



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



SACOG

Sacramento Area
Council of
Governments

SACRAMENTO, CALIFORNIA

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Patrick Kennedy, Sacramento County (Vice Chair)
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Krista Bernasconi, Roseville
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SACOG MISSION

Provide leadership and a dynamic, collaborative public forum for achieving an efficient regional transportation system, innovative and integrated regional planning, and high quality of life within the greater Sacramento region.

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Sacramento Area Council of Governments

1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Group
Loretta Su, Finance Director

Sacramento Area Council of Governments
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Sacramento Area Council of Governments

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Introductory Section

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December 29, 2022

Honorable Chair and Members of Board of Directors
Sacramento Area Council of Governments

We are pleased to present the basic financial statements of the Sacramento Area Council of Governments (SACOG) for the fiscal year ended June 30, 2022. 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. A comprehensive framework of internal controls has been designed and implemented to ensure the assets of SACOG are protected from loss, theft, or misuse, and to ensure that financial information is accurate and complete. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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 financial position including results of SACOG's operations. All disclosures necessary to enable the reader to gain an understanding of SACOG's financial activities have been included.

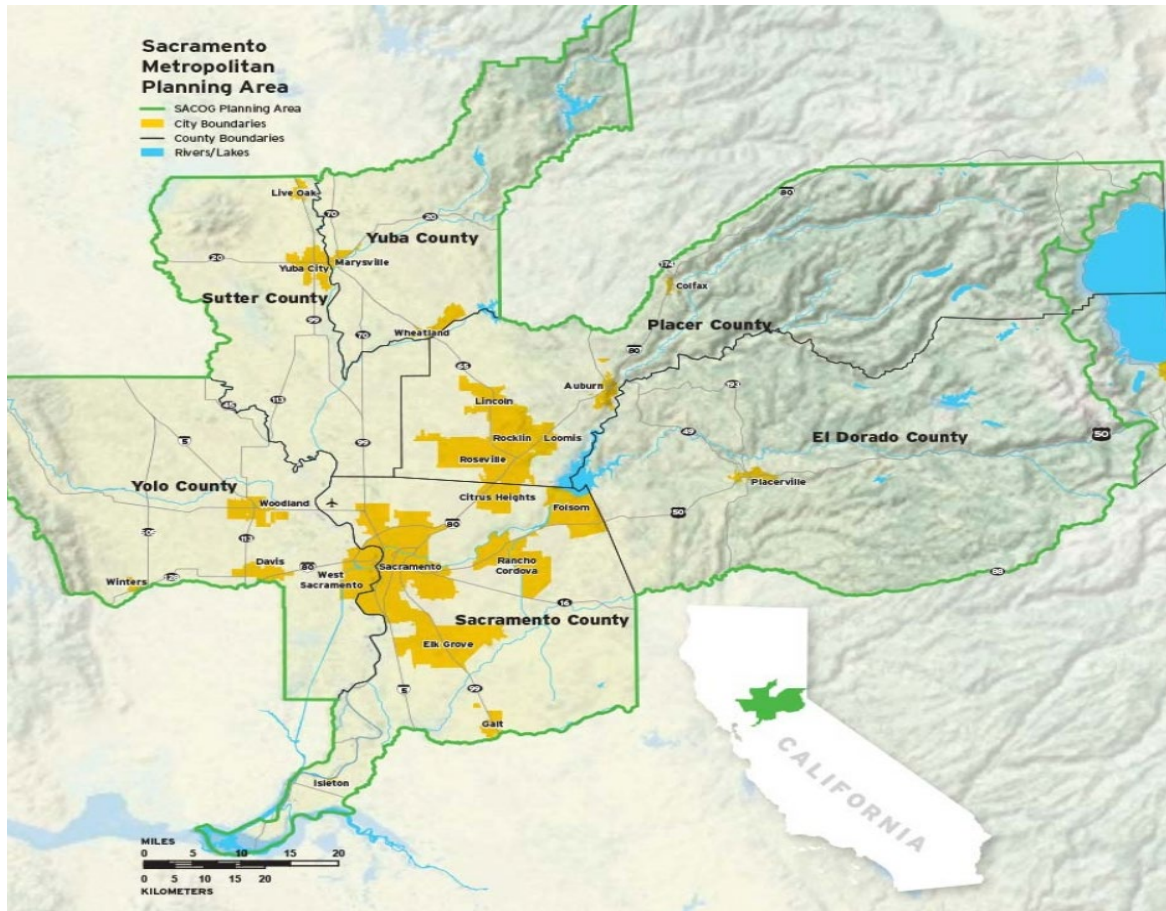
Eide Bailly has issued an unmodified ("clean") opinion on SACOG's financial statements for the fiscal year ended June 30, 2022. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Sacramento Area Council of Governments

The Sacramento Area Council of Governments (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 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.

Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Lincoln
Live Oak
Loomis
Marysville
Placer County
Placerville
Rancho Cordova
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Wheatland
Winters
Woodland
Yolo County
Yuba City
Yuba County

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: Policy and Innovation; 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.



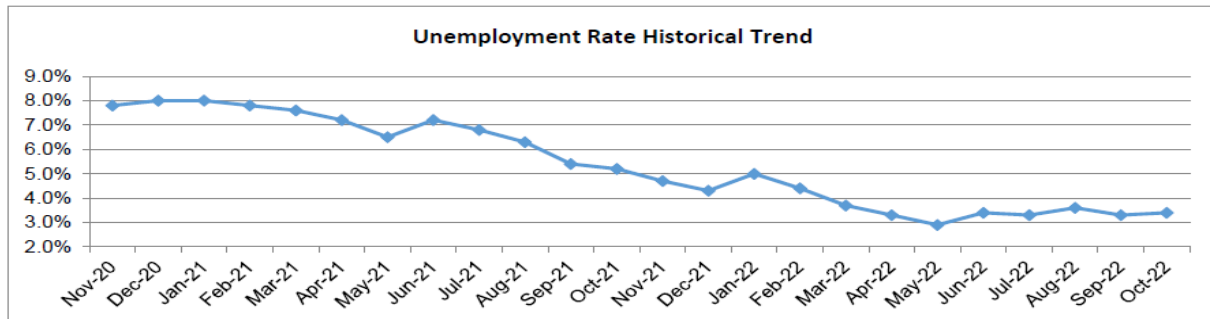
Factors Affecting Financial Condition

Local Economy

While the COVID-19 pandemic has presented unprecedented challenges, our local government and healthcare-based economy is expected to continue its economic recovery in 2022. However, the economy is expected to slow down in 2023 due to rising inflation, increases in unemployment and interest rate increases. While regional job growth is faster here than the rest of the nation, the Sacramento region is more middling among its peer group of fellow mid-sized regions. Over 56% of regional employment has been in government, education and health services and trade, transportation, and utilities. Government is still the region's largest sector, at 24% of total employment. Education/healthcare continues to be the second largest sector by employment. These key industries interface with Sacramento Region's service, hospitality, and government employers.

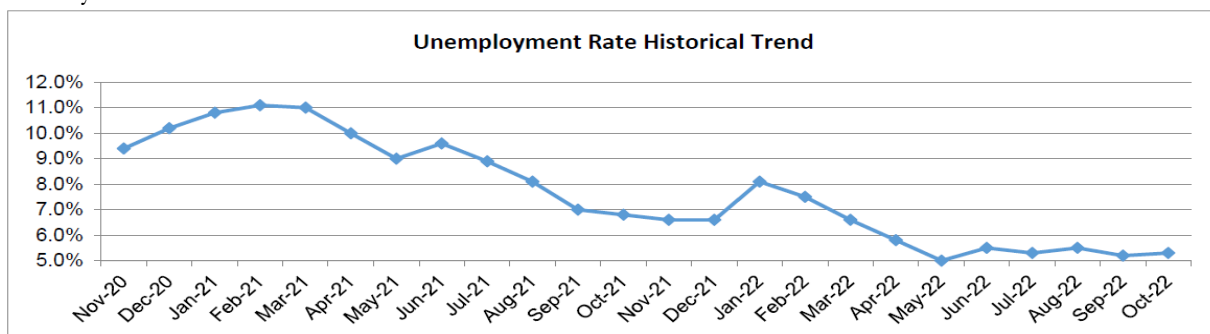
The SACOG region is home to two Metropolitan Statistical Areas (MSAs): Sacramento—Roseville-Arden-Arcade and Yuba City.

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 3.4 percent in October 2022, up from a revised 3.3 percent in September 2022, and below the year-ago estimate of 5.2 percent. This compares with an unadjusted unemployment rate of 3.8 percent for California and 3.4 percent for the nation during the same period. The unemployment rate was 2.8 percent in El Dorado County, 2.6 percent in Placer County, 3.7 percent in Sacramento County, and 3.3 percent in Yolo County.



Data Source: EDD Labor Market Information Division

The unemployment rate in the Yuba City MSA was 5.3 percent in October 2022, up from a revised 5.2 percent in September 2022, and below the year-ago estimate of 6.8 percent. This compares with an unadjusted unemployment rate of 3.8 percent for California and 3.4 percent for the nation during the same period. The unemployment rate was 5.6 percent in Sutter County, and 5.0 percent in Yuba County.



Data Source: EDD Labor Market Information Division

Between September 2022 and October 2022, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, increased by 9,100 to total 1,070,200 jobs.

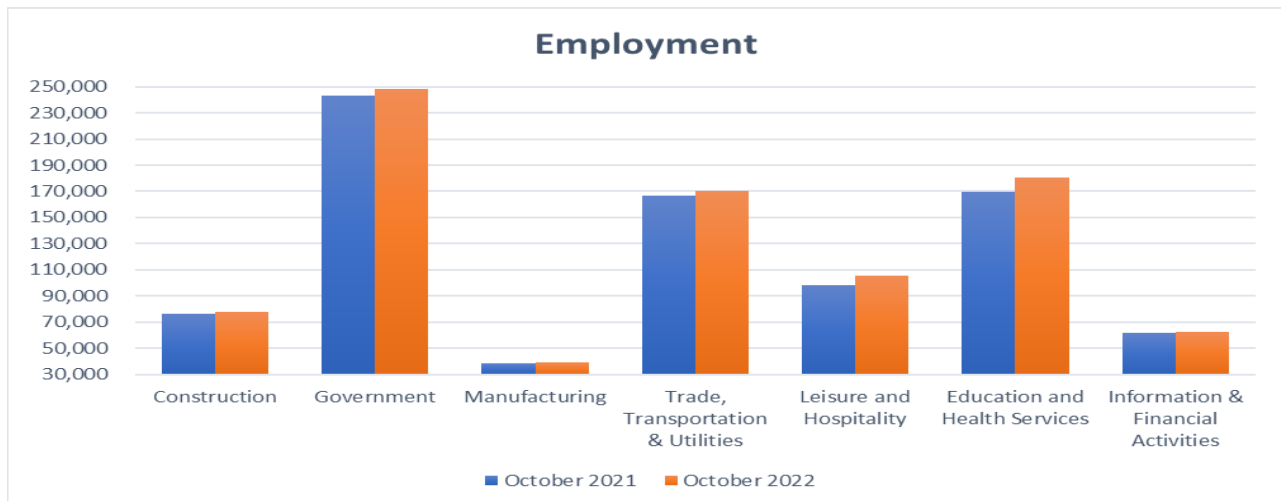
- The Government sector continued to lead the region in job gains in October, adding 3,700 jobs. Local government led the growth with the addition of 2,800 jobs. State government increased by 1,000 jobs while federal government reported a slight loss of 100 jobs.
- Education and health services reported a gain of 3,600 jobs with increases in healthcare and social assistance (up 3,200 jobs) and educational services (up 400 jobs).

- Employment in trade, transportation, and utilities expanded by 1,900 jobs from September to October. Within the industry sector, job additions were recorded in retail trade (up 1,200 jobs), transportation, warehousing, and utilities (up 500 jobs), and wholesale trade (up 200 jobs).
- On the downside, three industries declined over the month, led by construction (down 1,200 jobs), farms (down 400 jobs), and manufacturing (down 400 jobs).

Between September 2022 and October 2022, employment in the Yuba City Metropolitan Statistical Area declined in farm (down 300 jobs), leisure & hospitality had no changes, construction had no changes, government (up 100 jobs), and professional & business services also had no changes.

Between October 2021 and October 2022, total jobs in the region increased by 34,600 or 3.3 percent.

- Education and Health Services led the region in year-over-year growth, adding 11,600 jobs.
- Leisure and hospitality grew by 6,800 jobs since last October. Accommodation and food services gained 4,600 jobs. Arts, entertainment, and recreation jobs were up 2,200 jobs.
- Government jobs grew by 5,100 jobs.
- Trade, transportation, and utilities increased by 3,800 jobs.
- Additional year-over-year employment gains of over 1,000 jobs occurred in the following sectors: professional and business services (up 2,800 jobs), other services (up 2,100 jobs), and construction (up 1,100 jobs).



Data Source: EDD Labor Market Information Division

Long-Term Financial Planning

SACOG is primarily dependent upon formula revenues and planning grants from the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and the State of California. Most of these funds are passed through Caltrans. Additionally, SACOG receives an administrative and a transportation-planning fees for the administering the Transportation Development Act Funds (TDA). The TDA provides two major sources of funding: Local Transportation Fund (LTF) which is derived from a one-quarter state sales tax for the four counties (Sacramento, Sutter, Yolo, and Yuba) State Transit Assistance (STA) and State of Good Repair (SGR) which are derived from the statewide sales tax on diesel fuel. 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 2017, California State Legislature passed the Senate Bill 1, Road Repair and Accountability Act (SB 1) which is estimated to provide \$5.2 billion in annual funding in both competitive and formula distribution to cities, counties, transit agencies and Regional Transportation Planning Agencies such as SACOG starting in fiscal year 2018. At the same time, there is a forecasted long-term decline in state funding for transportation due to increasing fuel efficiency (and therefore lower gas tax revenues), which puts pressure on cities and counties to maintain existing infrastructure through other funding sources.

In November 2021, Congress passed a \$1.2 trillion Infrastructure Investments and Jobs Act (IIJA) that is the successor to surface transportation law to the FAST Act and provides certainty over at least five years for formula programs (through federal fiscal year 2026), along with a combination of one-time and ongoing funding increases. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation.

The COVID-19 pandemic has resulted in sudden and severely negative economic consequences for businesses and the economy and has impacted the regional economy beyond 2022. Amid record low employment and continued global supply chain challenges, businesses have strained to meet surging consumer demand. As a result, consumer prices have risen 8 percent over the last year, more than three times the norm of the last three decades. Additionally, with the rising inflation, the Federal Reserve has repeatedly enacted large interest rate increases throughout 2022 with the aim of cooling the economy and slowing inflation. The impacts on these interest rate hikes have slowed down home sales, stock prices are down 20% from the recent highs and changed in consumer spendings which will impact state tax collections. The long-term impact of the economy is still uncertain but it could potentially impact SACOG's revenues from sales taxes, one-time state grants, and fees. In the longer term, a severe economic downturn could slow the amount of funding available from federal formula programs, although federal funds are set through federal fiscal year 2026.

Major Initiatives

The Blueprint (MTP/SCS): SACOG began preliminary work to update the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), which has been renamed 2024 Blueprint. SACOG anticipates that the next update of this plan will be adopted by the SACOG Board in Fall 2025. Work this fiscal year included collecting data on growth trends and changes to local planning documents as well as building an initial scope and work plan for the update process. 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. Updates on the project as the plan is developed are available on SACOG's website (<https://www.sacog.org/2024-metropolitan-transportation-plansustainable-communities-strategy-update>).

Green Means Go: Related to the MTP/SCS update, SACOG continued development of the Green Means Go pilot program to accelerate infill development in Green Zones and help the region achieve the greenhouse gas reduction goals in the SCS. Green Means Go will catalyze infill development projects, which paired with innovative transportation options, will increase housing opportunities, revitalize older commercial corridors, and reduce greenhouse gas emissions. SACOG initiated the 2022 Green Means Go funding round, including stakeholder outreach, guideline development, application materials, and a call for projects across three different categories. SACOG is also working with the Urban Land Institute (ULI) on four technical assistance activities to provide a market feasibility perspective of accelerating housing in those locally adopted Green Zones. All jurisdictions in the SACOG region support Green Means Go, and now 26 of the 28 jurisdictions have adopted local Green Zones. Green Zones are infill areas where new growth is planned and is supported by local policies and actions so that the efforts to accelerate infill, travel choice, and electrification all have potential to be complementary strategies.

The Innovative Mobility Program: Through collaboration and coordination with regional partners and stakeholders, the Innovative Mobility (IM) team has continued to invest in, test, and expand programs and tools to make options like biking, walking, taking transit, and sharing rides the easy choice for all trips in the region. This past year, the IM program: transitioned full management of the May is Bike Month Campaign to the Sacramento Area Bicycle Advocates; began an analysis of the region's existing shared micromobility system to understand different operating models and better serve users; and kicked off the Regional Transit Network Study, an action item from the Next Generation Transit effort which will result in a regional map of high-capacity transit corridors that can provide connectivity across jurisdictions. The team also launched a new "Mode Shift" grant program designed to fund projects/programs that reduce car trips and provide new mobility solutions. Mode Shift is an updated version of previous "Traditional" and "Innovations" grant programs, with new guidelines focused on furthering racial equity through projects that directly reach low-income, disabled, and communities of color to address their specific transportation needs.

REAP Program: SACOG continued the program administration and management of the Regional Early Action Planning (REAP) program. REAP is a first of its kind funding program to assist local governments with housing planning activities. Assembly Bill 101 established the Local Government Planning Support Grants Program to provide regions and jurisdictions with one-time funding to support housing planning and accelerate housing production. Under this program, the State Housing and Community Development Department (HCD) awarded funding to regional agencies through REAP. SACOG, as the regional council of governments, received \$6,762,880 in REAP funds to address our region's unique housing priorities and planning needs. The framework for distributing REAP funds in the Sacramento region included three primary components: (1) non-competitive grants allocated to each city and county based on their Regional Housing Needs Assessment (RHNA), (2) a competitive grant pilot program to support Green Means Go, and (3) a Civic Lab Housing Series consisting of workshops and technical assistance to support the two grant programs. Approximately 80 grants have been distributed to SACOG's 28 member agencies in the three categories described above. The local agency recipients have until July 31, 2023 to fully spend their REAP grants, and SACOG must provide final documentation to the HCD by September 30, 2023. (<https://www.sacog.org/regional-early-action-planning>)

Regional Housing Allocation Needs (RHNA): SACOG has a primary role in the State’s RHNA process. Every eight years, the State of California’s Housing and Community Development Department (HCD) provides SACOG with a regional determination, which represents the number of housing units the region must plan for. SACOG is responsible for developing a methodology for allocating that number by income category to each city and county in the region. SACOG adopted the final Regional Housing Needs Plan, describing the process and methodology in March 2021. Since then, local agencies have updated and adopted their state-required housing elements and began implementation of housing policies and programs described in their elements.

Big Data Pilot: SACOG has been actively exploring use of “big data” for monitoring transportation and travel behavior in our region and using that data for transportation planning and project evaluation. The “Big Data for Transportation Planning Pilot” delivered its first in a series of eight detailed, quarterly snapshots of travel behavior in the SACOG region starting FY 2019-20. The Big Data Pilot is a partnership with the California Air Resources Board and Caltrans. The Pilot data platform (Replica) have been evaluated and applied in many planning projects by three agencies and partners during FY 2021-22. The data will be used in project evaluation for Blueprint. (<https://www.sacog.org/post/big-data-pilot-project-transportation-planning-replica>)

SACOG has also taken another “big data” product (the National Performance Monitoring Research Dataset), and applied the data in Congestion Management Process, project evaluation in the FY 2021-2022 funding round and project prioritization for the Blueprint.

Travel Demand Model: To meet the needs for Blueprint updates, the Travel Model was improved by re-calibrating travel choice model parameters using SACOG 2018 Household Travel Survey data and adding a new module to forecast telework trends so the impact of telework on various travel outcomes (VMT, congestion, etc.) can be evaluated, given the fact that teleworking reduces commute trips, VMT, and GHG emissions without a trade-off of losing work efficiency. During FY 2021-2022, staff also refined traffic analysis zone structures to align with Census Block Group geography to facilitate the use of Census data in planning. Free flow speed in model network was updated using Inrix observed data. Travel model was calibrated and validated based on above improvements. (<https://www.sacog.org/modeling>)

SB 743 Technical Assistance: Interest in modeling and analysis of vehicle miles traveled (VMT) as a measure of performance has grown in the SACOG region, and in the state more generally. At the federal level, VMT is a key input to the estimation of vehicle emission for implementation of the Clean Air Act. Within the state, VMT has replaced level of service and delay as the measure of transportation impacts for environment analysis of both land development and transportation projects. SACOG has facilitated a regional discussion on the VMT as a transportation measure, and specifically as a measure of impact for environmental analysis, with local agencies and provided technical assistance through an awarded Caltrans Planning Grant. Work on that grant-funded effort concluded in FY 2020-2021. During FY 2021-2022, SACOG continued to provide technical assistance and coordinate with local agencies and partners on VMT impact analysis, and suitable mitigation for VMT impacts. Examples include: provided customized screening maps, regional average trip lengths for CALEEMOD updates, and Caltrans managed lane studies. (<https://www.sacog.org/node/2515>)

The Regional Parks and Trails Strategic Development Plan: SACOG launched this project in Fall 2020 as a multi-year planning effort to work with cities, counties, Caltrans, and other partners to identify a regional trail network and priority projects. The SACOG board adopted the final plan in 2022. The adopted network will provide benefits ranging from increased health and safety to decreased vehicle miles traveled, while also providing opportunities for recreation and tourism in the region. In FY 2021-22, staff continued to engage local agencies to identify the existing and planned trail segments from adopted local and regional plans. Staff also conducted online public engagement to understand priority destinations that serve utilitarian and recreational needs, and understand public values related to trails. Staff used this public input to engage local agencies to identify priority destinations that serve utilitarian and recreational needs, and unifying goals to demonstrate the value of the ultimate trail network.

The Next Generation Transit: As a first step to implementation of this vision for next generation transit in the region, SACOG staff kicked off the Regional Transit Network Study. This study will develop a regional transit network, in close coordination with transit operators and key partner agencies, that improves transit travel speed, near-term infrastructure improvements to support high-capacity transit services, develop solutions to create seamless travel via fare technology (among other concepts), and strategies to facilitate multimodal local mobility in connection with regional transit services. The later phases of the Regional Transit Network program will look at larger governance and operational strategies.

Regional Electric-Assist Bike Share System: SACOG is the lead agency responsible for managing the regional bike share system in partnership with Lime (formerly JUMP by Uber), the cities of Davis, Sacramento, West Sacramento, UC Davis, and Sacramento State University. In 2018, the Sacramento region launched what was the largest electric-assist bike share system (E-bikes) in North America, featuring 900 electric assist bicycles. In 2020, the region was JUMP's second top market globally, coming in only after Paris. The pandemic disrupted some of this success, but partners have been making progress on bringing the system back up to pre-pandemic fleet size and ridership. The region currently has a 600-bike fleet across West Sacramento and Sacramento, with active discussions to relaunch bike share in Davis. Bike share is a membership-based system that can be used for recreation, commuting, exercise, or other trips. It can help people get to transit stops more easily, connect to different neighborhoods, shops, restaurants, and jobs, and can help people be more active. The e-bikes are similar to regular bikes, but they have pedal assist, allowing speeds up to 15 miles per hour. E-bikes do not operate without pedaling, but the electric assist makes it easier for people to travel longer distances in a shorter amount of time.

Connect Card Implementation: The project has involved the planning, procurement, deployment, and operations of a regional electronic transit fare system. The system is to simplify and integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase transit ridership. The system has been available to the public since 2017 and the focused efforts have surrounded market penetration and system reliability. The primary activities this fiscal year were related to implementation, operations, and contract close out. SACOG is wrapping up this project and is transitioning the Connect Card vendor contract to Sacramento Regional Transit (SacRT). SacRT will operate as the Regional Service Center on behalf of the regional transit agencies consortium.

The 511/STARNET: This 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. The 511/STARNET allows multi agencies in the SACOG region to test new concepts jointly and have a regionally cohesive plan on addressing issues related to congestion and traveler information using advanced technologies. (<https://www.sacog.org/sacregion511org>)

Racial Equity Action Plan: After board adoption of a racial equity statement, staff embarked on developing a Racial Equity Action Plan. This plan will establish goals and objectives across operations, programs, and board practices to guide SACOG's work over the next several years. From March to June 2022, SACOG conducted listening sessions with key stakeholders to learn what SACOG should focus on in its racial equity action plan. A draft plan was released in July 2022, and a final plan was adopted in October 2022.

Other Initiatives: SACOG administers programs that allocate flexible state and federal funds to regional jurisdictions for capital projects (Funding Round). In FY 2021-2022, SACOG staff updated policy framework and process for Community Design and Regional Program (Transformative and Maintenance & Modernization categories) and launched the Revolving Match Program, a new funding program that aims to make our regional jurisdictions more competitive for state and federal funding programs. Engage, Empower, Implement and Innovative Mobility programs will be implemented in FY 2022-2023.

SACOG also manages grants received from Caltrans and administers pass-through grants on behalf of our member jurisdictions and local transit agencies. In FY 2021-22, Caltrans grants were secured to assess alternatives of a new all-modes crossing of the Lower American River, connecting Truxel Road to Sequoia Pacific Boulevard, and to support deployment of medium-duty and heavy-duty zero-emission vehicles. During the fiscal year, SACOG staff also assisted local agencies with applications for numerous federal and state grant programs to help increase the receipt of transportation funds in the region and provided technical assistance to 18 applications to the statewide Active Transportation Program.

SACOG staff helped the region's transit agencies with meeting new federal requirements for Public Transportation Agency Safety Plan (PTASP) as well as provided grant training to Non-Profit Organizations for Caltrans funding. SACOG staff also provided guidance for all the region's transit agencies on utilization of the Transit Asset Management (TAM) tool (ThingTech) to develop their transit asset inventories, condition assessments, and plan their capital investment needs as well as meet federal requirements. SACOG staff provided regional support to the region's transit agencies with Route Optimization Scenarios (ROS) utilizing the Remix route optimization software to assist with the Short- and Long-Range Transit Planning and staff assistance with route reorganization because of COVID.

SACOG expanded its Open Data Portal, developing new data and coordinating with other agencies to share access to other data sources (<https://data.sacog.org/>). A growing part of the Open Data Portal development is online tools, such as the Project Performance Assessment tool, which was used for assessment of projects proposed for funding since 2018. The Project Performance Assessment tool will be updated to incorporate new data, new functionalities of reporting and accessibility tools in FY 2021-2022 to support the discussion of project benefits both in regional competitions and through state competitive funding opportunities.

Budgeting Controls

The annual budget serves as the foundation for SACOG's financial planning and control. SACOG prepares and adopts a final budget for the SACOG Planning and Administration General Fund and Capitol Valley SAFE Fund by June of each year. The budget must be approved by a three-part majority of the Board of Directors: a majority of cities, a majority of counties, and a majority of the population by those members present. SACOG reports its primary activities through the Planning and Administration General Fund. The annual budgets are prepared in the modified accrual basis of accounting and adopted on a basis consistent with generally accepted accounting principles. The legal level of control is at the object level and the Board must approve additional appropriations.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to SACOG for its annual comprehensive financial report for fiscal year ended June 30, 2021. This was the sixth consecutive year that SACOG has received this prestigious award. To be awarded the Certificate of Achievement, SACOG had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine eligibility for another Certificate of Achievement.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Group and the cooperation and assistance of all SACOG staff. Their dedication to professional excellence is reflected in this annual comprehensive 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,



James Corless
Executive Director



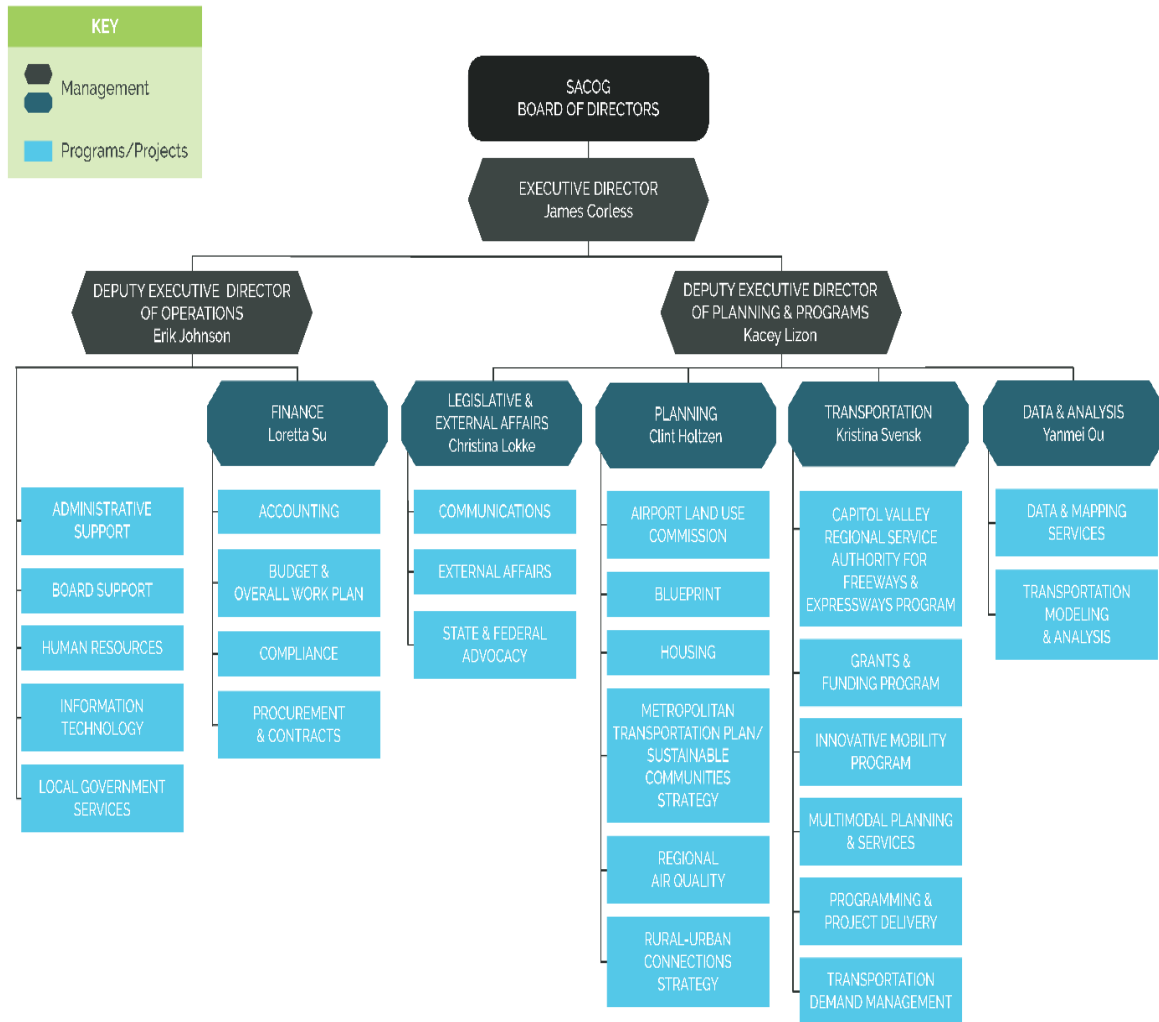
Erik Johnson
Deputy Executive Director
of Operations



Loretta Su
Finance Director

Organizational Chart

SACOG Programs & Projects



Last Revised: August 2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sacramento Area Council of Governments
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the SACOG's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of SACOG, as of June 30, 2022, 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.

We did not audit the financial statements of the Local Transportation Funds, the State Transit Assistance Special Revenue Fund, and the State of Good Repair Special Revenue Fund, which are major funds and collectively represent 71 percent, 82 percent, and 91 percent, respectively, of the assets, net position, and revenues of the governmental activities as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Local Transportation Funds, the State Transit Assistance Special Revenue Fund, and the State of Good Repair Special Revenue Fund, are based solely on the report of the other auditors.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note A to the financial statements, SACOG has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SACOG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SACOG's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SACOG's basic financial statements. The board of director's and advocacy budgetary schedule, schedule of indirect service costs, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the board of director's and advocacy budgetary schedule, schedule of indirect service costs, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SACOG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SACOG's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 29, 2022

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Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The Management Discussion and Analysis (MD&A) of the Sacramento Area Council of Governments (SACOG) presents an overview and analysis of the financial activities and changes in financial position of SACOG and its blended component units for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of the transmittal. This annual comprehensive financial report includes the following funds:

- SACOG Planning and Administration Fund
- Public Transportation Modernization Improvement & Service Enhancement Account (PTMISEA)
- State Transit Assistance Fund (STA)
- State of Good Repair Fund (SGR)
- Local Transportation Funds (LTF)
- Capitol Valley Regional Service Authority for Freeways and Expressways and Glenn County Service Authority for Freeways and Expressways (SAFE Funds)

Financial Highlights

Highlights of SACOG and its blended component units' financial performance during the fiscal year ended June 30, 2022 are below:

- The assets and deferred outflow of resources of SACOG exceeded liabilities and deferred inflows at the close of fiscal year 2021-2022 by \$64 million (net position), increased by \$10.5 million during the fiscal year. The net position consisted of net investment in capital assets of \$0.6 million, restricted net position of \$63.5 million and unrestricted net position deficit of \$0.1 million.
- The unrestricted net position (deficit) results primarily from the recording of the net pension liability of \$10.8 million and net OPEB liability of \$3.1 million. The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). The net Other Postemployment Benefit (OPEB) is the difference between the total OPEB liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly, SACOG does not have sufficient current resources on hand to cover current and long-term liabilities. The net pension liability and OPEB liability will be funded over time with annual contributions from SACOG.
- As of June 30, 2022, SACOG governmental funds reported combined fund balances of \$81.9 million, an increase of \$10.1 million compared to June 30, 2021. Of the total combined fund balances, \$16.3 million (20%) is available for spending at SACOG's Board discretion (*unassigned fund balance*).
- As of June 30, 2022, SACOG governmental funds reported combined revenues of \$154.9 million, an increase of \$16.8 million (10.9%) compared to June 30, 2021. The increase is primarily due to an increase in sales and use taxes as a result of higher internet sales and partially offset by a decrease in other revenues and investment earnings.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

- As of June 30, 2022, SACOG governmental funds reported combined expenditures of \$144.8 million, an increase of \$28.3 million (19.7%) compared to June 30, 2021. The increase is primarily due to higher reimbursement of transportation claimant's expenditures from current and prior year allocations and PTMISEA's project expenditures.

Overview of the Financial Statements

The MD&A is intended to serve as an overview of SACOG's basic financial statements. The 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 financial statements. This means reporting the extent to which SACOG met its operating objectives. The government-wide statements ignore the partitions created by the funds, bringing the financial activity together in one place, reporting all assets and liabilities, and inflows and outflows of resources.

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SACOG has one general fund (Planning and Administration) and five (5) special revenue 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.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The SACOG Board of Directors adopted an annual budget for the Planning and Administration Fund which included the Overall Work Program (OWP), the Board and Advocacy Fund, and 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 PTMISEA fund does not have an annual budget as it is grant funded and used only for specific ongoing programs. The STA and SGR funds have board approved allocations and approved projects for jurisdictions for each fiscal year. LTF funds 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 and Glenn County SAFE funds have an annual budget separately adopted by its Board of Directors, which is comprised of the members of the SACOG Board of Directors, plus two representatives from San Joaquin County.

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 at the end of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents the required supplementary information concerning SACOG's progress in funding its obligation to provide pension and OPEB benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of SACOG's financial position. For the fiscal year ended June 30, 2022, SACOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$64 million. The following table shows SACOG's condensed government-wide statement of net position for the fiscal years ended June 30, 2022 and June 30, 2021.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

CONDENSED STATEMENT OF NET POSITION

As of June 30, 2022, and 2021

	Governmental Activities		Increase (Decrease)
	2022	2021	
ASSETS			
Current and other assets	\$ 128,488,882	\$ 103,148,761	\$ 25,340,121
Capital assets	6,143,620	830,170	5,313,450
Total assets	134,632,502	103,978,931	30,653,571
DEFERRED OUTFLOWS			
Deferred outflows related to OPEB	820,867	986,092	(165,225)
Deferred outflows related to pensions	6,697,582	3,328,713	3,368,869
Total deferred outflows	7,518,449	4,314,805	3,203,644
LIABILITIES			
Other liabilities	47,643,816	30,768,972	16,874,844
Long term liabilities	19,276,276	22,139,205	(2,862,929)
Total liabilities	66,920,092	52,908,177	14,011,915
DEFERRED INFLOWS			
Deferred inflows related to OPEB	1,405,041	844,636	560,405
Deferred inflows related to pensions	9,850,383	1,052,762	8,797,621
Total deferred inflows	11,255,424	1,897,398	9,358,026
NET POSITION			
Net Investment in capital assets	610,910	830,170	(219,260)
Restricted:			
Restricted for pension contributions	1,752,902	2,005,991	(253,089)
Transportation projects	1,308,224	1,861,884	(553,660)
Transportation claimants	60,437,285	51,327,551	9,109,734
Unrestricted	(133,886)	(2,537,435)	2,403,549
Total net position	\$ 63,975,435	\$ 53,488,161	\$ 10,487,274

As of June 30, 2022, total assets and deferred outflows of resources were \$142.2 million, an increase of \$33.9 million (31.3%) over the fiscal year ended June 30, 2021. The increase is primarily due to the following key activities in SACOG's major funds:

- Planning and Administration assets increased by \$8.5 million, due to an increase in deferred outflows related to pensions of \$3.4 million and right to use lease assets of \$5.4 million as a result of the implementation of GASB 87.
- The combined four LTF funds' assets increased by \$13 million (24.4%) due to higher transportation related sales tax and online sales tax.
- The STA and SGR funds' assets increased by \$12.4 million (74%) also due to higher transportation related sales tax and online sales tax.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

- PTMISEA fund assets decreased by \$0.5 million for payments on capital improvement project disbursements for transit operators for the fiscal year.
- SAFE assets increased by \$0.4 million primarily due to lower than budgeted expenditures from SACOG and other services.

Total liabilities and deferred inflows of resources were \$78.2 million for the fiscal year ended June 30, 2022, an increase of \$23.4 million (42.6%) over fiscal year ended June 30, 2021, of which \$15 million is due to STA/SGR and LTF funds owed to transportation claimants as of June 30, 2022 and the other \$9.4 million is a result of the increase to Deferred Inflows related to Pension and OPEB.

Total Net Position was \$64 million for the fiscal year ended June 30, 2022, an increase of \$10.5 million (19.6%) over fiscal year ended June 30, 2021. The increase is primarily due to an increase in the STA and SGR funds of \$4.3 million and LTF funds of \$6.0 million resulted from higher transportation related and online sales tax, Planning and Administration of \$1.0 million resulted from SMF loan repayment, and SAFE funds of \$0.4 million, partially offset by a decrease in the PTMISEA for project disbursements of \$1.6 million.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

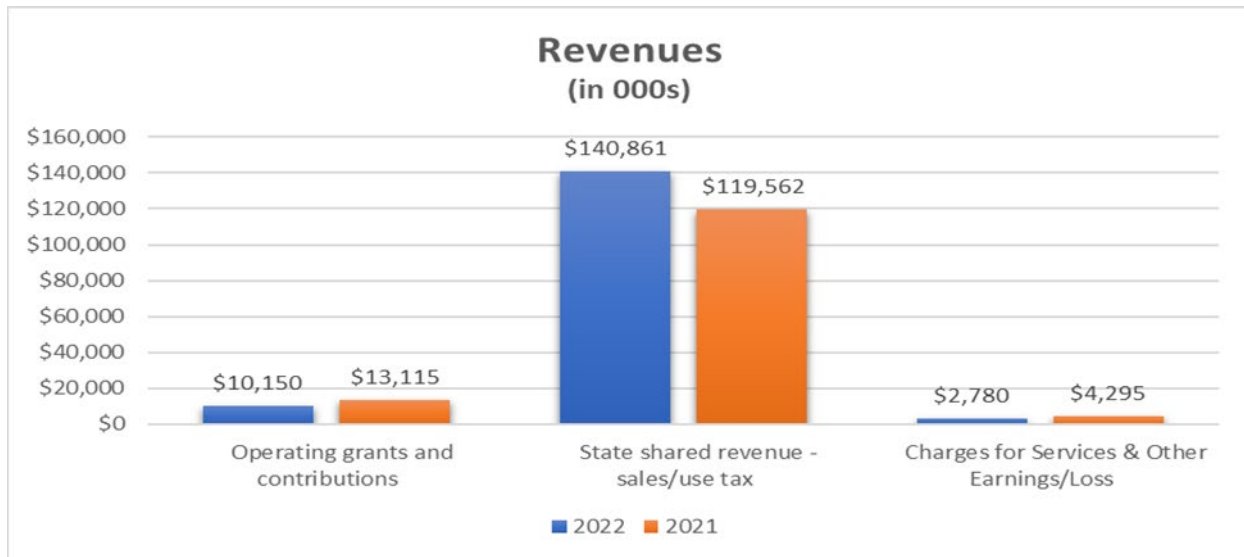
CONDENSED STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2022 and 2021

The following table shows SACOG's condensed statement of activities for the fiscal years ended June 30, 2022 and June 30, 2021:

	Governmental Activities		
	2022	2021	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	\$ 3,915,114	\$ 4,179,444	\$ (264,330)
Operating Grants and contributions	10,150,156	13,114,579	(2,964,423)
General revenues:			
State shared revenue - sales /use tax	140,860,552	119,562,002	21,298,550
Investment earnings (loss)	(1,382,768)	(16,612)	(1,366,156)
Other and In-Kind	247,525	131,932	115,593
Total Revenues	<u>\$ 153,790,579</u>	<u>\$ 136,971,345</u>	<u>\$ 16,819,234</u>
Expenses			
Planning and Administration	14,245,570	17,183,884	(2,938,314)
Transportation Claimants	125,225,317	94,439,801	30,785,516
PTMISEA	1,574,017	910,549	663,468
SAFE	2,258,401	2,469,900	(211,499)
Total expenses	<u>143,303,305</u>	<u>115,004,134</u>	<u>28,299,171</u>
Change in Net Position	10,487,274	21,967,211	(11,479,937)
Net- Position Beginning	53,488,161	31,520,950	21,967,211
Net - Position Ending	<u>\$ 63,975,435</u>	<u>\$ 53,488,161</u>	<u>\$ 10,487,274</u>

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

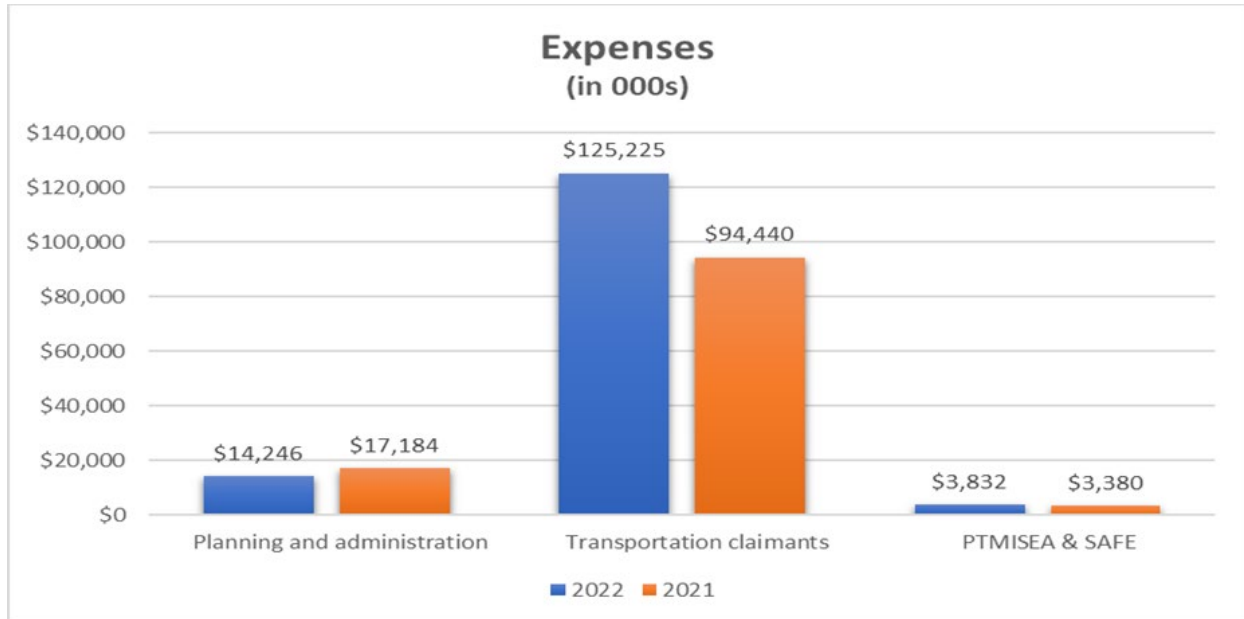
As of June 30, 2022, total revenues were \$153.8 million, an increase of \$16.8 million (12.3%) compared to fiscal year ended June 30, 2021. The increase is due to the following key activities:



- Operating Grants and Contributions revenue decreased by \$3 million (-22.6%). Major factors include a decrease in federal revenue for the Transportation Demand Program of \$0.6 million, a decrease in state revenue for the SB1 formula and discretionary awards of \$0.6 million and a decrease of \$1.8 million in loan repayments from member jurisdictions.
- State Shared Revenue increased by \$21.3 million (17.8%) due to an increase in LTF funds of \$15.5 million and STA and SGR funds of \$5.8 million as a result of higher transportation related sales tax and online sales tax.
- Charges for Services revenue and Other Earnings/Loss decreased by \$1.5 million primarily due to investment loss reported for the fiscal year.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

As of June 30, 2022, total expenses were \$143.3 million in fiscal year ended June 30, 2022, an increase of \$28.3 million (24.6%) over fiscal year ended June 30, 2021. The increase is due to the following key activities during fiscal year 2022.

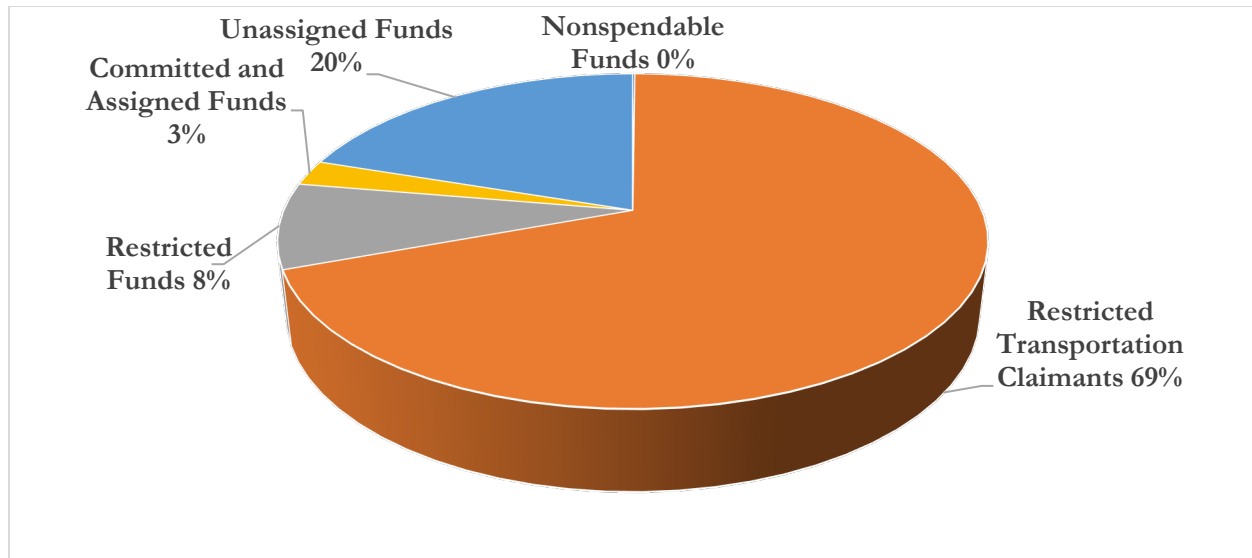


- Transportation claimants' expenses increased by \$30.8 million (32.6%) due to increase in claims and annual apportionments in STA funds by \$8.6 million, SGR funds by \$0.4 million and the four LTF funds by \$21.8 million of which Sacramento County by \$19.8 million, Sutter County by \$0.8 million, Yolo County by \$1.4 million, and Yuba County by \$0.8 million.
- The Planning and Administration expenses decreased by \$2.9 million (-17.1%) in fiscal year 2022 comparing to fiscal year 2021 due to lower staff costs, timing of grant funded project expenses, and expiration of grant and award programs in fiscal year 2021 resulting in lower reimbursable costs in fiscal year 2022.
- PTMISEA and SAFE increased by \$0.4 million primarily due to an increase of \$0.6 million for PTMISEA programs and offset by a decrease of \$0.2 million for the SAFE program.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Fund Financial Statement Analysis

As noted earlier, SACOG uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The chart below shows the fund balance components as of June 30, 2022.



The following table represents the fund balances for the governmental funds for the fiscal years ended June 30, 2022 and June 30, 2021:

	Fund Balance			
	Fiscal Year 2021-2022	Fiscal Year 2020-2021	Change	% of Change
Planning and Administration	\$ 21,445,376	\$ 20,418,690	\$ 1,026,686	5%
PTMISEA Program	4,352,315	5,971,910	(1,619,595)	-27%
State Transit Assistance (STA) Fund	6,578,115	5,209,812	1,368,303	26%
State of Good Repair (SGR) Fund	7,912,566	4,956,169	2,956,397	60%
Local Transportation Funds (LTF)	37,890,860	31,878,903	6,011,957	19%
SAFE Funds	3,703,429	3,310,757	392,672	12%
Total Fund Balance	\$ 81,882,661	\$ 71,746,241	\$ 10,136,420	14%

Key elements for SACOG's governmental funds at June 30, 2022 were:

- Planning and Administration fund balance increased by \$1 million (5%) due to the SMF loan repayment of \$1.1 million.
- PTMISEA fund balance decreased by \$1.6 million (-27%) due to payment to transit agencies for capital improvement projects during the fiscal year.
- STA fund balance increased by \$1.3 million (26%) due to higher collected transportation related and online sales tax revenues during the fiscal year.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

- SGR fund balance increased by \$3 million (60%) primarily due to amount of revenues in excess of claimant's reimbursement of project expenses in fiscal year 2022.
- The LTF fund balance increased by \$6 million (19%) primarily due to higher collected sales tax revenues from transportation related and online sales tax.

General Fund Budgetary Highlights

The Board adopts an annual budget for the SACOG Planning and Administration General Fund and the Capitol Valley SAFE Special Revenue Fund (SAFE Funds) based on anticipated projects at the beginning of the year. SACOG reports its primary activities through the Planning and Administration General Fund which includes the Overall Work Program (OWP), Board of Directors and Advocacy budget, capital assets, and other related functions not associated with the OWP. When the original budget is prepared, the exact carry-in balances of continuing projects are unknown and estimates are made. Amendments are made throughout the year to the budget to true-up available grant funds remaining at the end of the prior fiscal year for multi-year grant funded projects, add new projects, and adjust existing projects as needed. During FY 2021-2022, there were four formal amendments and one administrative amendment to SACOG's original adopted budget. The difference between the original budget and the final budget resulted in approximately a \$3.9 million decrease in revenues and \$0.6 million in expenses were largely related to the following changes:

- The reduction of approximate \$3.3 million in intergovernmental revenues represents grant project expenditures expected in future fiscal year and approximate \$0.6 million in charges for services and other revenues. SACOG's federal and state funding sources are on a reimbursement basis so as the expenditures did not occur, the reimbursement revenues were not requested. This includes but not limited to the Innovative Mobility Program, Green Means Go and Regional Early Action Planning Program (REAP). These projects will carry-over into the next fiscal year budget.
- The approximate \$0.6 million positive variance for program expenditures is largely attributed to the staff changes during the year resulting in salaries and fringe benefits and savings for the fiscal year.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Variances between the actual expenditures and the final amended budget are summarized in the following table:

	Fiscal Year 2021-2022		Variance	Percentage
	Final Budget	Actual	with Final Budget	Variance
Revenues:				
Intergovernmental	14,429,188	11,229,947	(3,199,241)	-28%
Charges for services	699,252	375,573	(323,679)	-86%
Member assessments	879,941	879,938	(3)	0%
Other	421,682	(100,065)	(521,747)	521%
Total revenues	16,430,063	12,385,393	(4,044,670)	-33%
Expenditures:				
Planning and administration	19,793,718	14,643,561	5,150,157	-35%
Payments to SMF grantees	900,000	284,288	615,712	-217%
Capital outlay	50,000	43,582	6,418	-15%
Debt Service	722,000	724,993	(2,993)	0%
Total expenditures	21,465,718	15,696,424	5,769,294	-37%
Other Financing Sources:				
Transfers in	4,337,718	4,337,717	(1)	0%
Total Other Financing Uses	4,337,718	4,337,717	(1)	0%
Net Change in fund balances	\$ (697,937)	\$ 1,026,686	\$ 1,724,623	168%
Fund balance - beginning		20,418,690		
Fund balance - ending		<u>\$ 21,445,376</u>		

Significant budgetary variances between the final amended budget and the actual amounts are as follows:

- The approximate \$4.0 million negative variance for intergovernmental revenues occurred because of delayed new projects which included REAP, Green Means Go, Innovative Mobility Program, and other discretionary grants. As the expenditures did not occur, the reimbursement revenues were not requested. Projects carried-over into the next fiscal year.
- The approximate \$5.7 million positive variance for planning and administration expenditures were primarily due to the followings:
 - \$4.6 million in consulting, pass-through and other direct costs due to timing of grant funded project expenditures which included REAP and Green Means Go of \$2.1 million, Connect Card project of \$0.7 million, Innovative Mobility Program, of \$0.3 million, Regional Bikeshare Pilot of \$0.2 million and other discretionary grants and services of \$1.3 million.

Sacramento Area Council of Governments
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For the Fiscal Year Ended June 30, 2022

- \$0.5 million in salaries and fringe benefits due to unfilled positions.
- The approximate \$0.6 million in payments to SMF grantees due to timing of project expenditures from member jurisdictions.

Capital Assets

Total investment in capital assets at June 30, 2022, net of accumulated depreciation and amortization, was \$6.1 million, an increase of \$5.3 million from last fiscal year primarily as a result of GASB Statement No. 87, *Leases*.

	Balance as of June 30, 2022	Balance as of June 30, 2021
Computers, Furniture and Equipment, Phones, Software, Leasehold Improvements and Automobiles	\$ 1,403,642	\$ 1,389,396
Right to Use Leased Assets	6,180,597	-
Less Accumulated Depreciation and Amortization	<u>(1,440,619)</u>	<u>(559,226)</u>
Capital Assets, Net	<u><u>\$ 6,143,620</u></u>	<u><u>\$ 830,170</u></u>

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

Economic Factors and Next Year's Budget

Leading economic indicators remain mixed as the economy continues to slowly recover from COVID-19 pandemic. Uncertainty remains for both federal and state funding impacting the projects SACOG can undertake and the services it is able to provide to its member jurisdictions. Ongoing challenges are the rising salaries, fringe benefit and indirect costs charged to each project as well as finding enough resources to fully fund new goals and initiatives.

In November 2021, President Biden enacted a \$1.2 trillion infrastructure law, formally known as the Infrastructure Investments and Jobs Act (IIJA) that provides certainty over at least five years for formula programs, along with a combination of one-time and ongoing funding increases. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation.

In May 2022, the SACOG Board of Directors adopted the FY 2022-23 budget of \$39.5 million in expenditures. This budget projected the use of reserve funds in categories like that of the previous year. Reserve funds planned usage includes \$1.2 million for projects for the SACOG Managed Fund and \$6.7 million in deferred expenses and carried-over projects and grants. The budget includes the Overall Work Program (OWP), which includes expenditures to fund the transportation planning projects for the year, of which a sizable portion includes carried-over grant funding or pass-through to other agencies. These projects focus and align with the agency's 2022-2025 work plan and the three strategic goals endorsed by the board in 2020. The goals include (1) economic prosperity;

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

(2) connected communities; (3) vibrant places. These goals aligned to the goals, policies and supporting actions of SACOG's 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) and the region's Prosperity Strategy.

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 of revenues from other programs funding transportation and housing planning. As additional funding is received, projects will be assessed to determine whether and how they align with SACOG's 2022-2025 work plan and three goals noted above, and the availability of staff to work on projects funded by those revenues. SACOG is committed to assisting our member agencies with their land use and transportation planning 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 Group, Sacramento Area Council of Governments, 1415 L Street, Suite 300, Sacramento, CA 95814.

Statement of Net Position

June 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 90,084,573
Restricted cash and investments	1,752,902
Receivables	36,555,121
Other assets	96,286
Total current assets	<u>128,488,882</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	713,633
Right to use leased assets, net of accumulated amortization	5,429,987
Total capital assets	<u>6,143,620</u>
Total assets	<u>134,632,502</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	820,867
Deferred outflows related to pension	6,697,582
Total deferred outflows of resources	<u>7,518,449</u>
LIABILITIES	
Current liabilities:	
Payables	46,606,221
Compensated absences - due within one year	363,020
Lease liability - due within one year	674,575
Total current liabilities	<u>47,643,816</u>
Non-current Liabilities	
Compensated absences	544,531
Net OPEB liability	3,099,571
Net pension liability	10,774,039
Lease liability	4,858,135
Total non-current liabilities	<u>19,276,276</u>
Total liabilities	<u>66,920,092</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	1,405,041
Deferred inflows related to pensions	9,850,383
Total deferred inflows of resources	<u>11,255,424</u>
NET POSITION	
Net investment in capital assets	610,910
Restricted for pension contributions	1,752,902
Restricted for transportation projects	1,308,224
Restricted for transportation claimants	60,437,285
Unrestricted	(133,886)
Total net position	<u>\$ 63,975,435</u>

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

Sacramento Area Council of Governments

Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Planning and administration	\$ 14,245,570	\$ 1,255,511	\$ 10,150,156	\$ (2,839,903)
Transportation claimants	125,225,317	-	-	(125,225,317)
PTMISEA	1,574,017	-	-	(1,574,017)
SAFE	2,258,401	2,659,603	-	401,202
Total governmental activities	<u>\$ 143,303,305</u>	<u>\$ 3,915,114</u>	<u>\$ 10,150,156</u>	<u>(129,238,035)</u>
General revenues:				
		State shared revenue - sales and use tax		140,860,552
		Unrestricted investment earnings (loss)		(1,382,768)
		Other		247,525
		Total general revenue		139,725,309
		Change in net position		10,487,274
		Net Position - beginning		53,488,161
		Net Position - ending		\$ 63,975,435

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

Sacramento Area Council of Governments

Balance Sheet – Governmental Funds

June 30, 2022

		Special Revenue		
		Public Transportation Modernization, Improvement & Service Enhancement Account	State Transit Assistance Fund	State of Good Repair Fund
	Planning and Administration			
Assets				
Cash and investments	\$ 12,708,786	\$ 5,826,575	\$ 14,091,533	\$ 7,644,382
Restricted cash and investments	1,752,902	-	-	-
Accounts receivable	-	2	-	-
Miscellaneous receivable	5,753	-	-	-
Due from other governments	8,461,835	-	6,775,430	656,196
Interest receivable	49,263	21,373	48,068	24,811
Prepaid items	96,286	-	-	-
Total assets	<u>\$ 23,074,825</u>	<u>\$ 5,847,950</u>	<u>\$ 20,915,031</u>	<u>\$ 8,325,389</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 1,442,448	\$ 1,495,635	\$ -	\$ -
Accrued liabilities	187,001	-	-	-
Due to other governments	-	-	14,336,916	412,823
Total liabilities	<u>1,629,449</u>	<u>1,495,635</u>	<u>14,336,916</u>	<u>412,823</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	96,286	-	-	-
Restricted:				
PTMISEA Funds	-	4,352,315	-	-
State Transit Assistance Funds	-	-	6,578,115	-
State of Good Repairs	-	-	-	7,912,566
Local Transportation Funds	-	-	-	-
SAFE Funds	-	-	-	-
Transportation Projects	1,308,224	-	-	-
Pension Contributions (CEPPT)	1,752,902	-	-	-
Committed:				
Board & Advocacy	250,881	-	-	-
SACOG Managed Fund Grantees	821,546	-	-	-
Assigned:				
Legal defense	500,000	-	-	-
Project specific carryover funds	159,028	-	-	-
GIS Recipients	270,503	-	-	-
Unassigned:				
Unassigned fund balance	<u>16,286,006</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>21,445,376</u>	<u>4,352,315</u>	<u>6,578,115</u>	<u>7,912,566</u>
Total liabilities and fund balances	<u>\$ 23,074,825</u>	<u>\$ 5,847,950</u>	<u>\$ 20,915,031</u>	<u>\$ 8,325,389</u>

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

Sacramento Area Council of Governments

Balance Sheet – Governmental Funds (Continued)

June 30, 2022

<u>Special Revenue</u>		
<u>Local Transportation Funds</u>	<u>SAFE Funds</u>	<u>Total Governmental Funds</u>
\$ 46,264,601	\$ 3,548,696	\$ 90,084,573
-	-	1,752,902
-	480,932	480,934
-	-	5,753
19,939,853	-	35,833,314
80,538	11,067	235,120
-	-	96,286
<u>\$ 66,284,992</u>	<u>\$ 4,040,695</u>	<u>\$ 128,488,882</u>
\$ -	\$ 340,737	\$ 3,278,820
-	(3,471)	183,530
<u>28,394,132</u>	<u>-</u>	<u>43,143,871</u>
<u>28,394,132</u>	<u>337,266</u>	<u>46,606,221</u>
-	-	96,286
-	-	4,352,315
-	-	6,578,115
-	-	7,912,566
37,890,860	-	37,890,860
-	3,703,429	3,703,429
-	-	1,308,224
-	-	1,752,902
-	-	250,881
-	-	821,546
-	-	500,000
-	-	159,028
-	-	270,503
-	-	16,286,006
<u>37,890,860</u>	<u>3,703,429</u>	<u>81,882,661</u>
<u>\$ 66,284,992</u>	<u>\$ 4,040,695</u>	<u>\$ 128,488,882</u>

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2022

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 81,882,661
Capital assets used in government activities are not financial resources, and therefore, are not reported as assets in the governmental funds.	6,143,620
Compensated absences not due and payable in the current period, and therefore, not reported in the governmental funds' Balance Sheet.	(907,551)
Long-term lease liabilities are not due and payable in the current period and therefore are not reported in the fund.	(5,532,710)
Net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.	
Deferred outflows related to pension	6,697,582
Net pension liability	(10,774,039)
Deferred inflows related to pension	(9,850,383)
Net OPEB liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.	
Deferred outflows related to OPEB	820,867
Net OPEB liability	(3,099,571)
Deferred inflows related to OPEB	(1,405,041)
Net position of governmental activities	<u>\$ 63,975,435</u>

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

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Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and Changes
In Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2022**

		Special Revenue		
		Public Transportation Modernization, Improvement & Service Enhancement Account	State Transit Assistance Fund	State of Good Repair Fund
	Planning and Administration			
Revenues:				
Sales and use taxes	\$ -	\$ -	\$ 23,851,379	\$ 3,902,186
Vehicle registration fees and traffic fines	-	-	-	-
Intergovernmental:				
Federal	5,921,351	-	-	-
State	3,253,940	-	-	-
Local	2,054,656	-	-	-
Charges for services	375,573	-	-	-
Member assessments	879,938	-	-	-
Investment earnings (loss)	(347,590)	(45,578)	(74,981)	(51,843)
Other	247,525	-	-	-
Total revenues	12,385,393	(45,578)	23,776,398	3,850,343
Expenditures:				
Current:				
Transportation Claimants	-	-	22,408,095	893,946
SAFE services	-	-	-	-
Planning and administration	14,643,561	-	-	-
Public Transportation Modernization	-	1,574,017	-	-
Payments to SMF grantees	284,288	-	-	-
Capital outlay	43,582	-	-	-
Debt Service:				
Principal	647,887	-	-	-
Interest	77,106	-	-	-
Total expenditures	15,696,424	1,574,017	22,408,095	893,946
Excess (deficiency) of revenues over (under) expenditures	(3,311,031)	(1,619,595)	1,368,303	2,956,397
Other Financing Sources (Uses):				
Transfers in	4,337,717	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	4,337,717	-	-	-
Net change in fund balances	1,026,686	(1,619,595)	1,368,303	2,956,397
Fund balances - beginning	20,418,690	5,971,910	5,209,812	4,956,169
Fund balances - ending	\$ 21,445,376	\$ 4,352,315	\$ 6,578,115	\$ 7,912,566

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

Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and Changes
In Fund Balances – Governmental Funds (Continued)**
For the Fiscal Year Ended June 30, 2022

<u>Special Revenue</u>		
<u>Local Transportation Funds</u>	<u>SAFE Funds</u>	<u>Total Governmental Funds</u>
\$ 113,106,987	\$ -	\$ 140,860,552
-	2,659,603	2,659,603
-	-	5,921,351
-	-	3,253,940
-	20,209	2,074,865
-	-	375,573
-	-	879,938
(834,037)	(28,739)	(1,382,768)
-	-	247,525
<u>112,272,950</u>	<u>2,651,073</u>	<u>154,890,579</u>
101,923,276	-	125,225,317
-	2,258,401	2,258,401
-	-	14,643,561
-	-	1,574,017
-	-	284,288
-	-	43,582
-	-	647,887
-	-	77,106
<u>101,923,276</u>	<u>2,258,401</u>	<u>144,754,159</u>
<u>10,349,674</u>	<u>392,672</u>	<u>10,136,420</u>
-	-	4,337,717
<u>(4,337,717)</u>	<u>-</u>	<u>(4,337,717)</u>
<u>(4,337,717)</u>	<u>-</u>	<u>-</u>
6,011,957	392,672	10,136,420
31,878,903	3,310,757	71,746,241
<u>\$ 37,890,860</u>	<u>\$ 3,703,429</u>	<u>\$ 81,882,661</u>

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

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

For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 10,136,420

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

Capital outlays are reported in the governmental funds as expenditures.

However, they are capitalized on the Statement of Net Position and allocated
over the estimated useful life of the asset as depreciation. This is the amount by
which depreciation is netted against capital additions and deletions in the period. (867,147)

Unavailable revenues in the Statement of Activities do not provide current financial
resources and are not reported as revenues in the governmental funds' statements. (1,100,000)

In the Statement of Activities, certain operating expenses, such as compensated
absences are measured by the amounts earned during the year. In the governmental
funds, however, expenditures for these items are measured by the amount of
financial resources used (essentially, the amounts actually paid). 126,949

In the governmental funds, pension costs are based on employer contributions made
to the pension plan during the year. However, in the Statement of Activities,
pension expense is the net effect of all changes in the deferred outflows, deferred
inflows and net pension liability during the year. 1,019,873

In the governmental funds, OPEB costs are based on employer contributions made
to the OPEB plan during the year. However, in the Statement of Activities, OPEB
expense is the net effect of all changes in the deferred outflows, deferred inflows
and net OPEB liability during the year. 523,292

Principal payments on long term lease liability reported in the statement of activities
are reported as expenditures in the governmental funds 647,887

Change in Net Position of Governmental Activities \$ 10,487,274

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

Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual — Planning and Administration
For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental:				
Federal	\$ 10,121,168	\$ 7,845,239	\$ 5,921,351	\$ (1,923,888)
State	7,310,824	6,280,499	3,253,940	(3,026,559)
Local	330,439	303,450	2,054,656	1,751,206
Charges for services	1,107,696	699,252	375,573	(323,679)
Member assessments	879,941	879,941	879,938	(3)
Investment earnings	20,000	35,569	(347,590)	(383,159)
In-kind	5,250	97,000	-	(97,000)
Other	552,489	289,113	247,525	(41,588)
Total revenues	<u>20,327,807</u>	<u>16,430,063</u>	<u>12,385,393</u>	<u>(4,044,670)</u>
Expenditures:				
Current:				
Planning and administration:				
Salaries	5,471,842	5,150,547	4,741,166	409,381
Fringe Benefits	5,409,025	5,163,071	4,801,900	361,171
Consulting Costs	2,742,283	3,464,900	1,615,293	1,849,607
Pass-Through to Other Agencies	3,618,141	2,179,625	991,236	1,188,389
Other Costs	1,953,013	2,812,453	1,500,837	1,311,616
Indirect Costs (Non-Staff)	1,057,122	1,023,122	993,129	29,993
Total planning and administration:	<u>20,251,426</u>	<u>19,793,718</u>	<u>14,643,561</u>	<u>5,150,157</u>
Payments to SMF grantees	900,000	900,000	284,288	615,712
Capital outlay	50,000	50,000	43,582	6,418
Debt Service:				
Principal	722,000	722,000	647,887	74,113
Interest	-	-	77,106	(77,106)
Total expenditures	<u>21,923,426</u>	<u>21,465,718</u>	<u>15,696,424</u>	<u>5,769,294</u>
Deficiency of revenues under expenditures	<u>(1,595,619)</u>	<u>(5,035,655)</u>	<u>(3,311,031)</u>	<u>1,724,624</u>
Other Financing Sources:				
Transfers in	<u>3,637,726</u>	<u>4,337,718</u>	<u>4,337,717</u>	<u>(1)</u>
Change in fund balances	<u>\$ 2,042,107</u>	<u>\$ (697,937)</u>	<u>1,026,686</u>	<u>\$ 1,724,623</u>
Fund balance - beginning			<u>20,418,690</u>	
Fund balance - ending			<u>\$ 21,445,376</u>	

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

Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual –SAFE Funds Special Revenue Fund
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Vehicle registration fees	\$ 2,603,750	\$ 2,586,950	\$ 2,659,603	\$ 72,653
Federal	200,000	200,000	-	(200,000)
Local	5,600	22,400	20,209	(2,191)
Investment earnings	4,000	4,000	(28,739)	(32,739)
Total revenues	<u>2,813,350</u>	<u>2,813,350</u>	<u>2,651,073</u>	<u>(162,277)</u>
Expenditures:				
Current:	-			
Safe services:				
SACOG Services	688,186	673,330	248,160	425,170
Consultants	485,000	552,775	515,991	36,784
Pass-through to Other Agencies	997,750	997,750	1,061,531	(63,781)
Other Services	882,504	820,729	432,719	388,010
Total safe services:	<u>3,053,440</u>	<u>3,044,584</u>	<u>2,258,401</u>	<u>786,183</u>
Total expenditures	<u>3,053,440</u>	<u>3,044,584</u>	<u>2,258,401</u>	<u>786,183</u>
Change in fund balance	<u>\$ (240,090)</u>	<u>\$ (231,234)</u>	<u>392,672</u>	<u>\$ 623,906</u>
Fund balance - beginning			<u>3,310,757</u>	
Fund balance - ending			<u>\$ 3,703,429</u>	

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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022

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. Per 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 and governmental functions, SACOG's income is exempt from federal taxation.

SACOG is an association of local governments formed by six (6) counties and twenty-two (22) cities in the region. 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 plus one ex-officio member from CalTrans. 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 Transportation Agency Secretary.
- 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 Transportation Agency Secretary.
- 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 El Dorado, 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.

Joint Certification as:

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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 Capitol Valley Regional Service Authority for Freeways and Expressways (Capitol Valley SAFE) and Glenn County SAFE were 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, Yuba, and Glenn County. Under the Freeway Act, Capitol Valley SAFE and Glenn County SAFE are authorized to impose a fee on vehicles registered in the seven counties for the implementation, maintenance and operation of the motorist aid system of call boxes. Capitol Valley SAFE and Glenn County SAFE are 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 and Glenn County SAFE. Capitol Valley SAFE and Glenn County SAFE are included in SACOG's reporting entity because of the significance of their 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.

I I . 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 included among program revenues are reported as general revenues.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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 twelve months from the end of the current fiscal period. SACOG uses a twelve-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.

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 unavailable 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.

SACOG reports the following major Governmental Funds:

Planning and Administration Fund

Used to account for SACOG's Overall Work Program (OWP) activities funded from various federal, state and local sources. Also 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:

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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, public transportation and community transit purposes as specified by the Legislature. Funds are derived from the statewide sales tax on gasoline and diesel fuel.

State of Good Repair Fund

Created pursuant to Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017 to account for a new transportation improvement fee on vehicle registrations due on or after January 1, 2018. The fee is to provide capital assistance to Regional Transportation Planning Agencies (RTPAs) to rehabilitate and modernize existing local transportation system, including the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles.

Local Transportation Funds

Created pursuant to the TDA to account for the proceeds received from the California Department of Tax and Fee Administration 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 Counties of Sacramento, Yuba, Sutter, and Yolo, and used to fund various transportation related activities as authorized by California Law, under the TDA.

SAFE Funds

The SAFE Funds accounts for the activity of the Capitol Valley Regional SAFE Fund and the Glenn County SAFE Fund.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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

Investments/Fair Value Measurement

Investments are recorded at fair value. 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.

Interest Receivable

Investment income earned but not yet received at June 30, 2022.

Prepaid Items

Payments for services that will benefit periods beyond June 30, 2022. SACOG uses the consumption method of accounting for Prepaid Items. Under the consumption method — governments may initially report inventories and prepaid items they purchased as an asset and defer the recognition of the expenditure until the period the inventories and prepaid items are consumed or used.

Capital Assets (including Intangible and Leased 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 SACOG 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 one year. 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. Leased assets are recorded at the present value of the lease payments at the inception of the lease. The leased assets are recorded as right to use assets and are amortized over the shorter of the assets useful life or the lease term. The estimated useful lives for furniture and equipment are 3 to 15 years.

Compensated Absences

Effective July 1, 2022, an employee may not accrue more than 550 hours of PTO. Effective July 1, 2023, an employee may not accrue more than 450 hours of PTO. For employees who have more than 450 hours of accrued but unused PTO on June 30, 2022, PTO hours must either be cashed out or be deposited into the Special Pay Plan. Thereafter, for employees who have more than 350 hours on June 30 of any given year (beginning with June 30, 2023), PTO hours must either be cashed out or be deposited into the Special Pay Plan.

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 rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon separation or retirement.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

Interfund Transfers

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods.

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.

Fund Balance Policy

The Fund Balance Policy establishes a key element of the financial stability of SACOG by setting guidelines for fund balance. Fund balance is an important measure of economic stability. It is essential that SACOG maintains adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the general operations of SACOG. 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 Executive Director 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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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 is 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. At June 30, 2022, SACOG has \$96,286 for prepaid expenditures that are considered nonspendable.

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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

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 Executive Director 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 in 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, 2022, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund was \$7,923,470. The SACOG Managed Fund cash balance was \$8,745,017. Management continues work on developing an official Board policy for these funds.

Pensions

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (see Note L), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

SACOG recognizes a net pension liability which represents SACOG’s proportional share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by California Public Employees’ Retirement System (CalPERS). The net pension liability is measured as of SACOG’s prior fiscal year-end. Employer pension contributions made subsequent to the measurement period are recorded as deferred outflows of resources. 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 SACOG’s pension plan with CalPERS (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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

Postemployment Benefits Other Than Pensions (OPEB)

For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of SACOG's other postemployment benefits plan (OPEB Plan), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit term. Investments are reported at fair value.

Lease Liabilities

Lease Liabilities represent SACOG's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by SACOG.

V. Implementation of New Governmental Accounting Standard

GASB Statement No. 87 – *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note P and the additional disclosures required by this standard is included in Note G.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. SACOG has determined that there is no material impact on the financial statements.

GASB Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. SACOG has determined that there is no material impact on the financial statements.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. SACOG has determined that there is no material impact on the financial statements.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE A — Summary of Significant Accounting Policies, Continued

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32.* The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. SACOG has determined that there is no material impact on the financial statements.

NOTE B — Budgetary Information

The Board adopts an annual budget for the SACOG Planning and Administration General Fund (General and Administration Fund) and the Capitol Valley SAFE Special Revenue Fund (SAFE Fund) based on anticipated projects at the beginning of the year. The Planning and Administration Fund annual budget includes the Overall Work Program (OWP) activities, Board of Directors and Advocacy budget, capital assets, and can include other related functions not associated with the OWP. The annual budgets are prepared on a modified accrual basis of accounting and adopted on a basis consistent with generally accepted accounting principles. The legal level of control is at the object level by fund and the Board must approve additional appropriations.

The OWP is intended to comply with SACOG's federal grant responsibilities and to serve as a management device to measure financial and program performance. The OWP work elements include (1) Core and Long-Range Transportation and Planning Activities, (2) Discretionary Transportation Planning Grant Activities and Partnership Projects, (3) Regional Projects, (4) Pass-Through to Other Agencies, and (5) Services to Other Agencies. The OWP identifies grant sources and the line-item budget allocation to support each work element's direct and indirect costs. Management determines fund sources and line-item budget amounts for all projects in accordance with the objectives and tasks of each project. Line-item budgets are established for staff, indirect and fringe benefits, consultants, pass-through, and other designated line items. The Overall Work Program requires the approval of the California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and the Federal Transit Administration (FTA) after the adoption by the Board of Directors.

During the FY 2021-22 the original adopted budget was amended by the Board of Directors. The final budget data contained in the financial statements reflects the effect of all approved budget amendments.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE B — Budgetary Information, Continued

No adopted budget is prepared for the PTMISEA 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. The STA, SGR and LTF special revenue funds 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, JPAs, 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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE C — Cash and Investments, Continued

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 Concen- trations	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Notes and Agency Obligations	5 years	100%	--	SP-1/MIGI
Washington Supranational Obligations	5 years	30%	10%	SP-1/MIGI
Bonds Issued by Local Agencies	5 years	80%	--	SP-1/MIGI
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
		Max \$75 million		
Local Agency Investment Fund (LAIF)	--	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 issuers other than United States Treasuries and Government Agencies. No more than 10 percent of the portfolio, except Treasuries and Agencies, Bonds issued by Local Agencies, Notes, and Bank Deposits may be invested in securities of a single issuer including its related entities.

Restricted Cash and Investments - Pension Trust (Mutual Fund)

During the fiscal year ending June 30, 2021, SACOG established a Section 115 trust with California Public Employees' Retirement System (CalPERS) called California Employers' Pension Prefunding Trust (CEPPT) that is dedicated to pre-funding employer contributions to the defined benefit pension plan. Trust account holders can select one of two strategy options for investments. SACOG selected the CEPPT asset allocation Strategy 1 portfolio, which seeks to provide capital appreciation and income consistent with its strategic asset allocation.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE C — Cash and Investments, Continued**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 cash and investments at county pools and their respective maturities are as follows:

	Weighted Average Maturity		Total Fair Value at June 30, 2022
	No Maturity	0 - 5 Years	
Petty Cash	\$ 300	\$ -	\$ 300
Deposits in banks	244,977	-	244,977
Mutual Fund	1,752,902	-	1,752,902
County of Sacramento investment pool	-	63,253,390	63,253,390
County of Sutter investment pool	-	1,667,533	1,667,533
County of Yolo investment pool	-	23,553,389	23,553,389
County of Yuba investment pool	-	1,364,984	1,364,984
Total Cash and Investments	<u>\$ 1,998,179</u>	<u>\$ 89,839,296</u>	<u>\$ 91,837,475</u>

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 Mutual Fund and 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 and CEPPT (Mutual Fund). 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 secures 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 \$244,977 which was fully insured and collateralized.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

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. 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 Treasurers' Investment Pool at June 30, 2022, of \$89,839,296, are uncategorized inputs not defined as Level 1, Level 2, or Level 3 inputs. SACOG's investment in the Mutual Fund is Categorized as Level 1.

NOTE D — Receivables

Receivables as of June 30, 2022, for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Miscellaneous Receivable	Total
Planning and Administration	\$ -	\$ 8,461,835	\$ 49,263	\$ 5,753	\$ 8,516,851
PTMISEA	2	-	21,373	-	21,375
State Transit Assistance Fund	-	6,775,430	48,068	-	6,823,498
State of Good Repair Fund	-	656,196	24,811	-	681,007
Local Transportation Funds	-	19,939,853	80,538	-	20,020,391
SAFE Funds	480,932	-	11,067	-	491,999
Total Receivables – Governmental Activities	\$ 480,934	\$ 35,833,314	\$ 235,120	\$ 5,753	\$ 36,555,121

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE E — Capital Assets

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

	July 1, 2021, As Restated	Additions	Deletions	June 30, 2022
Capital Assets, being depreciated:				
Computers	\$ 499,581	\$ 43,582	\$ -	\$ 543,163
Furniture and Equipment	60,873	-	29,336	31,537
Phones	57,253	-	-	57,253
Intangible Assets - Software	60,000	-	-	60,000
Leasehold Improvements	680,070	-	-	680,070
Automobiles	31,620	-	-	31,620
Total capital assets being depreciated	1,389,397	43,582	29,336	1,403,643
Less accumulated depreciation:				
Computers	254,753	77,101	-	331,854
Furniture and Equipment	51,094	-	19,557	31,537
Phones	50,743	4,155	-	54,898
Intangible Assets - Software	60,000	-	-	60,000
Leasehold Improvements	111,017	69,084	-	180,101
Automobiles	31,620	-	-	31,620
Total accumulated depreciation	559,227	150,340	19,557	690,010
Net book value of capital assets, being depreciated:				
Computers	244,828	(33,519)	-	211,309
Furniture and Equipment	9,779	-	9,779	-
Phones	6,510	(4,155)	-	2,355
Leasehold Improvements	569,053	(69,084)	-	499,969
Total net book value of capital assets, being depreciated	830,170	(106,758)	9,779	713,633
Right to Use Leased Assets, being amortized:				
Right to Use Leased Building	6,165,674	-	-	6,165,674
Right to Use Leased Automobile	14,923	-	-	14,923
Total right to use leased being amortized	6,180,597	-	-	6,180,597
Less accumulated amortization:				
Right to Use Leased Building	-	747,354	-	747,354
Right to Use Leased Automobile	-	3,256	-	3,256
Total accumulated amortization	-	750,610	-	750,610
Net book value of right to use leased assets, being amortized:				
Right to Use Leased Building	6,165,674	(747,354)	-	5,418,320
Right to Use Leased Automobile	14,923	(3,256)	-	11,667
Total Net book value of right to use leased assets, being amortized	6,180,597	(750,610)	-	5,429,987
Total Net book value of capital assets	\$ 7,010,767	\$ (857,368)	\$ 9,779	\$ 6,143,620

Depreciation and amortization expense is charged to the planning and administration function in the statement of activities.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE F — Payables

Payables as of June 30, 2022, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities	Due to Other Governments	Total
Planning and Administration	\$ 1,442,448	\$ 187,001	\$ -	\$ 1,629,449
PTMISEA	1,495,635	-	-	1,495,635
State Transit Assistance Fund	-	-	14,336,916	14,336,916
State of Good Repair Fund	-	-	412,823	412,823
Local Transportation Funds	-	-	28,394,132	28,394,132
SAFE Funds	340,737	(3,471)	-	337,266
Total Payables – Governmental Activities	<u>\$ 3,278,820</u>	<u>\$ 183,530</u>	<u>\$ 43,143,871</u>	<u>\$ 46,606,221</u>

NOTE G — Leases

Changes in the lease liability for the fiscal year ended June 30, 2022, are summarized as follows:

	July 1, 2021 As Restated	Additions	Deletions	June 30, 2022	Due within One year
Lease liability	<u>\$ 6,180,597</u>	<u>\$ -</u>	<u>\$ 647,887</u>	<u>\$ 5,532,710</u>	<u>\$ 674,575</u>

SACOG has entered into two agreements to lease certain assets. The first lease is to lease a vehicle for business use. Under the terms of the lease, SACOG is required to make monthly principal and interest payments of \$280 through January, 2026. The second lease is to lease commercial office space which expires on September 30, 2029. Under the terms of the lease, SACOG is required to make monthly principal and interest payments, with payment amounts increasing by 2.5% in October of each year. Monthly principal interest and payments were \$59,030 in July 2021 increasing to a monthly payment of \$60,505 in October 2021.

At June 30, 2022, SACOG has recognized a right to use asset of \$5,429,987 and a lease liability of \$5,532,710 related to these agreements. During the fiscal year, SACOG recorded \$750,610 in amortization expense and \$77,106 in interest expense for the right to use the vehicle and building. SACOG used a discount rate of 1.31% on each lease respectively, based on SACOG's estimated incremental borrowing rate.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE G — Leases, Continued

Remaining obligations associated with these leases are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 674,575	\$ 68,461
2024	702,067	59,459
2025	730,388	50,093
2026	758,157	40,354
2027	786,207	30,260
2028 - 2032	1,881,316	29,128
Total	<u>\$ 5,532,710</u>	<u>\$ 277,755</u>

The Planning and Administration fund is used to liquidate the lease liability.

NOTE H — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2022, was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>	<u>Due within One year</u>
Compensated Absences	<u>\$ 1,034,500</u>	<u>\$ 798,231</u>	<u>\$ 925,180</u>	<u>\$ 907,551</u>	<u>\$ 363,020</u>

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 and subrecipient agreements, whereby the goods and services for which the contracts and agreements were set up, but 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 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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE J — 401(a)/ Special Pay Plans

At June 30, 2022, the Planning and Administration Fund commitments totaled \$7,557,175, of which \$4,926,415 is included in the restricted, committed, and assigned fund balances and the remaining balance of \$2,630,760 will be paid with future revenues. The PTMISEA Fund commitments totaled \$4,890,814 at June 30, 2022, and the SAFE Fund commitments totaled \$1,088,996 at June 30, 2022. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

The Board of Directors has established five defined contribution plans (IRC Section 401(a)) for SACOG employees. The contributions to these plans are 100% vested at the time of contribution. As a defined contribution plan, benefits are dependent solely on amounts contributed to the plan plus investment earnings. These plans are administered by MissionSquare Retirement (formerly ICMA-RC).

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 Insurance 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. The cash value of Paid Time Off (PTO) leave in excess of 450 hours is deposited to the Special Pay Plan based on the PTO balance as of June 30, 2022. Effective July 1, 2023, the cash value of PTO leave in excess of 350 hours will be deposited to the Special Pay Plan based on PTO balance at June 30 each year. In addition, any employee who separates from SACOG employment with cash value of accumulated PTO hours over 80 hours will be deposited to the Special Pay Plan, subject to IRS limitation. Total contributions to this plan were \$296,139 for the year.

The third plan is a voluntary 401(a) money purchase program for all regular employees. SACOG does not contribute to the plan, and it is funded solely by voluntary employee contributions. Employees may designate a percentage of compensation they wish to contribute up to the then-current IRS limits for 401(a) contributions. The minimum contribution is 1 percent of gross taxable monthly salary and the maximum contribution is 20 percent of gross taxable monthly salary. Contributions shall be in increments of 1 percent only. Once an option is selected, changes may not be made to the amount contributed or to select an option to not participate. Deposits to the ICMA-RC (MissionSquare) 401(a) Plan shall be coordinated with deposits to the Special Pay Plan in manner such that the then-current maximum amount to be deposited to an individual 401(a) plan is not exceeded for any employee.

The fourth plan is for eligible employees who opt out of retiree health benefits and instead choose to have ten years of the Kaiser two-party Sacramento premium rate at the time of retirement deposited into a health retirement savings account (HRSA). Additionally, new hires starting employment with SACOG on or after July 1, 2017 will receive \$50 per month deposited into the HRSA plan as a hybrid defined benefit/defined contribution plan. SACOG will continue to pay the then-current minimum health insurance contribution for retirees (PEMHCA minimum), which is currently \$149 per month. Total contributions to this plan as of June 30, 2022, were \$79,052.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE J — 401(a)/ Special Pay Plans, Continued

The fifth plan is an executive deferred compensation plan. Per employment contract, the executive director has deferred compensation contributed by SACOG to a 401(a) plan. SACOG contributes 5% of earnings on behalf of the executive director.

NOTE K — Risk Management

SACOG is exposed to various risks of loss related to torts; theft, 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 SAFE Funds. SACOG purchases commercial insurance through the Golden State Risk Management Authority, a pooled risk Joint Powers Authority. 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 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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE L — Pension Plan, Continued

The rate plan provisions and benefits in effect at June 30, 2022, 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%	7.25%
Required employer contribution rates	13.10%	11.12%	7.70%

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. Based on the most recent MOU with SEA, employees pay their full employee share of PERS contributions beginning on July 1, 2019. Additionally, Tier I and Tier II employees split with SACOG (50-50) of any normal increase of the employer rate, with a 1 percent cap for the burden on employees beginning on July 1, 2019.

SACOG's employer contributions to the Plan for the year ended June 30, 2022 were \$1,797,626.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources to Pensions

As of June 30, 2022, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$10,774,039.

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE L — Pension Plan, Continued

relative to the projected contributions of all participating employers, actuarially determined. SACOG's proportionate share of the net pension liability measured as of June 30, 2020, and 2021 was as follows:

Proportion - June 30, 2020	0.15829%
Proportion - June 30, 2021	0.19921%
Change - Increase	0.04092%

For the year ended June 30, 2022, SACOG recognized pension expense of \$777,753. At June 30, 2022, 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	\$ 1,208,193	\$ -
Net differences between projected and actual earnings on plan investments	-	9,405,168
Changes in proportion and differences between employer's contributions and proportionate share of contributions	3,691,763	445,215
Pension contributions subsequent to the measurement date	1,797,626	-
Total	\$ 6,697,582	\$ 9,850,383

The \$1,797,626 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, 2023. 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	
2023	\$ (627,933)
2024	(603,909)
2025	(1,119,482)
2026	(2,599,103)
Total	\$ (4,950,427)

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE L — Pension Plan, Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.50%
Investment Rate of Return	7.15%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS'
	Membership
	Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

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	Target Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

[1] An expected inflation of 2.00% is used for this period

[2] An expected inflation of 2.92% is used for this period

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.15%, 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 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	<u>\$ 19,117,327</u>	<u>\$ 10,774,039</u>	<u>\$ 3,876,762</u>

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE M — Other Postemployment Benefit Plan (OPEB)

General Information about the OPEB Plan***Plan Description***

SACOG has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multi-employer plan with the California Employer's Retiree Benefit Trust (CERBT or The Plan). The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investments functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployments in accordance to terms of participating employers' plans. The Plan is administered by the California Public Employees' Retirement System (CalPERS). Financial statements of CERBT are included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, California, 95814.

Benefits Provided

Through June 30, 2017, SACOG provided 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. On July 1, 2017, a new Memorandum of Understanding between SACOG and the SACOG Employees Association modified post-retirement health benefits for future retirees (current employees) and all new hires. The long-term effect of this change should reduce SACOG's overall OPEB liability with the reduction of future benefits for current employees and the introduction of a hybrid defined benefit/defined contribution plan for new employees. The benefits below are provided to employees who retired prior to December 31, 2018:

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently \$2,228.36 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 \$1,714.12 per month.

In addition, employees hired prior to July 1, 2006, may "opt out" of any retiree health benefits in exchange for monthly Health Retirement Savings Account 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, 2022, 9 retirees and their spouses met the Tier I eligibility requirements, and there was no Tier II retiree and no Tier III retirees.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE M — Other Postemployment Benefit Plan (OPEB), Continued

There are two Tiers that took effect January 1, 2019 for employees retiring on or after that date:

- Tier 1: For employees hired prior to July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days would receive the same SACOG contribution towards the medical benefit premium amount as existing employees, with the vesting schedule based on years of service at SACOG if applicable, below. As the employee benefit portion paid by SACOG increases, retirees will see this same increase. SACOG will pay the then-current PEMHCA minimum, which is set by CalPERS. The current rate is \$149 per month towards CalPERS-provided health premiums. The rest of the premium will be paid to the retiree through an HRSA, and the premium amount will be deposited by direct deposit to the retiree once the retiree identifies annually to the benefits administrator the monthly premium amount. Tier 1 employees hired prior to July 1, 2006 will still be eligible for the “opt out” option described above.
- Tier 2: For employees hired starting on or after July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days will receive the then-current PEMHCA minimum, which is set by CalPERS. The current rate is \$149 per month towards CalPERS-provided health premiums. An additional \$50 per month will be added to a portable HRSA during employment at SACOG (i.e., the employee can take the HRSA funds if they leave SACOG, pre- or post-retirement).

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.

As of the most recent valuation date, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	53
Inactive employees or beneficiaries currently receiving benefit payments	48
Inactive employees entitled to, but not yet receiving benefits	7
Total	<u>108</u>

Contributions

The contribution rate is determined on an annual basis by an independent actuary and is authorized by the SACOG Board of Directors. The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Contributions recognized by the plan from the employer for the year ended June 30, 2022 were \$658,602.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE M — Other Postemployment Benefit Plan (OPEB), Continued***OPEB Liability***

SACOG's net OPEB liability of the HC Plan was measured as of June 30, 2021, using an actuarial valuation as of June 30, 2020.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 (measurement period) actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.95%
Mortality rate	2017 CalPERS Experience Study; Improvement using MW Scale 2020
Healthcare cost trend rates	5.8% in 2021, step down 0.1% per year to 4% for years 2076 and later

The long-term expected rate of return on the HC 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.50%
Fixed Income	23%	2.20%
Global Real Estate (REIT)	20%	3.90%
Treasury Inflation Protected Securities	5%	1.30%
Commodities	3%	1.20%
Total	100%	

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE M — Other Postemployment Benefit Plan (OPEB), Continued

Discount Rate – The discount rate used to measure the total OPEB liability was 6.95 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that SACOG's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the HC Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total liability.

Changes in the Net OPEB liability for the HC Plan measured as of June 30, 2021 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 9,653,689	\$ 5,305,196	\$ 4,348,493
Changes in the year:			
Service cost	196,893	-	196,893
Interest on total OPEB liability	664,624	-	664,624
Contribution - employer	-	654,342	(654,342)
Net investment income	-	371,388	(371,388)
Benefit payments	(575,301)	(575,301)	-
Plan experience	-	1,086,716	(1,086,716)
Administrative expenses	-	(2,007)	2,007
Net changes	286,216	1,535,138	(1,248,922)
Balance at June 30, 2022	\$ 9,939,905	\$ 6,840,334	\$ 3,099,571

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SACOG, as well as what the SACOG's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2021.

	1% Decrease 5.95%	Discount Rate 6.95%	1% Increase 7.95%
Net OPEB liability	\$ 4,391,272	\$ 3,099,571	\$ 2,036,783

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE M — Other Postemployment Benefit Plan (OPEB), Continued

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SACOG, as well as what the SACOG's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.8%) or one percentage point higher (6.8%) than the current healthcare cost trend rates (5.8%):

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
Net OPEB liability	\$ 1,968,820	\$ 3,099,571	\$ 4,500,426

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, SACOG recognized OPEB expense of \$135,310 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 143,536	\$ -
Differences between expected and actual experience	18,729	652,060
Net difference between projected and actual earnings on plan investments	-	752,981
OPEB contributions subsequent to measurement date	658,602	-
Total	<u>\$ 820,867</u>	<u>\$ 1,405,041</u>

The \$658,602 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	
2023	\$ (330,701)
2024	(323,831)
2025	(319,345)
2026	(247,317)
2027	(21,582)
	<u>\$ (1,242,776)</u>

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

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. All PTMISEA funds are available for encumbrance and liquidation until June 30, 2023. As of June 30, 2022, the SACOG PTMISEA's cash balance is \$5.8 million and outstanding accounts payable is \$1.5 million.

The PTMISEA activity for the fiscal years ended June 30, 2021 and 2022 are as follows:

Cash Balance at June 30, 2020	\$ 8,257,965
Receipts: Interest, Net of GASB 31 Adjustment	40,574
Disbursements: Paratransit Vehicle Replacements	(71,476)
Disbursements: Sacramento Regional Transit Vehicles	(1,692,736)
Disbursements: Unitrans Davis Community Transit Vehicle	(383,181)
Disbursements: Connect Card	155,503
Cash Balance at June 30, 2021	<u>6,306,649</u>
Receipts: Interest, Net of GASB 31 Adjustment	(48,902)
Disbursements: Paratransit On-Board Surveillance System	(78,382)
Disbursements: Unitrans Davis Community Transit Vehicle	(352,790)
Cash Balance at June 30, 2022	<u>5,826,575</u>

NOTE O — Future Accounting Pronouncements

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice. The Statement is effective for reporting periods beginning after December 15, 2021. SACOG has not determined the effect on the financial statements.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022. SACOG has not determined the effect on the financial statements.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. SACOG has not determined the effect on the financial statements.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE O — Future Accounting Pronouncements, Continued

GASB Statement No. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. The requirements of this Statement related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. SACOG has not determined the effect on the financial statements.

GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. SACOG has not determined the effect on the financial statements.

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. SACOG has not determined the effect on the financial statements.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2022

NOTE P — Adoption of New Standard

As of July 1, 2021, SACOG adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Net position at June 30, 2021, as previously reported	\$	53,488,161
Add right-to-use intangible asset, net of amortization, under GASB Statement No. 87 at June 30, 2021		6,180,597
Add lease liability under GASB Statement No. 87 at June 30, 2021		(6,180,597)
Net position at July 1, 2021, as restated	\$	53,488,161

Sacramento Area Council of Governments

Required Supplementary Information
Schedule of SACOG'S Proportionate Share of the Net Pension Liability
 For the Fiscal Year Ended June 30, 2022
 Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
SACOG's Proportion of the net pension liability	0.19921%	0.15829%	0.15864%	0.15807%	0.15793%	0.15979%	0.16382%	0.14297%
SACOG's Proportionate share of the net pension liability	\$ 10,774,039	\$ 17,222,664	\$ 16,254,664	\$ 15,231,710	\$ 15,664,853	\$ 13,826,741	\$ 11,244,576	\$ 8,896,169
Covered payroll	\$ 5,686,986	\$ 5,801,807	\$ 5,610,618	\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320	\$ 5,095,286
SACOG's Proportionate Share of the net pension liability as a percentage of covered payroll	52.78%	33.69%	34.52%	34.87%	33.29%	36.64%	45.09%	57.28%
Plan fiduciary net position as a percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%	70.93%	74.06%	78.40%	79.82%
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule:

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

Sacramento Area Council of Governments

**Required Supplementary Information
Schedule of Contributions – Retirement Plan**

For the Fiscal Year Ended June 30, 2022
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 1,797,626	\$ 1,929,552	\$ 1,778,408	\$1,590,293	\$ 1,395,452	\$ 1,292,761	\$ 1,194,202	\$ 984,832
Contributions in relation to the actuarially determined contribution	<u>1,797,626</u>	<u>1,929,552</u>	<u>1,778,408</u>	<u>1,590,293</u>	<u>1,395,452</u>	<u>1,292,761</u>	<u>1,194,202</u>	<u>984,832</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,445,822	\$ 5,686,986	\$ 5,801,807	\$5,610,618	\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320
Contributions as a percentage of covered payroll	33.01%	33.93%	30.65%	28.34%	26.27%	24.79%	23.57%	19.42%

Notes to Schedule

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

Sacramento Area Council of Governments

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
 For the Fiscal Year Ended June 30, 2022
 Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	\$ 196,893	\$ 233,675	\$ 226,320	\$ 232,998	\$ 225,664
Interest on the total OPEB liability	664,624	663,187	641,287	676,349	644,344
Differences between actual and expected experience	-	(350,731)	-	(967,249)	51,759
Changes of assumptions	-	149,311	-	92,179	-
Benefit payments, including refunds of employee contributions	(575,301)	(564,347)	(559,879)	(497,096)	(439,248)
Net change in total OPEB liability	286,216	131,095	307,728	(462,819)	482,519
Total OPEB liability - beginning	9,653,689	9,522,594	9,214,866	9,677,685	9,195,166
Total OPEB liability - ending (a)	\$ 9,939,905	\$ 9,653,689	\$ 9,522,594	\$ 9,214,866	\$ 9,677,685
Plan fiduciary net position					
Contributions - employer	\$ 654,342	\$ 681,500	\$ 676,609	\$ 653,354	\$ 478,305
Net investment income	1,458,104	177,450	284,966	328,990	391,353
Benefit payments	(575,301)	(564,347)	(559,879)	(497,096)	(439,248)
Administrative expenses	(2,007)	(2,449)	(988)	(2,203)	(1,986)
Other expenses	-	-	-	(5,468)	-
Net change in plan fiduciary net position	1,535,138	292,154	400,708	477,577	428,424
Plan fiduciary net position - beginning	5,305,196	5,013,042	4,612,334	4,134,757	3,706,333
Plan fiduciary net position - ending (b)	6,840,334	5,305,196	5,013,042	4,612,334	4,134,757
Net OPEB liability - ending (a)-(b)	\$ 3,099,571	\$ 4,348,493	\$ 4,509,552	\$ 4,602,532	\$ 5,542,928
 Plan fiduciary net position as a percentage of the total OPEB liability	 68.82%	 54.96%	 52.64%	 50.05%	 42.72%
Covered-employee payroll	\$ 5,694,892	\$ 5,801,807	\$ 5,610,618	\$ 5,529,653	\$ 5,191,432
Net OPEB liability as a percentage of covered-employee payroll	54.43%	74.95%	80.38%	83.23%	106.77%
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Notes to Schedule:

*Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

Required Supplementary Information
Other Postemployment Benefit Plan (OPEB)
Schedule of Contributions

For the Fiscal Year Ended June 30, 2022
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 658,535	\$ 654,342	\$ 681,500	\$ 676,609	\$ 607,178
Contributions in relation to the actuarially determined contribution	658,602	654,342	681,500	676,609	478,305
Contribution deficiency (excess)	<u>\$ (67)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,873</u>
Covered-employee payroll	\$ 5,445,822	\$ 5,694,892	\$ 5,801,807	\$ 5,610,618	\$ 5,529,653
Contributions as a percentage of covered-employee payroll	12.09%	11.49%	11.75%	12.06%	8.65%

Notes to Schedule

* Fiscal year 2018 was the first year of implementation, therefore, only five years are shown.

Schedule of Revenues and Expenditures
Board of Directors and Advocacy
Budget and Actual

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget (over) and under budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Member assessments	\$ 879,941	\$ 879,941	\$ 879,938	\$ (3)
Investment earnings	20,000	35,569	34,971	(598)
Other	-	-	7,500	7,500
Total revenues	<u>899,941</u>	<u>915,510</u>	<u>922,409</u>	<u>6,899</u>
Expenditures:				
Current:				
Meetings/training/travel expenses	134,000	83,000	70,261	12,739
Board reimbursement	60,000	60,000	74,580	(14,580)
Consultant	240,900	240,900	283,057	(42,157)
Other Costs	14,729	114,449	9,188	105,261
Memberships	32,000	32,000	14,831	17,169
Salaries and benefits	<u>468,312</u>	<u>435,161</u>	<u>442,461</u>	<u>(7,300)</u>
Total expenditures	<u>949,941</u>	<u>965,510</u>	<u>894,378</u>	<u>71,132</u>
Excess (deficiency) of expenditures over (under) revenues	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ 28,031</u>	<u>\$ 78,031</u>

Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2022

DIRECT COSTS:

Salaries	\$	3,321,711
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INDIRECT COSTS:

Allocated Indirect Costs (95.30%):

Service costs		3,165,585
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Actual Indirect Costs:

Additional Tenant Costs		8,882
Building Rent-Meridian Plaza		720,977
Career Development Program		41,229
Computer Software & Maintenance		281,394
Copier		985
Consultants		124,175
Depreciation		82,468
Insurance		114,710
Legal		131,314
Memberships		41,725
Office Equip < \$5,000		31,653
Postage		767
Printing		401
Publications/Data/Subscriptions		13,397
Recruitment		15,103
Salaries		1,419,455
Salaries-Intern		2,256
Services - Other		27,078
Services - Telecommunications		54,499
Staff Training		9,357
Supplies		2,385
Vehicle Lease		3,135
Travel and Meeting Expenses		1,032
Vehicle Parking		9,200
Total indirect costs		<u>3,137,577</u>

Over-absorbed indirect costs	\$	<u>28,008</u>
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Statistical Section

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Statistical Section

For the Fiscal Year Ended June 30, 2022

This section of SACOG's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the SACOG's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

These schedules contain trend information to help the reader understand how the SACOG's financial performance and wellbeing has changed over time.

Demographic and Economic Information

These schedules contain demographic and economic indicators to assist the reader in understanding the environment within which SACOG's financial activities take place.

Principal Employers Operational Information

These schedules contain service and infrastructure data to help the reader understand how the information in the SACOG's financial report relates to the services SACOG provides and the activities it performs.

Principal Employers Operational Information

These schedules contain service and infrastructure data to help the reader understand how the information in the SACOG's financial report relates to the services SACOG provides and the activities it performs.

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Net Position by Component

For Ten Fiscal Years Ended June 30

	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	\$ 102,217	\$ 148,847	\$ 174,906	\$ 204,303
Restricted for Pension Contributions (CEPPI)	-	-	-	-
Restricted for Transportation Projects	882,560	917,880	700,946	574,181
Restricted for Transportation Claimants	49,966,728	36,701,567	37,546,082	32,365,872
Unrestricted	16,183,317	15,798,418	5,215,052	2,952,631
Total governmental activities Net Position	\$ 67,134,822	\$ 53,566,712	\$ 43,636,986	\$ 36,096,987

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

Source: Individual internal fund statements

Sacramento Area Council of Governments

Net Position by Component
For Ten Fiscal Years Ended June 30

2017	2018	2019	2020	2021	2022
\$ 209,730	\$ 339,945	\$ 288,240	\$ 967,986	\$ 830,170	\$ 610,910
-	-	-	-	2,005,991	1,752,902
473,445	485,831	445,642	1,774,167	1,861,884	1,308,224
30,653,263	32,188,187	36,731,395	30,274,437	51,327,551	60,437,285
3,657,730	957,629	864,290	(1,495,640)	(2,537,435)	(133,886)
\$ 34,994,168	\$ 33,971,592	\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435

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

Source: Individual internal fund statements

Sacramento Area Council of Governments

Statement of Activities & Changes in Net Position
For Ten Fiscal Years Ended June 30

	2013	2014	2015***	2016
EXPENSES				
Transportation Claimants	\$ 72,395,499	\$ 82,519,242	\$ 80,040,856	\$ 81,636,347
Planning and Administration	18,329,698	23,478,952	19,462,387	16,149,917
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	20,405,161	10,872,693	9,424,005	5,452,494
Capitol Valley SAFE	2,030,134	1,955,345	2,091,288	2,472,852
Glenn County SAFE	10,196	23,781	16,712	90,061
SAFE Funds	-	-	-	-
Total Expenses	\$ 113,170,688	\$ 118,850,013	\$ 111,035,248	\$ 105,801,671
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	15,319,095	22,010,737	15,820,697	11,371,902
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	27,710,682	170,197	10,780,660	887,174
Charges for Services:				
Planning and Administration	561,106	424,844	586,896	851,521
Capitol Valley SAFE	2,189,461	2,269,183	2,326,565	2,521,364
Glenn County SAFE	29,655	30,303	30,790	31,453
SAFE Funds	-	-	-	-
Total Program Revenues	45,809,999	24,905,264	29,545,608	15,663,414
Net Expense	\$ (67,360,689)	\$ (93,944,749)	\$ (81,489,640)	\$ (90,138,257)
General Revenues and Other Changes in Net Position				
State Shared Revenue - Sales and Use Taxes	\$ 77,777,632	\$ 79,607,818	\$ 82,089,764	\$ 82,144,492
Investment Earnings	336,414	81,680	(49,608)	407,335
In-Kind Revenue	320,458	582,399	-	-
Other	129,664	104,742	58,562	46,431
Total General Revenues	\$ 78,564,168	\$ 80,376,639	\$ 82,098,718	\$ 82,598,258
Change in Net Position	11,203,479	(13,568,110)	609,078	(7,539,999)
Net Position - Beginning	55,931,343	67,134,822	53,566,712	43,636,986
Prior Period Adjustment Pension Liability GASB 68	-	-	(10,538,804)	-
Prior Period Adjustment Pension Liability GASB 75	-	-	-	-
Net Position - Ending	\$ 67,134,822	\$ 53,566,712	\$ 43,636,986	\$ 36,096,987

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

***2015 and 2017 Net Position was restated due to implementation of GASB 68 and 75 respectively.

Source: Individual internal fund statements

Sacramento Area Council of Governments

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

2017***	2018	2019	2020	2021	2022
\$ 79,530,309	\$ 90,155,212	\$ 103,433,330	\$ 111,388,368	\$ 94,439,801	\$ 125,225,317
22,248,042	21,322,636	16,894,265	17,160,749	17,183,884	14,245,570
-	-	317,840	375	-	-
4,930,158	4,018,076	3,664,050	3,982,780	910,549	1,574,017
2,961,035	3,177,595	3,364,043	2,432,718	-	-
889	29,140	39,527	19,949	-	-
-	-	-	-	2,469,900	2,258,401
\$ 109,670,433	\$ 118,702,659	\$ 127,713,055	\$ 134,984,939	\$ 115,004,134	\$ 143,303,305
17,663,047	18,072,722	11,671,349	11,576,978	13,114,579	10,150,156
303,776	-	-	-	-	-
3,902,487	149,858	3,347,585	-	-	-
577,946	1,035,151	1,149,781	1,066,343	1,471,071	1,255,511
2,487,681	2,490,482	2,569,529	2,559,315	-	-
32,667	32,551	33,416	32,598	-	-
-	-	-	-	2,708,373	2,659,603
24,967,604	21,780,764	18,771,660	15,235,234	17,294,023	14,065,270
\$ (84,702,829)	\$ (96,921,895)	\$ (108,941,395)	\$ (119,749,705)	\$ (97,710,111)	\$ (129,238,035)
\$ 83,067,575	\$ 99,868,505	\$ 111,253,431	\$ 111,018,556	\$ 119,562,002	\$ 140,860,552
421,368	547,564	1,886,474	1,737,139	(16,612)	(1,382,768)
-	-	-	-	-	-
111,067	154,091	159,465	185,393	131,932	247,525
\$ 83,600,010	\$ 100,570,160	\$ 113,299,370	\$ 112,941,088	\$ 119,677,322	\$ 139,725,309
(1,102,819)	3,648,265	4,357,975	(6,808,617)	21,967,211	10,487,274
36,096,987	30,323,327	33,971,592	38,329,567	31,520,950	53,488,161
-	-	-	-	-	-
(4,670,841)	-	-	-	-	-
\$ 30,323,327	\$ 33,971,592	\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435

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

***2015 and 2017 Net Position was restated due to implementation of GASB 68 and 75 respectively.

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balance
Planning and Administration Fund
For Ten Fiscal Years Ended June 30

	2013	2014	2015	2016
REVENUES				
Federal	\$ 9,533,766	\$ 12,847,391	\$ 10,476,372	\$ 7,560,062
State	4,654,503	4,783,759	3,923,625	2,726,891
Local	1,130,826	1,410,738	1,420,700	1,084,949
Charges for Services	277,719	140,574	302,626	475,533
Member Assessments	284,270	284,270	284,270	375,988
Investment Earnings	75,288	11,847	(22,172)	54,698
In-Kind	320,458	582,399	-	-
Other	79,108	69,354	36,732	46,431
Total Revenues	<u>16,355,938</u>	<u>20,130,332</u>	<u>16,422,153</u>	<u>12,324,552</u>
EXPENDITURES				
Planning and Administration	18,182,940	22,331,342	19,002,274	15,106,301
Payments to SMF grantees	146,758	1,005,170	647,705	453,123
Capital Outlay	66,086	95,110	75,716	90,755
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>18,395,784</u>	<u>23,431,622</u>	<u>19,725,695</u>	<u>15,650,179</u>
Deficiency of Revenues under Expenditures	<u>(2,039,846)</u>	<u>(3,301,290)</u>	<u>(3,303,542)</u>	<u>(3,325,627)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,445,564</u>	<u>2,802,773</u>	<u>2,821,163</u>	<u>2,891,043</u>
Change in Fund Balance	<u>405,718</u>	<u>(498,517)</u>	<u>(482,379)</u>	<u>(434,584)</u>
Fund Balance - Beginning	<u>14,176,361</u>	<u>14,582,079</u>	<u>14,083,562</u>	<u>13,601,182</u>
Fund Balance - Ending	<u><u>\$ 14,582,079</u></u>	<u><u>\$ 14,083,562</u></u>	<u><u>\$ 13,601,182</u></u>	<u><u>\$ 13,166,598</u></u>
Fund Balance				
Nonspendable - Prepaid Items	\$ 95,313	\$ 18,011	\$ 75,929	\$ 81,339
Restricted:				
Restricted for Transportation Projects	882,560	917,880	583,947	574,181
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Committed:				
Board and Advocacy	233,770	166,323	37,999	384
SACOG Managed Fund Grantees	1,712,060	1,256,846	797,670	1,351,093
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000	200,000
Project Specific Carryover Funds	193,182	193,182	193,182	193,182
GIS Recipients	117,397	139,897	162,397	184,897
Unassigned:				
Unassigned Fund Balance	10,647,797	10,691,423	11,050,059	10,081,522
Total Ending Fund Balance	<u><u>\$ 14,582,079</u></u>	<u><u>\$ 14,083,562</u></u>	<u><u>\$ 13,601,183</u></u>	<u><u>\$ 13,166,598</u></u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balance
Planning and Administration Fund
 For Ten Fiscal Years Ended June 30

2017	2018	2019	2020	2021	2022
\$ 12,059,126	\$ 12,710,609	\$ 7,340,007	\$ 6,755,581	\$ 6,504,971	\$ 5,921,351
904,757	3,386,211	2,740,627	4,334,061	3,822,830	3,253,940
1,425,276	3,621,790	2,110,096	894,336	2,368,975	2,054,656
153,416	595,289	686,918	465,049	730,455	375,573
424,530	439,862	462,863	601,294	740,616	879,938
71,896	92,779	301,556	315,592	(22,198)	(347,590)
-	-	-	-	-	-
111,067	122,115	112,323	161,633	131,932	247,525
<u>15,150,068</u>	<u>20,968,655</u>	<u>13,754,390</u>	<u>13,527,546</u>	<u>14,277,581</u>	<u>12,385,393</u>
21,655,454	19,165,515	15,981,412	15,513,013	16,020,331	14,643,561
272,244	554,757	316,055	263,527	225,676	284,288
68,258	210,452	50,260	821,497	22,429	43,582
-	-	-	-	-	647,887
-	-	-	-	-	77,106
<u>21,995,956</u>	<u>19,930,724</u>	<u>16,347,727</u>	<u>16,598,037</u>	<u>16,268,436</u>	<u>15,696,424</u>
<u>(6,845,888)</u>	<u>1,037,931</u>	<u>(2,593,337)</u>	<u>(3,070,491)</u>	<u>(1,990,855)</u>	<u>(3,311,031)</u>
<u>3,082,708</u>	<u>3,063,312</u>	<u>3,348,050</u>	<u>4,804,623</u>	<u>6,416,039</u>	<u>4,337,717</u>
<u>(3,763,180)</u>	<u>4,101,243</u>	<u>754,713</u>	<u>1,734,132</u>	<u>4,425,184</u>	<u>1,026,686</u>
<u>13,166,598</u>	<u>9,403,418</u>	<u>13,504,661</u>	<u>14,259,374</u>	<u>15,993,506</u>	<u>20,418,690</u>
<u>\$ 9,403,418</u>	<u>\$ 13,504,661</u>	<u>\$ 14,259,374</u>	<u>\$ 15,993,506</u>	<u>\$ 20,418,690</u>	<u>\$ 21,445,376</u>
\$ 66,217	\$ 59,025	\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286
473,445	485,831	445,642	1,774,167	1,861,884	1,308,224
-	-	-	-	2,005,991	1,752,902
7,985	32,385	28,452	109,919	222,850	250,881
1,029,814	1,601,425	2,290,899	781,510	1,255,834	821,546
500,000	500,000	500,000	356,575	500,000	500,000
200,000	200,000	200,000	200,000	-	-
193,182	193,182	193,182	193,182	187,137	159,028
209,897	234,897	259,897	258,682	243,105	270,503
6,722,878	10,197,916	10,233,243	12,232,945	13,868,593	16,286,006
<u>\$ 9,403,418</u>	<u>\$ 13,504,661</u>	<u>\$ 14,259,374</u>	<u>\$ 15,993,506</u>	<u>\$ 20,418,690</u>	<u>\$ 21,445,376</u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

	2013	2014	2015	2016
REVENUES				
Sales and Use Taxes	\$ 105,488,314	\$ 79,778,015	\$ 92,870,424	\$ 83,031,666
Vehicle registration fees and traffic fines	2,219,115	2,299,485	2,357,355	2,552,816
Intergovernmental:				
Federal	9,533,766	12,847,391	10,476,372	7,560,062
State	4,654,503	4,783,759	3,923,625	2,726,891
Local	1,130,826	1,410,738	1,420,700	1,084,949
Charges for services	277,719	140,574	302,626	475,533
Member assessments	284,270	284,270	284,270	375,988
Investment earnings	336,414	81,680	(49,608)	407,335
In-Kind	320,458	582,399	-	-
Other	129,664	104,742	58,562	46,431
Total Revenues	124,375,049	102,313,053	111,644,326	98,261,671
EXPENDITURES				
City of Elk Grove	5,784,892	6,359,521	6,640,834	6,782,505
City of Citrus Heights	3,016,818	3,368,745	3,464,765	3,509,808
City of Davis	3,522,718	3,643,141	3,773,822	3,518,718
City of Folsom	2,667,342	2,965,270	2,994,838	3,094,786
City of Galt	857,479	966,917	993,483	1,008,347
City of Isleton	29,151	32,531	33,478	33,835
City of Live Oak	319,649	336,684	293,500	366,996
City of Marysville	-	77,028	-	-
City of Sacramento	295,055	339,472	353,082	357,147
City of West Sacramento	2,514,725	2,651,674	2,757,538	2,574,828
City of Rancho Cordova	41,159	47,641	49,906	50,994
City of Wheatland	55,756	85,968	51,472	63,164
City of Winters	338,503	367,905	381,115	353,484
City of Woodland	2,840,885	2,993,489	3,109,907	2,898,327
City of Yuba City	1,464,744	1,696,190	1,289,439	1,540,935
County of Sacramento	1,579,742	1,681,590	1,667,857	1,693,570
County of Sutter	679,161	756,226	641,138	774,868
County of Yolo	1,258,760	1,366,234	1,381,364	1,255,389
County of Yuba	410,109	883,272	359,374	395,445
Sacramento Regional Transit District	40,062,709	44,128,867	44,967,604	45,903,513
Yolo County Transportation District	2,807,839	2,872,942	2,732,566	203,485
Yuba-Sutter Transit Authority	214,427	213,026	140,588	3,268,262
Paratransit, Inc	1,633,876	1,882,136	1,963,186	1,987,941
SAFE services	436,837	367,588	364,335	814,681
Freeway service patrol	848,418	831,623	857,834	886,303
Equipment and maintenance	455,440	656,886	584,818	414,471
Insurance and DMV fees	20,393	11,291	21,462	22,293
Planning and Administration	18,258,075	22,443,080	19,281,825	15,531,462
Payments to SMF grantees	-	-	-	-
Transportation Claimants	-	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	20,405,161	10,872,693	9,424,005	5,452,494
Community Design Grants	146,758	1,005,170	647,705	453,123
SECAT grants or refunds	-	-	-	-
Capital outlay	66,086	95,110	75,716	90,755
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	113,032,667	115,999,910	111,298,556	106,168,696
Excess of Revenues over Expenditures	11,342,382	(13,686,857)	345,770	(7,907,025)
OTHER FINANCING USES				
Transfers in	\$ 2,445,564	\$ 2,445,564	\$ 2,821,163	\$ 2,891,043
Transfers out	(2,445,564)	(2,445,564)	(2,821,163)	(2,891,043)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	11,342,382	(13,686,857)	345,770	(7,907,025)
Fund Balance - Beginning	57,021,261	68,363,643	54,676,786	55,022,555
Fund Balance - Ending	\$ 68,363,643	\$ 54,676,786	\$ 55,022,556	\$ 47,115,530

Sacramento Area Council of Governments

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

2017	2018	2019	2020	2021	2022
\$ 86,970,062	\$ 100,018,363	\$ 114,601,016	\$ 111,018,556	\$ 119,562,002	\$ 140,860,552
2,520,348	2,523,033	2,602,945	2,591,913	2,708,373	2,659,603
12,059,126	12,710,609	7,340,007	6,755,581	6,504,971	5,921,351
1,208,533	3,386,211	2,740,627	4,334,061	3,822,830	3,253,940
1,425,276	3,621,790	2,110,096	894,336	2,388,397	2,074,865
153,416	595,289	686,918	465,049	730,455	375,573
424,530	439,862	462,863	601,294	740,616	879,938
421,368	547,564	1,886,474	1,737,139	(16,612)	(1,382,768)
-	-	-	-	-	-
111,067	154,091	159,465	185,393	131,932	247,525
105,293,726	123,996,812	132,590,411	128,583,322	136,572,964	154,890,579
6,744,562	7,620,753	-	-	-	-
3,503,965	3,910,696	-	-	-	-
3,489,076	3,365,531	-	-	-	-
3,095,668	3,616,313	-	-	-	-
1,012,626	1,144,221	-	-	-	-
33,744	38,353	-	-	-	-
401,570	292,369	-	-	-	-
-	-	-	-	-	-
382,018	393,501	-	-	-	-
2,620,351	2,455,887	-	-	-	-
54,992	57,925	-	-	-	-
45,132	54,850	-	-	-	-
355,397	339,376	-	-	-	-
2,939,922	2,718,286	-	-	-	-
1,647,686	957,774	-	-	-	-
1,724,568	1,934,991	-	-	-	-
813,077	573,460	-	-	-	-
1,379,008	1,282,356	-	-	-	-
83,965	177,955	-	-	-	-
43,985,229	52,973,969	-	-	-	-
121,910	3,599,419	-	-	-	-
2,967,874	451,737	-	-	-	-
2,127,969	2,195,490	-	-	-	-
742,901	1,126,665	3,403,570	2,452,667	2,469,900	2,258,401
924,423	1,083,741	-	-	-	-
920,121	487,710	-	-	-	-
22,907	26,129	-	-	-	-
22,075,284	19,648,005	15,981,412	15,513,013	16,020,331	14,643,561
-	-	316,055	263,527	225,676	284,288
-	-	103,433,330	111,388,368	94,439,801	125,225,317
4,930,158	4,018,076	3,664,050	3,982,780	910,549	1,574,017
272,244	554,757	-	-	-	-
-	-	317,840	375	-	-
-	210,452	50,260	821,497	22,429	43,582
-	-	-	-	-	647,887
-	-	-	-	-	77,106
109,418,347	117,310,747	127,166,517	134,422,227	114,088,686	144,754,159
(4,124,621)	6,686,065	5,423,894	(5,838,905)	22,484,278	10,136,420
\$ 3,082,708	\$ 3,063,312	\$ 3,348,050	\$ 4,804,623	\$ 6,416,039	\$ 4,337,717
(3,082,708)	(3,063,312)	(3,348,050)	(4,804,623)	(6,416,039)	(4,337,717)
-	-	-	-	-	-
(4,124,621)	6,686,065	5,423,894	(5,838,905)	22,484,278	10,136,420
47,115,530	42,990,909	49,676,974	55,100,868	49,261,963	71,746,241
\$ 42,990,909	\$ 49,676,974	\$ 55,100,868	\$ 49,261,963	\$ 71,746,241	\$ 81,882,661

Sacramento Area Council of Governments

Components of Fund Balances
For Ten Fiscal Years Ended June 30

	2013	2014	2015
Nonspendable			
Prepaid Items	\$ 97,511	\$ 20,472	\$ 75,929
Restricted:			
SECAT Program	-	-	-
PTMISEA Funds	28,952,646	18,276,282	19,578,874
State Transit Assistance Funds	(72,779)	351,541	915,777
State of Good Repair Funds	-	-	-
Local Transportation Funds - Sacramento County	13,270,404	11,856,983	10,998,193
Local Transportation Funds - Yuba County	761,228	67,647	258,426
Local Transportation Funds - Sutter County	537,017	116,659	481,406
Local Transportation Funds - Yolo County	1,741,805	968,827	(21,478)
Local Transportation Funds	-	-	-
Capitol Valley Regional SAFE	4,573,048	4,926,394	5,183,974
Glenn County SAFE	130,580	137,234	150,910
SAFE Funds	-	-	-
Restricted for Transportation Projects	882,560	917,880	700,946
Restricted for Pension Contributions (CEPPT)	-	-	-
Committed:			
Board and Advocacy	233,770	166,323	27,063
SACOG Managed Fund Grantees	1,712,060	1,256,846	797,670
Office Improvements	-	-	-
Assigned:			
Legal Defense	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000
Project Specific Carryover Funds	193,182	193,182	193,182
GIS Recipients	117,397	139,897	162,397
Post Employment Benefits (OPEB)	3,885,417	3,889,196	3,875,291
Purpose of the Fund	-	-	-
Unassigned:			
Unassigned Fund Balance	10,647,797	10,691,423	10,943,996
Total Fund Balance	\$ 68,363,643	\$ 54,676,786	\$ 55,022,556

Source: Individual internal fund statements

Sacramento Area Council of Governments

Components of Fund Balances
For Ten Fiscal Years Ended June 30

2016	2017	2018	2019	2020	2021	2022
\$ 84,654	\$ 66,217	\$ 59,025	\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286
-	306,460	309,945	492	295	-	-
15,178,617	14,269,401	10,566,038	10,662,059	6,909,745	5,971,910	4,352,315
-	144,397	1,229,432	1,517,485	842,909	5,209,812	6,578,115
-	-	816,435	1,600,037	1,605,345	4,956,169	7,912,566
12,228,043	11,492,510	13,547,839	-	-	-	-
79,005	421,767	717,973	-	-	-	-
277,365	-	481,342	-	-	-	-
116,307	-	1,045,919	-	-	-	-
-	-	-	20,129,615	17,862,156	31,878,903	37,890,860
4,392,796	3,892,104	3,341,870	2,691,841	2,907,548	-	-
93,739	126,624	131,394	130,358	146,734	-	-
-	-	-	-	-	3,310,757	3,703,429
574,181	473,445	485,831	445,642	1,774,167	1,861,884	1,308,224
-	-	-	-	-	2,005,991	1,752,902
384	7,985	32,385	28,452	109,919	222,850	250,881
1,351,093	1,029,814	1,601,425	1,034,226	781,510	1,255,834	821,546
-	-	-	1,200,000	-	-	-
500,000	500,000	500,000	500,000	356,575	500,000	500,000
200,000	260,000	200,000	200,000	200,000	-	-
193,182	193,182	193,182	193,182	193,182	187,137	159,028
184,897	209,897	234,897	259,897	258,682	243,105	270,503
3,909,655	3,939,388	3,984,126	-	-	-	-
-	-	-	2,909,607	2,993,725	-	-
7,751,612	5,657,718	10,197,916	11,489,916	12,232,945	13,868,593	16,286,006
\$ 47,115,530	\$ 42,990,909	\$ 49,676,974	\$ 55,100,868	\$ 49,261,963	\$ 71,746,241	\$ 81,882,661

Source: Individual internal fund statements

Sacramento Area Council of Governments

Total Population by Jurisdiction

For Ten Fiscal Years Ended June 30

	2013	2014	2015	2016	2017	2018	2019*	2020*	2021	2022
SACOG 6- County Region	2,374,438	2,393,622	2,416,505	2,443,181	2,474,083	2,502,061	2,528,449	2,578,590	2,577,328	2,578,693
El Dorado County	180,599	181,408	182,540	183,684	185,147	188,185	190,018	191,185	191,054	190,465
Placerville	10,382	10,485	10,504	10,555	10,658	10,748	10,836	10,811	10,636	10,646
South Lake Tahoe	21,268	21,201	21,289	21,346	21,346	22,116	22,304	21,425	21,508	21,199
Unincorporated	148,949	149,722	150,747	151,783	153,143	155,321	156,878	158,949	158,910	158,620
Placer County	363,837	368,059	371,264	376,508	383,598	389,387	395,978	404,739	407,517	409,025
Auburn	13,787	14,000	14,025	14,135	14,223	14,342	14,440	13,781	13,795	13,608
Colfax	2,049	2,060	2,059	2,083	2,098	2,113	2,121	2,001	2,016	2,042
Lincoln	44,714	45,576	46,224	46,962	47,736	48,264	48,679	49,731	50,422	51,252
Loomis	6,599	6,631	6,646	6,697	6,775	6,803	6,828	6,814	6,833	6,739
Rocklin	59,448	59,897	60,475	61,646	64,205	66,410	68,806	71,290	71,644	71,663
Roseville	126,297	128,311	129,723	132,676	135,398	137,983	141,299	147,245	148,794	151,034
Unincorporated	110,943	111,584	112,112	112,309	113,163	113,472	113,805	113,877	114,013	112,687
Sacramento County	1,453,969	1,466,176	1,481,751	1,496,385	1,512,721	1,527,132	1,541,301	1,585,055	1,580,624	1,576,618
Citrus Heights	84,540	84,972	85,668	86,453	87,106	87,550	87,731	87,715	87,245	86,367
Elk Grove	160,355	162,313	164,648	167,395	170,103	171,774	173,170	176,337	176,769	176,972
Folsom	72,752	74,596	75,560	76,562	77,398	78,019	79,171	82,943	83,075	84,592
Galt	24,163	24,270	24,602	24,841	25,153	25,562	25,655	25,467	25,383	25,239
Isleton	814	808	812	814	817	825	827	795	790	780
Rancho Cordova	68,436	69,689	71,118	72,749	74,492	75,937	77,438	79,139	79,536	80,359
Sacramento	476,794	479,424	483,830	487,455	492,858	498,563	505,230	520,264	518,322	518,037
Unincorporated	566,115	570,104	575,513	580,116	584,794	588,902	592,079	612,395	609,504	604,272
Sutter County	94,861	95,600	96,056	96,868	98,607	100,634	102,914	99,633	98,908	99,145
Live Oak	8,247	8,439	8,451	8,459	8,850	8,973	9,164	9,159	9,191	9,394
Yuba City	65,368	65,868	66,916	67,669	68,753	70,336	72,005	70,181	69,614	69,663
Unincorporated	21,246	21,293	20,689	20,740	21,004	21,325	21,745	20,293	20,103	20,088
Yolo County	207,801	208,637	210,801	215,016	218,039	219,990	220,896	216,403	217,237	221,165
Davis	66,454	66,498	66,809	67,270	68,141	68,596	69,179	64,687	66,687	64,869
West Sacramento	50,630	50,929	51,540	53,089	53,384	53,876	53,995	52,787	53,776	52,837
Winters	6,945	6,929	6,951	6,990	7,130	7,204	7,169	6,954	7,399	7,422
Woodland	57,056	57,569	58,058	58,681	59,568	60,079	60,068	59,654	60,999	60,137
Unincorporated	26,716	26,712	27,443	28,986	29,816	30,235	30,485	32,321	28,376	35,900
Yuba County	73,371	73,742	74,093	74,720	75,971	76,733	77,342	81,575	81,988	82,275
Marysville	12,246	12,274	12,265	12,294	12,336	12,323	12,333	13,189	13,003	12,824
Wheatland	3,527	3,485	3,533	3,568	3,591	3,613	3,620	3,720	3,708	3,664
Unincorporated	57,598	57,983	58,295	58,858	60,044	60,797	61,389	64,666	65,277	65,787

* Rise and Fall of total population within Sutter County are due to the temporary movement of persons affected by the Butte County Fires of 2018 into and out of Sutter County.

Source: State of California, Department of Finance, E-5 Population Estimates for Cities, Counties and the State, California Department of Finance, Demographic Research Unit, as of January 1, of each year.

NOTE: DOF adjusts their population count each year for back years from the latest decennial Census. This table has been updated to reflect changes in population estimates by jurisdiction as of the 2020 E-5 series.

Sacramento Area Council of Governments

Total Households by County

For Ten Fiscal Years Ended June 30

	2013		2014		2015	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	940,393	82,758	944,332	85,181	948,072	87,374
El Dorado County	88,495	17,924	88,950	18,061	89,293	18,156
Placer County	155,782	19,608	157,117	20,033	158,518	20,297
Sacramento County	559,806	36,042	561,460	39,037	562,950	40,539
Sutter County	33,971	2,207	34,080	2,199	34,140	2,239
Yolo County	74,589	3,779	74,920	3,340	75,231	3,457
Yuba County	27,750	3,198	27,805	2,511	27,940	2,686

	2016		2017		2018	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	952,724	83,625	959,216	92,747	966,695	96,697
El Dorado County	89,675	18,145	90,353	18,422	91,745	18,852
Placer County	160,369	20,075	162,489	20,961	164,820	21,415
Sacramento County	564,517	37,254	567,281	44,636	570,305	47,291
Sutter County	34,205	2,244	34,339	2,253	34,363	2,243
Yolo County	75,869	3,247	76,449	3,793	77,138	4,004
Yuba County	28,089	2,660	28,305	2,682	28,324	2,892

	2019		2020		2021	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	974,711	97,388	997,519	68,989	1,004,712	69,642
El Dorado County	91,987	18,904	93,467	18,147	94,035	18,161
Placer County	167,548	21,637	172,356	20,255	174,035	20,622
Sacramento County	574,449	47,645	587,551	23,106	591,185	23,338
Sutter County	34,398	2,244	34,499	1,437	34,601	1,442
Yolo County	77,679	4,031	80,188	3,594	81,108	3,605
Yuba County	28,650	2,927	29,458	2,450	29,748	2,474

	2022	
	Total Units	Vacant
SACOG Region	1,014,896	70,207
El Dorado County	94,680	18,265
Placer County	177,369	20,813
Sacramento County	595,939	23,522
Sutter County	34,749	1,448
Yolo County	81,945	3,637
Yuba County	30,214	2,522

Source: State of California, Department of Finance, E-5 Population Estimates for Cities, Counties and the State, California Department of Finance, Demographic Research Unit, as of January 1, of each year.

Sacramento Area Council of Governments

Labor Force & Unemployment by County

For Ten Fiscal Years Ended June 30

	2013				2014			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,115,600	1,015,200	100,400	9.0	1,122,000	1,038,000	84,000	7.5
El Dorado County	89,300	81,700	7,600	8.5	88,800	82,600	6,200	7.0
Placer County	179,200	165,600	13,600	7.6	176,500	165,400	11,100	6.3
Sacramento County	680,000	620,200	59,800	8.8	682,200	632,200	50,000	7.3
Sutter County	41,900	35,500	7,500	17.6	44,500	38,800	5,700	12.7
Yolo County	98,100	88,900	9,200	9.4	101,800	94,000	7,800	7.7
Yuba County	27,100	23,300	3,800	14.0	28,200	25,000	3,200	11.2

	2015				2016			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,133,100	1,063,600	69,600	6.1	1,146,800	1,084,100	62,600	
El Dorado County	89,100	84,100	5,100	5.7	89,700	85,200	4,500	5.1
Placer County	178,200	169,200	9,000	5.0	179,800	171,800	8,000	4.4
Sacramento County	689,000	647,600	41,400	6.0	697,400	660,100	37,300	5.4
Sutter County	44,800	40,000	4,800	10.8	45,300	41,000	4,300	9.6
Yolo County	103,900	97,200	6,700	6.4	106,300	100,100	6,100	5.8
Yuba County	28,100	25,500	2,600	9.2	28,300	25,900	2,400	8.5

	2017				2018			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,156,100	1,101,300	54,900		1,170,300	1,124,500	46,000	
El Dorado County	89,900	86,000	3,900	4.4	91,600	88,300	3,300	3.6
Placer County	182,200	175,200	7,000	3.8	185,200	179,400	5,800	3.1
Sacramento County	702,000	669,500	32,600	4.6	710,400	683,500	27,000	3.8
Sutter County	45,700	41,800	3,900	8.6	45,500	42,100	3,400	7.5
Yolo County	107,800	102,400	5,400	5.0	108,500	104,000	4,600	4.2
Yuba County	28,500	26,400	2,100	7.4	29,100	27,200	1,900	6.4

	2019				2020			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,589,700	1,132,000	44,700		1,163,400	1,060,700	102,800	
El Dorado County	92,000	88,800	3,200	3.5	90,800	83,300	7,500	8.3
Placer County	187,900	182,100	5,800	3.1	184,900	171,300	13,600	7.3
Sacramento County	712,400	686,300	26,100	3.7	707,200	641,600	65,600	9.3
Sutter County	458,700	42,400	3,400	7.3	45,500	40,500	5,000	11.0
Yolo County	108,700	104,200	4,400	4.1	105,000	97,100	7,900	7.5
Yuba County	30,000	28,200	1,800	6.0	30,000	26,900	3,200	10.5

	2021			
	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,175,200	1,098,100	77,200	
El Dorado County	91,100	85,900	5,200	5.7
Placer County	188,000	178,700	9,400	5.0
Sacramento County	714,000	664,400	49,700	7.0
Sutter County	45,200	41,100	4,100	9.0
Yolo County	106,100	99,900	6,200	5.8
Yuba County	30,800	28,100	2,600	8.5

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

Information for 2022 is not yet available.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2020 and 2021

El Dorado County

2020		
Employer	# of Emps	%
El Dorado County	1,963	4.5%
Marshall Medical Center	1,640	3.8%
Blue Shield of California	1,400	3.2%
Barton Health	900	2.1%
Safeway	834	1.9%
US Government	737	1.7%
EL Dorado High School District	660	1.5%
State of California	643	1.5%
Buckeye Union Elementary School District	525	1.2%
Raleys Inc	505	1.2%

County Employment Estimate 43,368 100.0%

2021		
Employer	# of Emps	%
El Dorado County	1,900	4.2%
Blue Shield of California	1,515	3.3%
Marshall Medical Center	1,460	3.2%
Red Hawk Casino	1,300	2.8%
Safeway	915	2.0%
Barton Health	875	1.9%
State of CA	684	1.5%
US Government	680	1.5%
El Dorado Office of Education	597	1.3%

County Employment Estimate 45,628 100.0%

Placer County

2020		
Employer	# of Emps	%
Kaiser Permanente	7,735	5.4%
Sutter Health	7,242	5.0%
Sierra Joint Community College District	2,100	1.5%
Adventist Health System/ West dba Adventist Health	1,810	1.3%
Safeway	1,336	0.9%
Pride Industries	1,248	0.9%
Hewlett Packard Enterprise Co	1,200	0.8%
City of Roseville	1,150	0.8%
Roseville City School District	1,102	0.8%
Pacific Gas and Electric Co	1,048	0.7%

County Employment Estimate 143,569 100.0%

2021		
Employer	# of Emps	%
Sutter Health	7,320	4.7%
Kaiser Permanente	6,367	4.1%
Placer County	2,530	1.6%
Sierra Joint Community College District	2,100	1.4%
Thunder Valley casino Resort	1,712	1.1%
Safeway	1,288	0.8%
City of Roseville	1,260	0.8%
Roseville City School District	1,260	0.8%
PG&E	1,151	0.7%

County Employment Estimate 154,206 100.0%

Sacramento County

2020		
Employer	# of Emps	%
State of California	77,172	16.2%
Kaiser Permanente	15,585	3.3%
UC Davis Health	14,510	3.0%
Sacramento County	12,360	2.6%
Sutter Health	10,764	2.3%
US Government	10,559	2.2%
Dignity Health	7,871	1.7%
Intel Corp	6,200	1.3%
Elk Grove Unified School District	6,164	1.3%
San Juan Unified School District	5,350	1.1%

County Employment Estimate 477,002 100.0%

2021		
Employer	# of Emps	%
State of California	82,894	16.7%
UC Davis Health	16,075	3.2%
Kaiser Permanente	12,301	2.5%
US Government	10,698	2.2%
Sutter Health	9,595	1.9%
Dignity Health	7,488	1.5%
Intel Corp	5,300	1.1%
San Juan Unified School District	5,126	1.0%
Los Rios Community College District	2,833	0.6%
CSUS	2,535	0.5%

County Employment Estimate 495,537 100.0%

Sources: Primarily annual Sacramento Business Journal Book of Lists for El Dorado, Placer, Sacramento & Yolo Counties; SACOG employment inventory for Sutter and Yuba Counties; EDD LMID for county employment estimate.

Information for 2022 is not yet available.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2020 and 2021

Sutter County

2020		
Employer	# of Emps	%
WalMart	600	2.3%
Sunsweet Growers	514	1.9%
Sutter County	480	1.8%
Yuba City	350	1.3%
Express Services	314	1.2%
Sierra Gold Nurseries	302	1.1%
Sysco Sacramento, Inc	283	1.1%
Legend Transportation	275	1.0%
Serve Max	200	0.8%
Target	188	0.7%
County Employment Estimate	26,522	100.0%

2021		
Employer	# of Emps	%
WalMart	600	2.2%
Sunsweet Growers	500	1.8%
Sutter County	500	1.8%
Yuba City	350	1.3%
Express Services	300	1.1%
Sierra Gold Nurseries	300	1.1%
Sysco Sacramento, Inc	280	1.0%
Legend Transportation	280	1.0%
County Employment Estimate	27,416	100.0%

Yolo County

2020		
Employer	# of Emps	%
University of California, Davis	10,309	9.5%
State of California	3,546	3.3%
US Government	2,334	2.2%
Cache Creek Casino Resort	2,300	2.1%
Yolo County	1,490	1.4%
Woodland Joint Unified School District	1,105	1.0%
Dignity Health	995	0.9%
Raley's	950	0.9%
Sutter Health	928	0.9%
Clark Pacific	843	0.8%
County Employment Estimate	69,203	100.0%

2021		
Employer	# of Emps	%
University of California, Davis	12,901	11.9%
State of California	4,382	4.0%
US Government	2,497	2.3%
Cache Creek Casino Resort	2,000	1.8%
Sutter Health	807	0.7%
PG&E	796	0.7%
Dignity Health	749	0.7%
Nor-Cal Beverage co Inc	512	0.5%
Bayer Vegetable Seeds	500	0.5%
County Employment Estimate	72,344	100.0%

Yuba County

2020		
Employer	# of Emps	%
Rideout Memorial Hospital	1,750	15.5%
Hard Rock Hotel and Casino	1,000	8.8%
Beale AFB	1,100	9.7%
WalMart	465	4.1%
Yuba Community College District	435	3.8%
Yuba County	250	2.2%
Pacific Gas and electric	230	2.0%
State of California	165	1.5%
County Employment Estimate	11,301	100.0%

2021		
Employer	# of Emps	%
Rideout Memorial Hospital	2,000	17.3%
Hard Rock Hotel and Casino	1,000	8.7%
Beale AFB	1,000	8.7%
WalMart	500	4.3%
Yuba Community College District	400	3.5%
Yuba County	250	2.2%
Pacific Gas and electric	230	2.0%
State of California	170	1.5%
County Employment Estimate	11,558	100.0%

Source: Primarily annual Sacramento Business Journal Book of Lists for El Dorado, Placer, Sacramento & Yolo Counties. Yuba & Sutter counties are only sporadically included in the Sacramento Business Journal. On non-employment inventory years for SACOG, other sources are found.

Information for 2022 is not yet available.

Sacramento Area Council of Governments

Public School Enrollment by County
For Ten Fiscal Years Ended June 30

	2013	2014	2015	2016	2017
SACOG Region	401,784	402,061	403,258	406,734	411,074
El Dorado	29,441	27,237	26,960	26,987	27,021
Placer	69,831	70,141	70,496	71,435	72,769
Sacramento	238,290	240,216	241,022	242,725	244,394
Sutter	21,170	21,390	21,459	21,693	22,633
Yolo	29,250	29,185	29,345	29,681	29,841
Yuba	13,802	13,892	13,976	14,213	14,416
	2018	2019	2020	2021	2022
SACOG Region	416,220	419,464	424,666	418,374	417,218
El Dorado	27,875	28,221	31,126	30,131	30,637
Placer	74,063	74,927	75,208	73,926	74,446
Sacramento	245,906	246,663	249,540	246,069	243,002
Sutter	23,690	24,813	23,308	23,695	24,444
Yolo	30,067	30,085	30,569	29,839	29,689
Yuba	14,619	14,755	14,915	14,714	15,000

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

(<http://www.ed-data.k12.ca.us/Navigation/fsTwoPanel.asp?bottom=%2Fprofile.asp%3Flevel%3D05%26reportNumber%3D16>)

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

Sacramento Area Council of Governments

Average Weekly & Annual Wages by County

For Ten Fiscal Years Ended June 30

	2012		2013		2014		2015	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages ¹
SACOG Region	\$899	\$46,748	\$903	\$46,956	\$919	\$47,788	\$954	\$49,614
El Dorado County	\$766	\$39,850	\$789	\$41,044	\$805	\$41,860	\$837	\$43,524
Placer County	\$912	\$47,416	\$916	\$47,633	\$947	\$49,244	\$989	\$51,428
Sacramento County	\$934	\$48,586	\$936	\$48,687	\$948	\$49,296	\$983	\$51,116
Sutter County	\$654	\$33,986	\$659	\$34,251	\$682	\$35,464	\$714	\$37,128
Yolo County	\$827	\$42,987	\$832	\$43,241	\$847	\$44,044	\$872	\$45,344
Yuba County	\$757	\$39,341	\$755	\$39,285	\$774	\$40,248	\$823	\$42,796

	2016		2017		2018		2019	
	Average Weekly Wages	Average Annual Wages ¹	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Mean Annual Wages	Average Weekly Wages	Average Annual Wages
SACOG Region	\$964	\$50,128	\$993	\$51,636	\$1,149	\$59,726	\$1,172	\$60,965
El Dorado County	\$871	\$45,292	\$899	\$46,748	\$1,032	\$53,664	\$1,019	\$52,992
Placer County	\$1,013	\$52,676	\$1,036	\$53,872	\$1,141	\$59,328	\$1,164	\$60,504
Sacramento County	\$986	\$51,272	\$1,015	\$52,780	\$1,192	\$61,980	\$1,222	\$63,552
Sutter County	\$727	\$37,804	\$739	\$38,428	\$828	\$43,056	\$833	\$43,308
Yolo County	\$891	\$46,332	\$928	\$48,256	\$1,032	\$53,676	\$1,030	\$53,580
Yuba County	\$835	\$43,420	\$877	\$45,604	\$948	\$49,296	\$1,017	\$52,872

	2020		2021		2021	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages
SACOG Region	\$1,164	\$60,528	\$1,214	\$63,128	\$1,214	\$63,128
El Dorado County	\$1,058	\$55,016	\$1,087	\$56,524	\$1,087	\$56,524
Placer County	\$1,235	\$64,220	\$1,295	\$67,340	\$1,295	\$67,340
Sacramento County	\$1,183	\$61,516	\$1,232	\$64,064	\$1,232	\$64,064
Sutter County	\$852	\$44,304	\$911	\$47,372	\$911	\$47,372
Yolo County	\$1,098	\$57,096	\$1,132	\$58,864	\$1,132	\$58,864
Yuba County	\$1,032	\$53,664	\$1,074	\$55,848	\$1,074	\$55,848

Source: California Employment Development Department, Labor Market Information Division

(1) Average Annual Wages based upon Average Weekly Wages

Information for 2022 is not yet available.

Transit Providers by County

SACOG REGION	TRANSIT PROVIDERS
El Dorado County	El Dorado Transit
Placer County	Auburn Transit Lincoln Transit Placer County Transit Roseville Transit
Sacramento County	Paratransit, Inc. Sacramento Regional Transit District South County Transit/LINK
Yolo County	Davis Community Transit UC Davis - TAPS Unitrans Yolo County Transportation District
Yuba-Sutter County	Yuba-Sutter Transit

Source: SACOG

Sacramento Area Council of Governments

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
FUNCTION										
Executive Director*	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	-	-	-	-	-	-	2	2	2	2
Chief Operations Officer/ General Counsel	1	1	1	1	1	1	1	-	-	-
Administration	8	8	8	9	10	10	7	7	7	7
Finance	4	3	3	4	4	6	7	7	7	7
Research Analysts**	11	11	11	11	11	13	11	12	8	6
Information Technology	1	1	1	1	1	1	-	-	-	-
Planning	23	22	22	21	24	22	19	18	18	24
Public Affairs and Communications	6	5	6	7	7	6	8	8	6	9
Interns	2	2	3	1	5	8	2	1	2	1
Total Approved Full-Time Positions	57	54	56	56	64	68	58	56	51	57

*Formerly called Chief Executive Officer

** Formerly called Geographic Information Systems

Source: Individual internal fund statements

Summary of Full-Time Equivalent Employees By Project

For Ten Fiscal Years Ended June 30

	2013	2014	2015
Direct Projects			
Metropolitan Transportation Plan	3.9	4.7	11.1
Sustainable Communities Strategy Implementation			
Grant from Strategic Growth Council, Round #2	1.0	1.2	2.9
Services to Other Agencies (pass-through)	0.2	0.1	0.7
Misc Other Funding	0.6	0.4	1.1
Government Relations, Public Affairs & Administration	5.6	6.1	5.5
Long-Range Transportation Planning	4.2	3.0	1.7
Short-Range Transportation Planning & Studies	2.3	1.6	2.5
Continuing Transportation Implementation	6.9	8.1	6.7
Land Use & Housing Planning	6.8	8.4	4.2
Public Services	n/a	n/a	n/a
Member & Agency Services	9.6	8.6	5.7
Services to Other Agencies	1.0	0.7	1.6
Board and Advocacy	0.6	0.4	1.3
Subtotal - Direct Projects	42.7	43.4	45.0
Indirect	14.3	10.6	10.6
Total FTEs Based on Total Hours	57.0	54.0	55.6

Source: Individual internal fund statements

Sacramento Area Council of Governments

Summary of Full-Time Equivalent Employees By Project

For Ten Fiscal Years Ended June 30

	2016	2017	2018	2019	2020	2021	2022
Direct Projects							
Core and Long-Range Member, Agency, and Transportation Services and Planning Activities	27.3	28.2	34.1	30.4	27.9	26.0	31.5
Discretionary Transportation Planning Grant Activities	2.1	1.6	1.2	0.8	1.2	2.2	1.5
Other Planning Grant and Partnership Projects	7.0	2.8	1.4	0.1	0.3	0.0	0.1
Regional Bikeshare Pilot Project	n/a	2.2	2.1	0.5	0.2	0.2	0.2
Downtown Riverfront Streetcar Project	n/a	1.5	1.3	1.9	0.0	0.0	0.0
Connect Card	n/a	2.5	0.9	0.5	0.7	0.3	0.3
Regional Early Action Planning					0.0	0.5	0.1
Green Means Go							1.6
Services to Other Agencies	2.9	1.8	2.7	1.7	1.6	1.2	0.8
Board and Advocacy	1.8	1.3	0.6	0.4	0.8	0.5	0.8
Subtotal - Direct Projects	41.1	42.0	44.3	36.4	32.7	30.9	36.9
Indirect	12.9	22.3	23.7	21.6	23.3	20.1	20.1
Total FTEs Based on Total Hours	54.0	64.2	68.0	58.0	56.0	51.0	57.0

Source: Individual internal fund statements

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

	2013	2014	2015	2016
INDIRECT COSTS				
Building Costs	\$ 597,186	\$ 602,173	\$ 595,752	\$ 627,635
Career Development Program	50,515	58,748	40,713	64,409
Consultants	38,972	91,669	156,099	193,000
Depreciation	42,462	47,330	49,658	61,358
Insurance	69,721	76,403	69,777	72,503
Legal	78,814	67,426	95,132	92,152
Maintenance	5,366	8,537	9,377	8,037
Meetings	4,798	2,052	1,916	1,655
Memberships	4,818	6,412	24,701	43,282
Miscellaneous	5,960	5,972	10,458	8,359
Office Equipment	14,878	32,878	48,062	43,835
Parking	9,925	8,300	8,607	7,510
Postage	6,954	6,739	3,819	5,028
Printing	(6,204)	14,266	2,209	22,944
Publications	2,589	1,885	2,057	2,442
Salaries and Benefits	1,911,553	1,560,919	1,683,761	991,498
Software & Maintenance	63,373	72,148	120,135	121,058
Supplies	49,377	26,867	39,181	16,154
Travel Expense	10,548	11,392	12,799	14,869
Accounting Services	12,142	39,153	12,567	14,481
Unemployment Costs	4,619	-	4,520	5,333
Telephone/Telcommunications	35,154	37,542	25,512	22,940
Temporary services/Recruitment	865	41,062	20,154	37,880
Staff Training	-	-	-	-
Vehicle Lease	-	-	-	-
Total Indirect Costs	\$ 3,014,385	\$ 2,819,873	\$ 3,036,966	\$ 2,478,361

Source: Individual internal fund statements

Sacramento Area Council of Governments

**Planning & Administration Fund
Indirect Service Cost Comparison
For the last Ten Fiscal Years Ended June 30**

2017	2018	2019	2020	2021	2022
\$ 662,936	\$ 675,365	\$ 660,713	\$ 568,493	\$ 706,712	\$ 729,859
75,491	99,761	95,680	56,507	15,355	41,229
153,126	234,109	140,629	124,890	141,946	124,175
62,831	80,237	101,964	103,864	96,004	82,468
72,193	91,079	97,323	102,348	96,566	114,710
111,393	81,456	88,858	107,689	115,072	131,314
6,509	3,294	235	1,457	310	-
1,628	13,741	21,172	10,549	447	-
41,012	28,050	34,716	45,014	40,959	41,725
32,803	43,368	48,064	65,949	35,769	27,078
61,122	34,093	98,280	56,020	1,064	32,638
8,070	11,360	10,048	9,237	9,200	9,200
12,473	6,018	1,464	1,284	440	767
17,250	18,974	20,366	12,425	771	401
4,222	3,335	1,554	765	12,511	13,397
1,048,707	1,224,653	1,461,019	1,596,700	1,472,547	1,421,711
99,682	171,244	150,991	164,618	203,772	281,394
22,662	41,181	15,374	14,286	4,599	2,385
13,345	13,712	13,439	13,225	-	1,032
6,006	870	-	-	-	-
-	-	-	-	-	-
28,228	28,286	25,362	26,329	60,510	54,499
48,916	92,365	43,595	319	4,401	15,103
-	-	-	29,976	27,832	9,357
-	-	-			3,135
\$ 2,590,606	\$ 2,996,551	\$ 3,130,844	\$ 3,111,944	\$ 3,046,787	\$ 3,137,577

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2013	2014	2015	2016
Planning and Administration Fund:				
Furniture/equipment/computers	\$ 102,217	\$ 148,847	\$ 174,906	\$ 204,303
Right to use leased assets	-	-	-	-
Total	\$ 102,217	\$ 148,847	\$ 174,906	\$ 204,303

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2017	2018	2019	2020	2021	2022
\$ 209,730	\$ 339,945	\$ 288,240	\$ 967,986	\$ 830,170	\$ 713,633
-	-	-	-	-	5,429,987
<u><u>\$ 209,730</u></u>	<u><u>\$ 339,945</u></u>	<u><u>\$ 288,240</u></u>	<u><u>\$ 967,986</u></u>	<u><u>\$ 830,170</u></u>	<u><u>\$ 6,143,620</u></u>

Source: Individual internal fund statements

Miscellaneous Statistics

For Fiscal Year Ended June 30, 2022

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	Policy and Innovation; 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

Single Audit Section

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Sacramento Area Council of Governments

Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Grant Award Number or Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through To Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants - Transit Asset Management	20.507	CA-2017-074-03	\$ 53,640	\$ -
Federal Transit Formula Grants - Downtown/Riverfront Transit Alt/Connect Card	20.507	CA-90-Y989-01	67,323	-
Passed through Sacramento Regional Transit				
Federal Transit Formula Grants - Connect Card	20.507	CA-2017-161-00	75,294	-
Subtotal - Federal Transit Formula Grants			<u>196,257</u>	<u>-</u>
Subtotal - Federal Transit Cluster			<u>196,257</u>	<u>-</u>
Passed through the State of California,				
Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - Planning	20.205	74A0816	3,498,433	-
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	782,139	81,630
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	40,042	-
Highway Planning and Construction - CMAQ - Regional Bike Share	20.205	03-6085F15	102,783	-
Highway Planning and Construction - FHWA Partnership Planning	20.205	74A0816	71,203	-
Highway Planning and Construction - Regional Surface Transportation Program - Planning, Programming, and Monitoring	20.205	03-6085F15	242,643	-
Subtotal - Highway Planning and Construction Cluster			<u>4,737,243</u>	<u>81,630</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:				
Section 5303 - Metropolitan Transportation Planning	20.505	74A0816	910,481	-
Section 5304 - Statewide Transportation Planning	20.505	74A0816	77,369	-
Subtotal - Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			<u>987,850</u>	<u>-</u>
Total U.S. Department of Transportation			<u>5,921,350</u>	<u>81,630</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,921,350</u>	<u>\$ 81,630</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2022

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, 2022. 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 SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are reported on the cash basis. When applicable, 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.



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 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, 2022, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements and have issued our report thereon dated December 29, 2022. Our report included an emphasis of matter paragraph regarding SACOG's adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*, effective July 1, 2021.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 29, 2022



**Independent Auditor's Report on Compliance for Each Major Federal Program and
Report 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

Opinion on Each Major Federal Program

We have audited Sacramento Area Council of Governments (SACOG)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SACOG's major federal programs for the year ended June 30, 2022. SACOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SACOG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 29, 2022

Sacramento Area Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major 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:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Highway Planning and Construction Cluster	20.205
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

None reported.

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WHAT WE DO

The Sacramento Area Council of Governments (SACOG) is an association of local governments in the six-county Sacramento region. Its members include the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba and the 22 cities within.

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, SACOG approves the distribution of affordable housing in the region and assists in planning for transit, bicycle networks, clean air and airport land uses.

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.

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