 | 17,065 | 9,420 | 9,844 |
| Unemployment Costs | - | - | - | - |
| Telephone/Telcommunications | 32,906 | 34,114 | 39,244 | 37,349 |
| Temporary services | 2,119 | 409 | 132 | 384 |
| OPEB ARC | - | - | - | 405,800 |
| **Total Indirect Costs** | $ 2,615,828 | $ 2,931,928 | $ 3,135,758 | $ 3,309,451 |

# Planning & Administration Fund
# Indirect Service Cost Comparison
For Ten Fiscal Years Ended June 30

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 582,991 | $ 575,236 | $ 597,186 | $ 602,173 | $ 595,752 | $ 627,635 |
| 46,247 | 50,103 | 50,515 | 58,748 | 40,713 | 64,409 |
| 45,655 | 45,455 | 38,972 | 91,669 | 156,099 | 193,000 |
| 45,844 | 44,537 | 42,462 | 47,330 | 49,658 | 61,358 |
| 68,376 | 67,924 | 69,721 | 76,403 | 69,777 | 72,503 |
| 245,404 | 40,782 | 78,814 | 67,426 | 95,132 | 92,152 |
| 6,762 | 3,439 | 5,366 | 8,537 | 9,377 | 8,037 |
| 8,737 | 8,678 | 4,798 | 2,052 | 1,916 | 1,655 |
| 28,795 | 11,663 | 4,818 | 6,412 | 24,701 | 43,282 |
| 4,660 | 5,242 | 5,960 | 5,972 | 10,458 | 8,359 |
| 13,749 | 13,717 | 10,548 | 11,392 | 12,799 | 14,869 |
| 4,520 | 12,499 | 14,878 | 32,878 | 48,062 | 43,835 |
| 10,200 | 10,650 | 9,925 | 8,300 | 8,607 | 7,510 |
| 10,462 | 8,219 | 6,954 | 6,739 | 3,819 | 5,028 |
| (18,297) | (8,146) | (6,204) | 14,266 | 2,209 | 22,944 |
| 2,686 | 1,497 | 2,589 | 1,885 | 2,057 | 2,442 |
| 1,475,280 | 1,600,335 | 1,911,553 | 1,560,919 | 1,683,761 | 991,498 |
| 86,315 | 66,675 | 63,373 | 72,148 | 120,135 | 121,058 |
| 56,512 | 45,136 | 49,377 | 26,867 | 39,181 | 16,154 |
| 12,943 | 10,189 | 12,142 | 39,153 | 12,567 | 14,481 |
| 4,279 | 1,281 | 4,619 | - | 4,520 | 5,333 |
| 40,350 | 45,640 | 35,154 | 37,542 | 25,512 | 22,940 |
| 403 | 1,623 | 865 | 41,062 | 20,154 | 37,880 |
| - | - | - | - | - | - |
| $ 2,782,873 | $ 2,662,374 | $ 3,014,385 | $ 2,819,873 | $ 3,036,966 | $ 2,478,361 |

# Capital Assets – by Fund

For Ten Fiscal Years Ended June 30

| | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| Planning and Administration Fund: | | | | |
| Furniture/equipment/computers | $ 379,209 | $ 313,598 | $ 235,902 | $ 109,415 |
| Capital Valley Regional SAFE: | | | | |
| Call boxes | 1,118,006 | 2,250,826 | 1,779,369 | 1,139,355 |
| Glenn County SAFE: | | | | |
| Call boxes | 10,828 | 60,245 | 47,101 | 33,956 |
| **Total** | $ 1,508,043 | $ 2,624,669 | $ 2,062,372 | $ 1,282,726 |

Source: Individual internal fund statements

# Capital Assets – by Fund
For Ten Fiscal Years Ended June 30

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| $ 80,386 | $ 77,873 | $ 102,217 | $ 148,847 | $ 174,906 | $ 204,303 |
| 667,898 | 196,441 | | | | |
| 20,812 | 7,668 | | | | |
| $ 769,096 | $ 281,982 | $ 102,217 | $ 148,847 | $ 174,906 | $ 204,303 |

# Miscellaneous Statistics

For Fiscal Year Ended June 30, 2016

| | |
|---|---|
| Date of Joint Powers Authority | In January 1965, the Sacramento Regional Area Planning Commission (SRAPC) was organized under the State Planning Law to provide a forum for elected officials to address multi-county problems, issues, and needs. In January 1981, SACOG succeeded SRAPC under a new Joint Powers agreement pursuant to section 6500 of the California Government Code. |
| Form of Government | Joint Powers Authority, Board of Directors. |
| Member Jurisdictions | Six counties and 22 Cities within the greater Sacramento Metropolitan Area. |
| Board of Directors | Board of Supervisors and City Council members appointed by their member jurisdictions, 31 members and one ex-officio member from Caltrans. |
| Board Committees | Government Relations & Public Affairs; Land Use & Natural Resources; Transportation; and Strategic Planning. |
| Board Terms | Board members serve multi-year terms and may be reappointed. The chair and vice-chair, elected by voting members of SACOG, serve one-year terms. |
| SACOG Mission | Provide leadership and a dynamic, collaborative public forum for achieving an efficient regional transportation system, innovative and integrated regional planning, and a high quality of life within the greater Sacramento region. |
| Regional Transportation Planning Agency | Sacramento, Sutter, Yolo, and Yuba Counties. |
| Metropolitan Planning Organization | Sacramento, Yuba City, and Davis Urbanized Areas and the Sacramento Metropolitan Planning Area. |
| Airport Land Use Commission | Sacramento, Sutter, Yolo, and Yuba Counties. |
| Service Authority for Freeways and Expressways | Sacramento, San Joaquin, Yolo, Yuba, and Sutter Counties. |
| Designated Recipient for Sacramento Large Urbanized Area | FTA Section 5316 Job Access Reverse Commute and Section 5317 New Freedom Programs. |

*Source: SACOG*

# Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2016

| | CFDA Number | Pass-through Grant Award Number | Federal Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|
| Department of Transportation | | | | |
| Passed through the State of California, Department of Transportation | | | | |
| Highway, Planning and Construction Cluster: | | | | |
| Highway Planning and Construction, Planning | 20.205 | 03-6085R | $ 2,828,285 | $ - |
| Highway Planning and Construction, CMAQ - Connect Card Implementation | 20.205 | 03-6085R | 226,171 | - |
| Highway Planning and Contstructon, CMAQ - Transportation Demand Management | 20.205 | 03-6085R | 1,280,742 | 343,191 |
| Highway Planning and Construction, CMAQ - SECAT Program | 20.205 | 03-6085R | 859,369 | - |
| Highway Planning and Construction, CMAQ - Regionl Bike Share | 20.205 | 03-6085R | 211,568 | - |
| Highway Planning anc Construction, CMAQ-SMAQMD FOR PEV GRANT | 20.205 | 03-6085R | 23,047 | - |
| Highway Planning and Construction, FHWA Partnership Planning | 20.205 | 03-6085R | 109,771 | - |
| Highway Planning and Construction, SAFE Routes to Schools Grant | 20.205 | 03-6085R | 10,000 | - |
| Highway Planning anc Construction, Regional Surface Transportation Program | 20.205 | 03-6085R | 237,404 | - |
| Subtotal - Highway, Planning and Construction Cluster: | | | 5,786,357 | 343,191 |
| Metropolitan Transportation Planning Program | 20.505 | 5304 Funds | 1,155,188 | 118,502 |
| Subtotal - Metropolitan Transportation Planning Program | | | 1,155,188 | 118,502 |
| Transit Services Programs Cluster: | | | | |
| Jobs Access and Reverse Commute Program | 20.516 | CA-37-X200 | 33,731 | 33,731 |
| Jobs Access and Reverse Commute Program | 20.516 | CA-37-X201 | 23,272 | 23,272 |
| Subtotal - Jobs Access and Reverse Commute Program | | | 57,003 | 57,003 |
| New Freedom Program | 20.521 | CA-57-0072-01 | 62,144 | 62,144 |
| New Freedom Program | 20.521 | CA-57-X060-01 | 35,889 | 35,889 |
| New Freedom Program | 20.521 | CA-57-X(4)072 | 11,260 | 11,260 |
| New Freedom Program | 20.521 | CA-57-0072-01 | 38,000 | 38,000 |
| Subtotal - New Freedom Program: | | | 147,293 | 147,293 |
| Subtotal - Transit Services Programs Cluster: | | | 204,296 | 204,296 |
| Federal Transit Cluster: | | | | |
| Federal Transit Formula Grants | 20.507 | CA-90-Z249 | 74,650 | - |
| Federal Transit Formula Grants | 20.507 | CA-90-Y989 | (790) | - |
| Federal Transit Formula Grants | 20.507 | CA-95-0275 | 173,106 | - |
| Federal Transit Formula Grants | 20.507 | CA-90-Y593 | 100,000 | - |
| Federal Transit Formula Grants | 20.507 | CA-90-2253-00 | 56,311 | - |
| Subtotal - Federal Transit Formula Grants | | | 403,277 | - |
| Federal Transit Capital Investment Grants | 20.500 | CA-2016-122-00 | 2,545 | - |
| | | | | - |
| Subtotal - Federal Transit Cluster: | | | 405,822 | - |
| Total Department of Transportation | | | $ 7,551,663 | $ 665,989 |
| Corporation for National and Community Service | | | | |
| Americorps funds | 94.006 | | 8,400 | - |
| Total Expenditures of Federal Awards | | | $ 7,560,063 | $ 665,989 |

# Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2016

## NOTE #1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Sacramento Area Council of Governments (SACOG) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SACOG, it is not intended to and does not present the financial position, changes in net position, or cash flows of SACOG.

## NOTE #2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE #3 – INDIRECT COST RATE

SACOG elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## NOTE #4 – FEDERAL CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

## NOTE #5 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule will show, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, SACOG has determined that no identifying number is assigned for the program or SACOG was unable to obtain an identifying number from the pass-through entity.

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements, and have issued our report thereon dated January 25, 2017. Our report included an emphasis-of-matter regarding SACOG's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, effective July 1, 2015. Our report includes a reference to other auditors who audited the fund financial statements of the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, as described in our report on SACOG's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## Internal Control over Financial Reporting

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

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

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



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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SACOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 25, 2017

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

**Report on Compliance for Each Major Federal Program**

We have audited the Sacramento Area Council of Government's (SACOG) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SACOG's major federal programs for the year ended June 30, 2016. SACOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, SACOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.



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**Report on Internal Control over Compliance**

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

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

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

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

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 25, 2017

**SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2016**

## I. SUMMARY OF AUDITORS' RESULTS

| | |
|---|---|
| FINANCIAL STATEMENTS | |
| Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiencies identified? | None reported |
| Noncompliance material to financial statements noted? | No |
| FEDERAL AWARDS | |
| Internal control over major federal programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major federal programs

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 20.205 | Highway Planning and Construction Cluster |
| 20.505 | Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 750,000 |
| Auditee qualified as low-risk auditee? | Yes |

**SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2016**

## II. FINANCIAL STATEMENT FINDINGS

None reported.

**SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2016**

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**YEAR ENDED JUNE 30, 2016**

None reported.

## WHAT WE DO

The Sacramento Area Council of Governments (SACOG) is an association of Sacramento Valley governments formed from the six regional counties—El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba—and 22 member cities. SACOG's directors are chosen from the elected boards of its member governments. SACOG's primary charge is to provide regional transportation planning and funding, as well as a forum for the study and resolution of regional issues. In this role, SACOG prepares the region's long-range transportation plan; approves distribution of affordable housing around the region; keeps a region-wide database for its own and local agency use; helps counties and cities use federal transportation funds in a timely way; assists in planning for transit, bicycle networks, clean air and airport land uses; and has completed the Blueprint Project which links transportation and land development more closely.

*This report was funded in part through grants from the Federal Highway Administration and Federal Transit Administration, U.S. Department of Transportation. The views and opinions of the authors or agency expressed herein do not necessarily state or reflect those of the U.S. Department of Transportation.*

## MANAGEMENT STAFF

**Kirk Trost**
Interim Chief Executive Officer/
General Counsel

**Matt Carpenter**
Director of Transportation Services

**Roberta Raper**
Finance Director

**Erik Johnson**
Manager of Policy & Administration

## PROJECT STAFF

**Stacy Niccum**
Finance Manager

**Jeri Krajewski**
Accountant

**Debra Overton**
Accounting Specialist

## SUPPORT STAFF

**Deepti Shah**
Administrative Assistant II

**Scott Overton**
Facilities Coordinator

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