



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



SACOG

Sacramento Area
Council of
Governments

SACRAMENTO, CALIFORNIA

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Michael Saragosa, Placerville (Vice Chair)

Karm Bains, Sutter County

Gary Bradford, Yuba County

Chris Branscum, Marysville

Pamela Bulahan, Isleton

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Lakhvir Ghag, Live Oak

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Bruce Houdesheldt, Roseville

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Rich Lozano, Galt

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Tim Schaefer, Citrus Heights

Tom Stallard, Woodland

Darren Suen, Elk Grove

Wendy Thomas, El Dorado County

Mai Vang, Sacramento

Oscar Villegas, Yolo County

Rick West, Wheatland

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, 2023



SACRAMENTO AREA COUNCIL OF GOVERNMENTS

1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Team
Loretta Su, Finance Director

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Sacramento Area Council of Governments

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Introductory Section

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December 19, 2023

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, 2023. 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 controls 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.

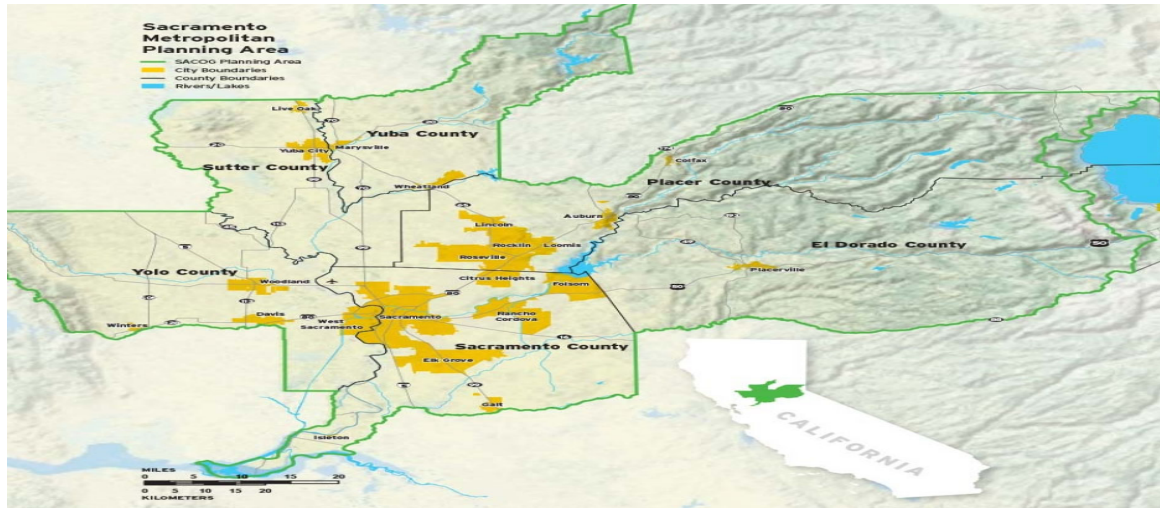
Eide Bailly has issued an unmodified ("clean") opinion on SACOG's financial statements for the fiscal year ended June 30, 2023. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report provides a narrative introduction, overview, and analysis of the basic financial 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 local government leaders in the Sacramento region come together to advance the three strategic goals of equity, economy and environment. 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.

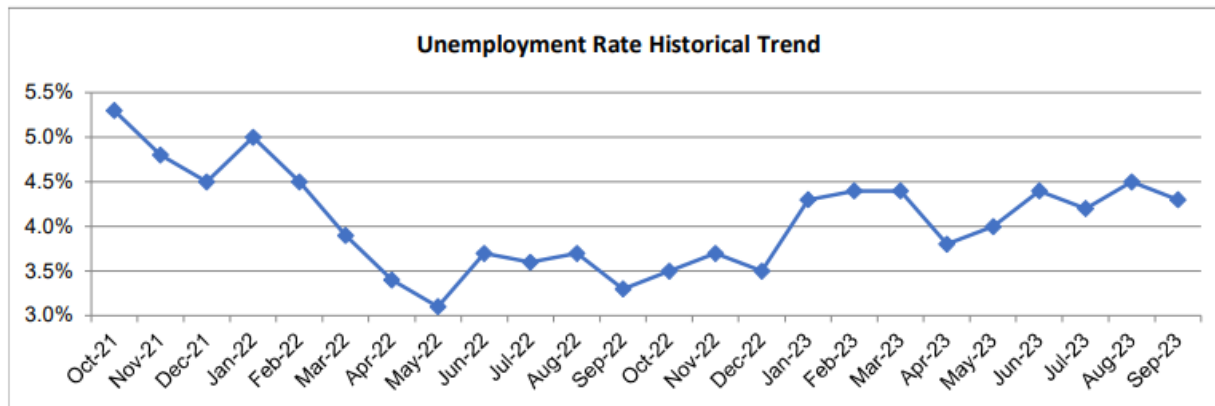


Factors Affecting Financial Condition

Local Economy

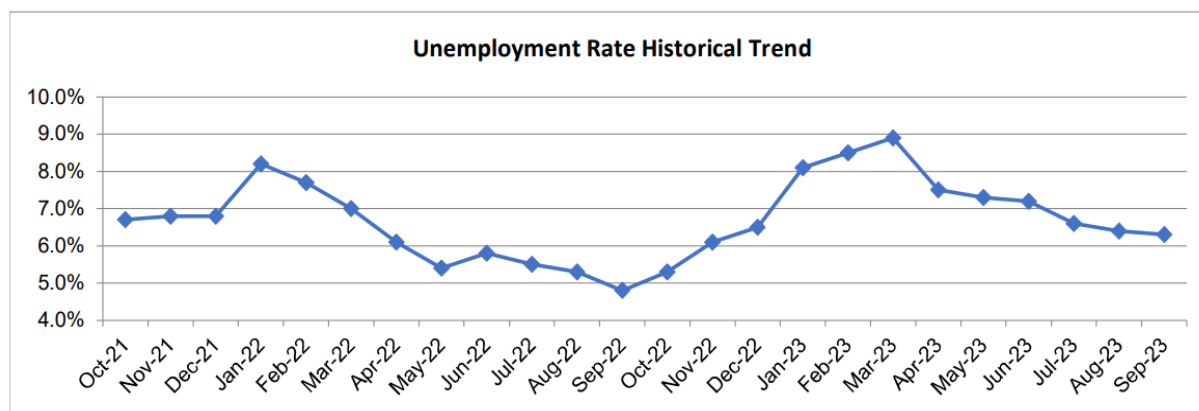
Over the past five years, the Sacramento region has experienced remarkable growth. It is one of the fastest-growing areas in California and stands out for its diversity. Located just 88 miles from the Bay Area, the region boasts an unmatched talent pool, attracting significant investor interest. Approximately \$13.0 billion has been invested in this region during this period, with \$4.0 billion poured in during 2022 alone. Business relocation and expansion projects have surged by 19% in the past year. The regions' resilience during and after the pandemic is evident as it continues to attract investments and make progress on significant ventures. However, despite relative prosperity, there are significant income disparities. A substantial portion of residents live in struggling families with insufficient income to cover basic expenses. The region has witnessed rising housing costs, making it difficult for many residents to find affordable homes. Moreover, the region's economy is heavily reliant on government jobs, which can be vulnerable to budget constraints and fluctuations. Over 55% 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 23% 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 4.3 percent in September 2023, down from a revised 4.5 percent in August 2023, and above the year-ago estimate of 3.3 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 3.6 percent for the nation during the same period. The unemployment rate was 2.8 percent in El Dorado County, 3.8 percent in Placer County, 4.5 percent in Sacramento County, and 4.3 percent in Yolo County.



Data Source: EDD Labor Market Information Division

The unemployment rate in the Yuba City MSA was 6.3 percent in September 2023, down from a revised 6.4 percent in August 2023, and above the year-ago estimate of 4.8 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 3.6 percent for the nation during the same period. The unemployment rate was 6.3 percent in Sutter County, and 6.2 percent in Yuba County.



Data Source: EDD Labor Market Information Division

Between August 2023 and September 2023, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, increased by 2,300 to total 1,102,000 jobs.

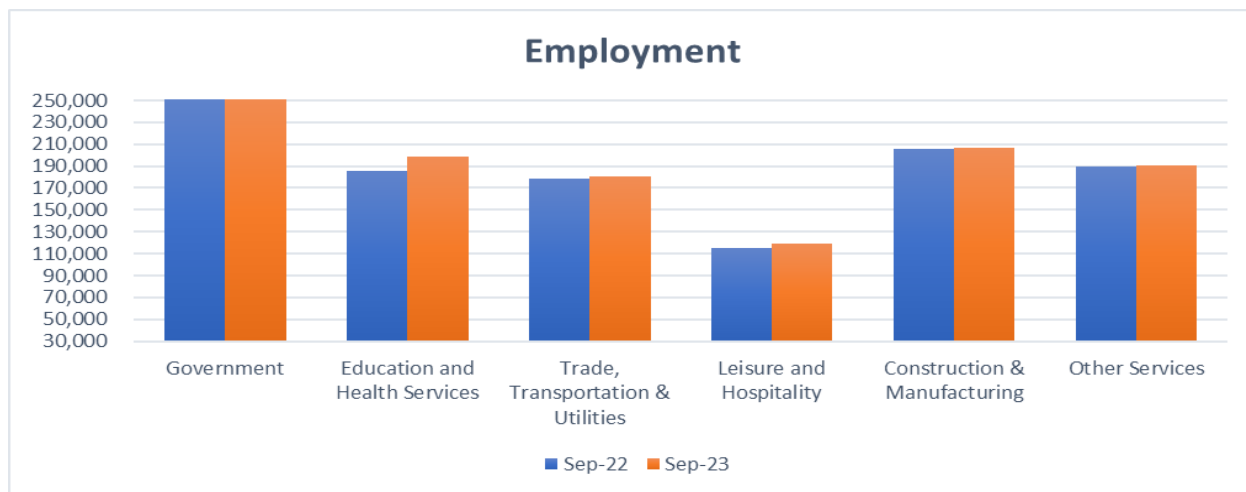
- Private education and health services recorded the largest payroll growth in September with a gain of 2,800 jobs. Healthcare and social assistance (up 2,400 jobs) was responsible for 86 percent of the increase. Private educational services picked up 400 jobs.
- Construction payrolls continued to trend up in September with the expansion of 2,200 jobs. Within the industry sector, specialty trade contractors grew by 1,800 jobs while construction of buildings added 300 jobs.
- Over the month, government employment rose by 2,100 jobs. Employment gains were reported in local government (up 1,200 jobs), state government (up 800 jobs), and federal government (up 100 jobs).
- On the downside, professional and business services continued to trend down in September, shedding 2,400 jobs. Employment declines were reported in administrative and support and waste services (down 1,600 jobs), professional, scientific, and technical services (down 700 jobs) and management of companies and enterprises (down 100 jobs).

- Additional month-over job reductions occurred in leisure and hospitality (down 1,400 jobs), financial activities (down 700 jobs), farm (down 600 jobs), manufacturing (down 300 jobs), and information (down 100 jobs)

Between August 2023 and September 2023, employment in the Yuba City Metropolitan Statistical Area declined in farm (down 900 jobs), leisure & hospitality had no changes, construction had no changes, government (up 400 jobs) and professional & business services (down 100 jobs).

Between September 2022 and September 2023, total jobs in the SACOG region increased by 26,800 or 2.4 percent to a total of 1,159,800 jobs.

- Private education and health services continued to lead the region in year-over job growth with an addition of 13,500 jobs. Within the industry sector, healthcare and social assistance rose by 12,900 jobs while private educational services added 600 jobs.
- The Government advanced by 6,000 jobs since the previous September. Payroll gains were spread across local government (up 4,400 jobs), state government (up 1,300 jobs), and federal government (up 300 jobs).
- Since September 2022, leisure and hospitality rose by 4,000 jobs, professional and business services rose by 1,100, construction rose by 1,500 jobs, other services rose by 2,400 jobs and trade, transportation, and utilities rose by 1,100 jobs.
- On the contrary, three industries reported year-over declines led by financial activities (down 1,400 jobs), information (down 400 jobs), and manufacturing (down 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 administrative and transportation-planning fees for the administering of the Transportation Development Act Funds (TDA). The TDA provides three 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) and 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 (or equivalent) in return for the transportation planning SACOG performs for their benefit.

In 2017, California State Legislature passed the Senate Bill 1, Road Repair and Accountability Act (SB 1) which is estimated to provide \$5.4 billion in annual funding in both competitive and formula distribution to cities, counties, transit agencies and Metropolitan Planning Organizations 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.

In July 2023, the California Legislature passed the Senate Bill 125, which amended the Budget Act of 2023 to appropriate \$4.0 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) over the next two fiscal years on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also establishes the \$1.1 billion Zero-Emission Transit Capital Program (ZETCP) over the next four fiscal years to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. Senate Bill 125 requires California State Transportation Agency (CalSTA) to develop and administer an accountability program to govern the distribution of these funds. SACOG, as the Regional Transportation Planning Agencies for Sacramento, Sutter, Yolo and Yuba, will receive approx. \$200.9 million in TRICP fund and \$37.3 million in ZETCP fund and will work with the four county-transit agencies to develop a regional short-term financial plan for distribution of these funds.

The US economy has experienced significant changes in recent years, including unprecedented events like the COVID-19 pandemic, political changes, and a global economic downturn. While the US economy is projected to experience some challenges, including a tight labor market and rising interest rates, according to the Congressional Budget Office (CBO) economic outlook projections, the economy is expected to continue growing, with a projected growth rate of 2.4 percent per year from 2024 to 2027 and average rate of 1.8 percent a year over the 2028-2033 period. Inflation is also expected to gradually decrease over the next few years, approaching the Federal Reserve's long-term goal of 2 percent by 2026. Interest rates are projected to rise in the near term but then gradually fall beginning in later 2023. The labor market is expected to be tight in the near term, with the unemployment rate projected to increase before gradually declining over the next few years. CBO's projection is subject to a high degree of uncertainty, and the actual economic growth rate could be affected by various factors. The actual 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

SACOG has committed to working toward three strategic goals of equity, economy and environment for the SACOG region. SACOG will use its analysis, board discussions, and recommendations to achieve all three goals. While equitable opportunity, economic prosperity, and environmental stewardship are often framed as in tension with one another, we believe pursuing all three as equally important and interconnected goals will create greater opportunity for all of the region's residents today and for generations to come. In order to implement our mission and goals and deliver on our region's long range transportation plan and sustainable communities strategy, SACOG's work focuses on the four priorities: 1) Build vibrant and inclusive places; 2) foster the next generation of mobility solutions; 3) modernize the way we pay for transportation infrastructure; and 4) build and maintain a safe, equitable and resilient transportation system. Highlights of some major initiatives we worked on in fiscal year 2022-2023 to advance these priorities included, but not limited to:

SACOG Priority:
Build and maintain a safe, equitable, and resilient transportation system.

SACOG AWARDED \$45.5 MILLION FOR ACTIVE TRANSPORTATION PROJECTS IN THE REGION

This year SACOG awarded \$45.5 million for 10 projects dedicated to improving walking and biking options throughout the region. Projects ranged from installations of a new biking and walking bridge in El Dorado County, to new parkway trails in Sacramento County, and new bike lanes and trails to connect to jobs and services in Roseville. Many of the projects will benefit residents of disadvantaged communities and continue to grow the Sacramento Regional Trail Network.

\$83 MILLION AWARDED TO REGION IN STATE ACTIVE TRANSPORTATION PROGRAM FUNDS

Awarded at the end of 2022, the Sacramento region received 9.8 percent of the total available State ATP funding. That is just over \$83 million to eight active transportation projects in Yuba County, Rancho Cordova, West Sacramento, Placerville, the City of Sacramento, and Sacramento County.



\$101 MILLION AWARDED TO 42 PROJECTS IN SACOG'S TRANSPORTATION FUNDING ROUND

SACOG's Regional Funding Round is an important source of transportation investment in the region. In May, the Board of Directors approved \$101 million in investments for 42 projects across the region to receive funding for road, transit, bicycle, and pedestrian projects.

REVOLVING MATCH PROGRAM LEVERAGES \$61.8 MILLION IN STATE AND FEDERAL FUNDING

SACOG's Revolving Match Program is designed to help partners and jurisdictions better compete for larger state and federal funding programs by leveraging regional funding. In the last two cycles of the program, \$7.5 million in funding over three projects has leveraged \$61.8 million in state and federal funding. Projects included



the City of West Sacramento I Street Bridge Deck Conversion, Sacramento County's US 50 Gold Line Corridor Enhancement Project, and Capitol Corridor's Sacramento to Roseville Third Track.

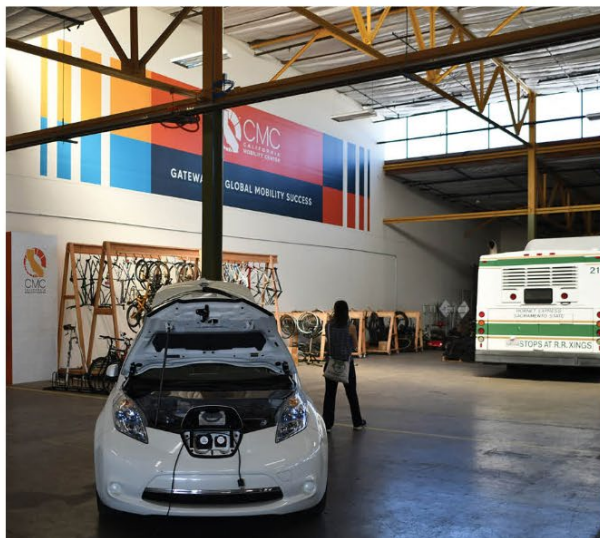
IMPROVING TRANSIT'S EMERGENCY RESPONSE

The Sacramento Regional Emergency Preparedness Strategy was adopted by the Board of Directors, establishing a vision for how transportation assets and transit operators in the region are deployed in emergency evacuation situations.

BUILDING THE 2025 BLUEPRINT

This year has been one of robust community engagement as SACOG develops the region's long-range plan, the 2025 Blueprint. Efforts included hosting a 300-person regional Blueprint Workshop this summer, conducting focus groups, and outreach events in nearly every city and county of the region. This outreach, combined with community-based organization partnerships, resulted in a historic number of survey responses collected to help inform the final Blueprint. The top concerns that have surfaced from this research are quality of life, housing, Build and maintain a safe, equitable, and resilient transportation system.

SACOG Priority:
Modernize the way we pay for transportation infrastructure.



MANAGED LANES PLANNING EFFORTS

SACOG staff and board members have been continuing to learn about managed lanes processes and projects with a series of presentations from various partners. There continues to be projects in the region that are underway to advance these policies, and SACOG is working closely with partners like Caltrans HQ and District 3 offices, Yolo Transportation District, and the Sacramento Transportation Authority.

SACOG Priority:
Build vibrant and inclusive places.

ENGAGE, EMPOWER, IMPLEMENT (EEI) PROGRAM FRAMEWORK ADOPTED

The EEI Program Framework was adopted by the Board of Directors, and work is moving forward to create more equitable and community-driven transportation projects. This milestone has been

years in the making and paves the way for staff to begin developing program guidelines and other materials for the \$3.8 million funding program.

SACOG BOARD AWARDS \$31.8 MILLION TO GREEN MEANS GO PROJECTS

This was a big year for Green Means Go as \$31.83 million for 27 projects was awarded across the region. In addition, the National Association of Regional Councils awarded Green Means Go the 2023 Achievement Award for the program's innovative vision and success in setting up a foundation for future infill in the region. The award recognizes excellence in programs and services of regional councils and metropolitan planning organizations like SACOG.



RANCHO CORDOVA MILLS CROSSING RECEIVES ADDITIONAL \$4 MILLION IN GREEN MEANS GO FUNDING

The City of Rancho Cordova received funding from the State of California Department of Housing and Community Development's REAP 2.0 program in the Higher Impact Transformative funding category for its transit-oriented development project, Mather Mills Crossing. The project also received grants in Green Means Go's Early Activation and Capital categories.



RACE, EQUITY, AND INCLUSION INITIATIVE GAINS MOMENTUM

SACOG staff have been implementing the Racial Equity Action Plan (REAP) in the areas of Board Practices, Programs, and Operations. Staff have been working on incorporating tools into programming, training for staff, and on-the-ground tours for board members as we work toward building a just and equitable region.

SACOG BOARD MEETINGS HIT THE ROAD

This year the SACOG Board of Directors held three board meetings in different areas of the region to gain a more comprehensive understanding of the areas the agency serves. Board members visited Roseville, Yuba County, and South Sacramento and heard from community-based organizations and others working on transformative projects to gain a better understanding of those areas. Meetings in cities and counties throughout the region will continue in 2024.

SOUTH SACRAMENTO AREA TOUR HIGHLIGHTING REI BARRIERS AND SUCCESSES

As part of SACOG's Racial Equity Action Plan implementation, board members and partners toured areas of South Sacramento and heard from community-based organizations like La Familia, the Franklin Boulevard Business District, Stockton Boulevard Partnership, and Mutual Housing on how they are reimagining this area of the region. Attendees saw firsthand the impact of SACOG funding in the area.

BUILDING RELATIONSHIPS WITH REGIONAL TRIBAL GOVERNMENTS

SACOG welcomed Jesus Tarango, chairman of the Wilton Rancheria, to address the Board of Directors and share with us the tribe's history in the region and their future priorities. As part of the agency's work to develop more meaningful government-to-government relationships with all the tribes in the region, SACOG also participated in the California Native American Day.



MOBILITY ZONES PROJECT MOVES FORWARD

The \$5 million Mobility Zones project made progress this year led by Principal Transportation Planner Kathleen Hanley, who is leading the direction and implementation of this project along with community-based organization Civic Thread. SACOG continues to make progress on the project, which seeks to prioritize and advance clean, shared, and active transportation investments in equity-priority communities across the six-county region.



SACOG Priority
Foster the next generation of mobility solutions.

\$1.3 MILLION AWARDED TO MOBILITY PROJECTS

The Mode Shift program awarded \$1.3 million to projects throughout the Sacramento region looking to invest in, test, and expand programs that reduce car trips and provide new mobility solutions to make biking, walking, and transit easy choices for community members. Grant awardees have already started implementing their programs around the region.

YOUTH LEADERSHIP ACADEMY CELEBRATES FIVE YEARS OF PROGRAMMING AND RECEIVES APA AWARD

More than 200 young leaders from across the region have participated in the Youth Leadership Academy, which wrapped up its fifth year of programming. The academy received recognition for its achievements with the 2023 Local Vision Award from the Sacramento Valley Section of the American Planning Association.



MEGAREGION PROJECTS SEE MEGA BACKING

SACOG led the efforts this year for the Northern California Megaregion Working Group. SACOG, the Metropolitan Transportation Commission, and the San Joaquin Council of Governments met with policymakers at the state capitol, sharing the Megaregion Dozen project list and how the Northern California megaregion would benefit from additional investments. Two Megaregion Dozen projects won significant investment this year: the Valley Rail Expansion Program [\$25 million] and the Sacramento to Roseville Third Track project [\$42.5 million].

FEDERAL GRANT ASSISTANCE

SACOG showed support for regional projects by writing 49 letters of support. Of those, 17 were granted funding that resulted in more than \$137 million for the region. The largest awards were a Consolidated Rail Infrastructure and Safety Improvements [CRISI] award for the Sacramento to Roseville Third Track project for \$42.5 million [also a Megaregion Dozen project] and a Local Transportation Climate Adaptation Program [LTCAP] award for Yuba County's Olivehurst Climate Resiliency project for \$49 million.

ALL ABOARD THE REGIONAL TRANSIT NETWORK

SACOG and its partners have made significant headway in developing the Regional Transit Network, which will improve the level of transit service across the region and provide easy transit connections between cities and counties. This year the project team engaged more than 1,000 community members to help inform the development of draft transit network corridors. Staff have prioritized these draft corridors based on existing needs and future demand and are currently coordinating with partner jurisdictions and transit agencies to identify near-term improvements for implementation.

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 on 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 major 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, 2022. This was the seventh 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 Team 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



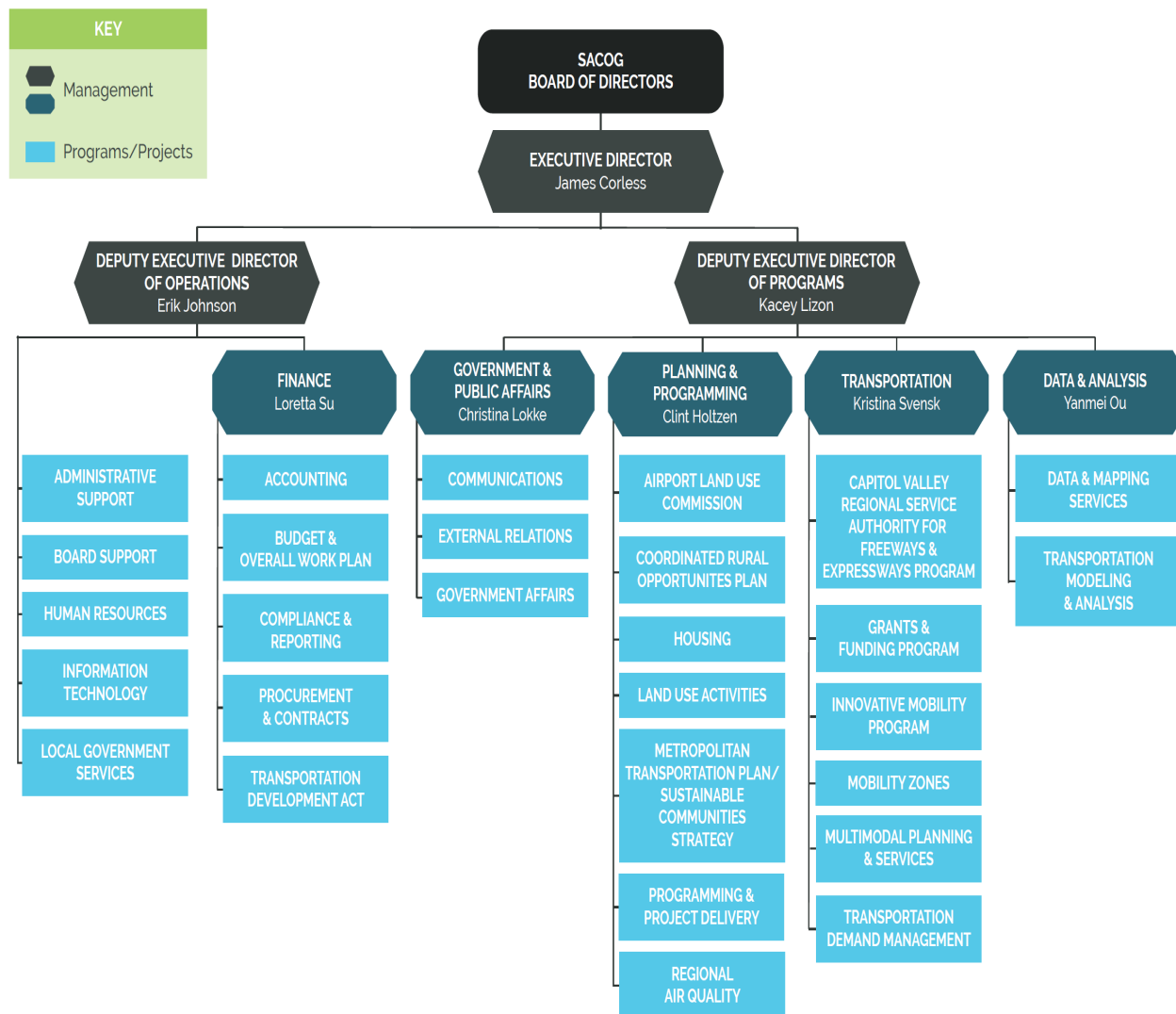
Erik Johnson
Deputy Executive Director
of Operations



Loretta Su
Finance Director

Organizational Chart

SACOG Programs & Projects



Last Revised: May 2023



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, 2022

Christopher P. Morill

Executive Director/CEO

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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, 2023, 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 each major fund of SACOG, as of June 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison for the Planning and Administrative General Fund and SAFE Funds 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 75 percent, 82 percent, and 89 percent, respectively, of the assets, net position, and revenues of the governmental activities as of June 30, 2023. 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 Notes A and Q to the financial statements, SACOG has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which has resulted in a restatement of the net position as of July 1, 2022. 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 GAAS, 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 GAAS. 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.

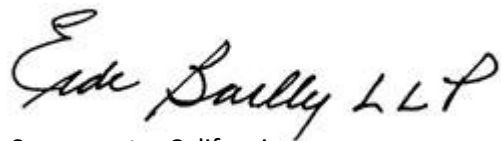
Other Information

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 19, 2023 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 Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 19, 2023

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Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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 fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of 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, 2023, are below:

- The assets and deferred outflow of resources of SACOG exceeded liabilities and deferred inflows at the close of fiscal year 2022-2023 by \$52.1 million (net position), decreased by \$11.8 million during the fiscal year. The net position consisted of net investment in capital assets of \$0.7 million, restricted net position of \$49.7 million and unrestricted net position of \$1.8 million.
- The unrestricted net position of \$1.8 million results primarily from the recording of the net pension liability of \$14.5 million, and net OPEB liability of \$3.2 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, 2023, SACOG governmental funds reported combined fund balances of \$69.8 million, a decrease of \$12.1 million compared to June 30, 2022. Of the total combined fund balances, \$16.7 million (24%) is available for spending at SACOG's Board discretion (*unassigned fund balance*).
- As of June 30, 2023, SACOG governmental funds reported combined revenues of \$173.9 million, an increase of \$19.0 million (12%) compared to June 30, 2022. The increase is due to an increase in sales and use taxes as a result of strong retail sales of \$12.3 million, \$2.0 million in grant revenue and local revenue, \$4.5 million in investment earnings, and \$0.2 million in charges for services and other revenue.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

- As of June 30, 2023, SACOG governmental funds reported combined expenditures of \$186.5 million, an increase of \$41.7 million (29%) compared to June 30, 2022. The increase is primary due to the following reasons:
 - Higher reimbursement of transportation claimant's expenditures from current and prior year allocations of \$34.6 million.
 - PTMISEA's project expenditures increase of \$2.9 million as these funds were fully liquidated as of June 30, 2023.
 - Grant and other award reimbursements of \$4.0 million in Planning and Administration.
 - Special project expenses of \$0.2 million in SAFE.

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-

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

term annual inflows and outflows of resources, rather than the longer-term focus of governmental activities as seen in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison of the governmental funds to the government-wide statements.

The 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 activities, capital assets and other related functions/expenses not associated with the OWP. 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 Fund and Glenn County SAFE fund (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, 2023, SACOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$52.1 million. The following table shows SACOG's condensed government-wide statement of net position for the fiscal years ended June 30, 2023 and June 30, 2022.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

CONDENSED STATEMENT OF NET POSITION

As of June 30, 2023, and 2022

	Governmental Activities		
	2023	2022	Increase (Decrease)
ASSETS			
Current and other assets	\$ 139,532,219	\$ 128,488,882	\$ 11,043,337
Capital assets	6,400,330	6,143,620	256,710
Total assets	145,932,549	134,632,502	11,300,047
DEFERRED OUTFLOWS			
Deferred outflows related to OPEB	1,957,477	820,867	1,136,610
Deferred outflows related to pensions	10,318,018	6,697,582	3,620,436
Total deferred outflows	12,275,495	7,518,449	4,757,046
LIABILITIES			
Other liabilities	70,860,929	47,643,816	23,217,113
Long term liabilities	28,852,084	19,276,276	9,575,808
Total liabilities	99,713,013	66,920,092	32,792,921
DEFERRED INFLOWS			
Deferred inflows related to OPEB	985,537	1,405,041	(419,504)
Deferred inflows related to pensions	5,381,333	9,850,383	(4,469,050)
Total deferred inflows	6,366,870	11,255,424	(4,888,554)
NET POSITION			
Net Investment in capital assets	679,978	610,910	69,068
Restricted:			
Restricted for pension contributions	1,840,373	1,752,902	87,471
Transportation projects	950,474	1,308,224	(357,750)
Transportation claimants	46,879,108	60,437,285	(13,558,177)
Unrestricted	1,778,228	(133,886)	1,912,114
Total net position	\$ 52,128,161	\$ 63,975,435	\$ (11,847,274)

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

As of June 30, 2023, total assets and deferred outflows of resources were \$158.2 million, an increase of \$16.0 million (11%) over the fiscal year ended June 30, 2022. The increase is primarily due to the following key activities in SACOG's major funds:

- Planning and Administration assets increased by \$2.2 million (10%) largely due to loan payment related to the SACOG Managed Fund. Additionally, there was an increase in deferred outflows related to OPEB of \$1.1 million and an increase in deferred outflows related to pensions of \$3.6 million.
- The LTF funds' assets increased by \$4.4 million (7%) due to higher consumer spending in the areas of auto and transportation, and restaurants and hotels.
- The STA and SGR funds' assets increased by \$10.0 million (34%) due to the increase in price of gas and return to work post pandemic.
- PTMISEA fund assets decreased by \$5.9 million (100%) as all funds were liquidated as of June 30, 2023.
- SAFE assets increased by \$0.3 million (7%) primarily due to investment income.

Total liabilities and deferred inflows of resources were \$106.1 million for the fiscal year ended June 30, 2023, an increase of \$27.9 million (36%) over fiscal year ended June 30, 2022, of which \$23.9 million is due to STA/SGR and LTF funds owed to transportation claimants as of June 30, 2023 and \$4.0 million is mainly due to change in long term liabilities and deferred inflows of resources related to Pension and OPEB.

Total Net Position was \$52.1 million for the fiscal year ended June 30, 2023, a decrease of \$11.8 million (19%) over fiscal year ended June 30, 2022. The decrease is primarily due to higher STA/SGR/LTF transportation claims and PTMISEA projects reimbursement, offset by increased sales/use tax revenue and investment earnings.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

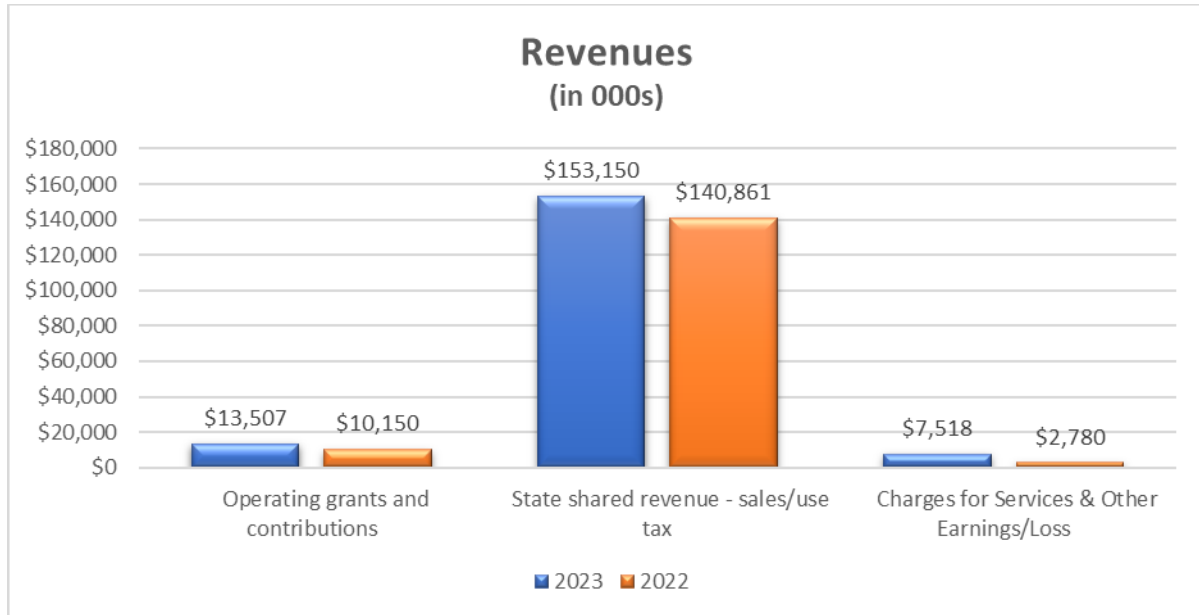
CONDENSED STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

The following table shows SACOG's condensed statement of activities for the fiscal years ended June 30, 2023 and June 30, 2022:

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	\$ 4,035,085	\$ 3,915,114	\$ 119,971
Operating Grants and contributions	13,506,650	10,150,156	3,356,494
General revenues:			
State shared revenue - sales /use tax	153,150,081	140,860,552	12,289,529
Investment earnings (loss)	3,094,415	(1,382,768)	4,477,183
Other and In-Kind	388,828	247,525	141,303
Total Revenues	174,175,059	153,790,579	20,384,480
Expenses			
Planning and Administration	19,247,670	14,245,570	5,002,100
Sacramento Emergency Clean Air and Transportation Program	-	-	-
Transportation Claimants	159,804,150	125,225,317	34,578,833
PTMISEA	4,457,295	1,574,017	2,883,278
SAFE	2,513,218	2,258,401	254,817
Total expenses	186,022,333	143,303,305	42,719,028
Change in Net Position	(11,847,274)	10,487,274	(22,334,548)
Net- Position Beginning	63,975,435	53,488,161	10,487,274
Net - Position Ending	\$ 52,128,161	\$ 63,975,435	\$ (11,847,274)

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

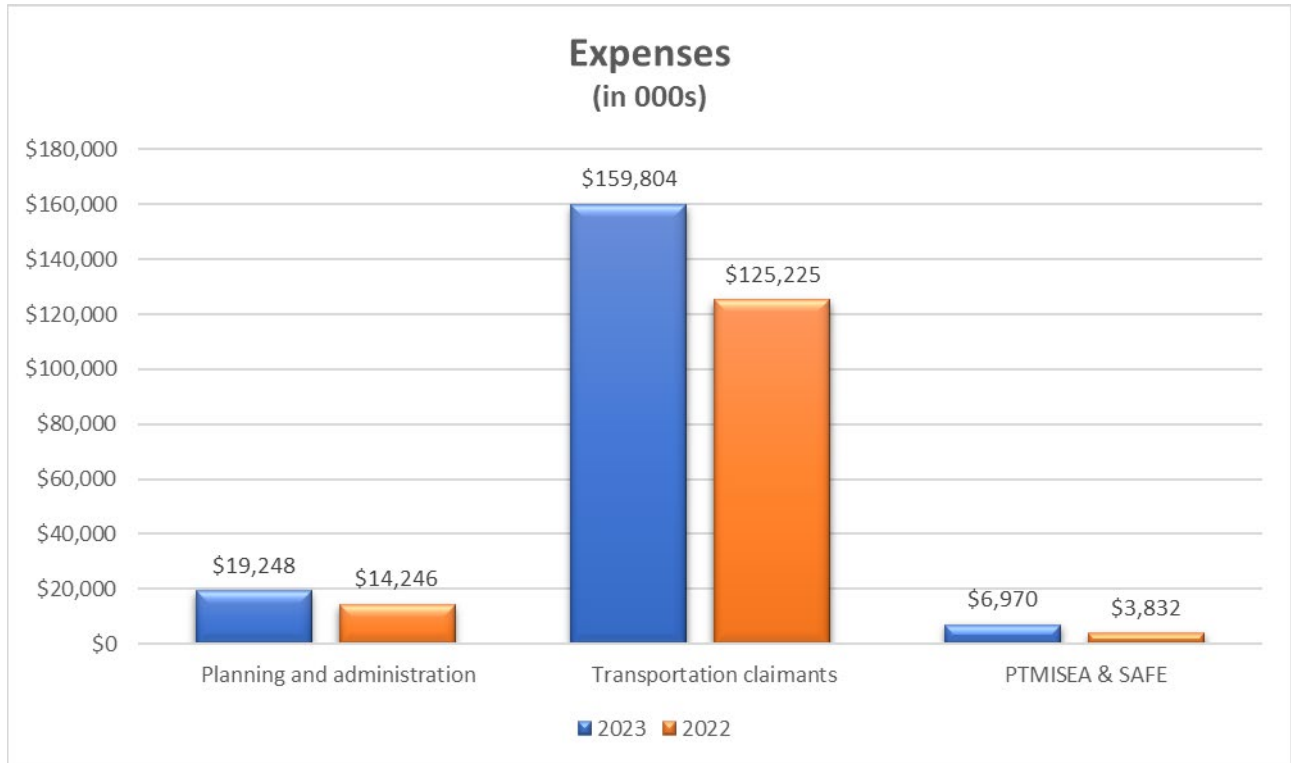
As of June 30, 2023, total revenues were \$174.2 million, an increase of \$20.4 million (13%) compared to fiscal year ended June 30, 2022. The increase is due to the following key activities:



- Operating Grants and Contributions revenue increased by \$3.4 million (33%). Major factors include an increase in federal revenue of \$2.2 million, an increase of \$1.8 million for state revenue and a \$0.4 million decrease for local revenue.
- State Shared Revenue increased by \$12.3 million (9%) as a result of higher auto and transportation related sales tax and strong consumer spending in restaurants and hotels in LTF funds of \$1.0 million and STA and SGR funds of \$11.3 million due to the increase in price of gas and return to work post pandemic.
- Charges for Services revenue and Other Earnings increased by \$4.7 million primarily due to increase in investment earnings reported for the fiscal year.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

As of June 30, 2023, total expenses were \$186.0 million in fiscal year ended June 30, 2023, an increase of \$42.7 million (30%) over fiscal year ended June 30, 2022. The increase is due to the following key activities during fiscal year 2023:

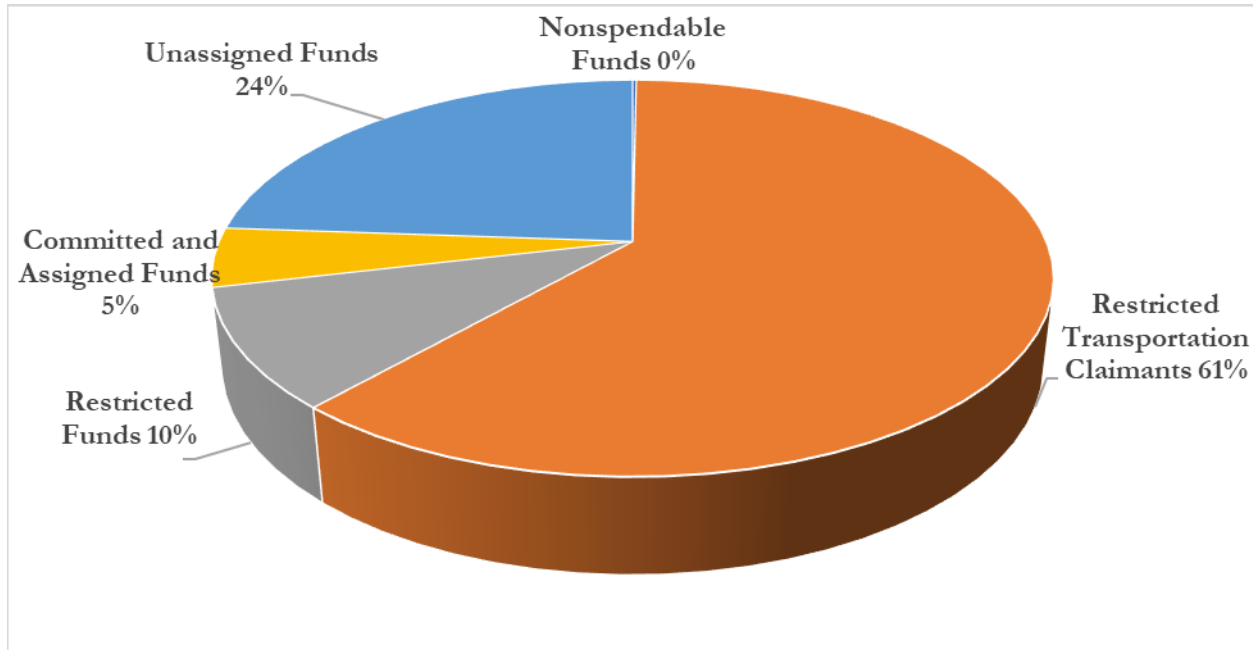


- Transportation claimants' expenses increased by \$34.6 million (28%) due to increase in annual apportionments and claims in STA funds of \$10.1 million and SGR funds of \$4.5 million and increase in each of the four county LTF funds of \$20 million, of which \$14.4 million for Sacramento County, \$2.8 million for Sutter County, \$2.2 million for Yolo County and \$0.6 million for Yuba County.
- The Planning and Administration expenses increased by \$5.0 million (35%) in fiscal year 2023 comparing to fiscal year 2022 due to the increase in federal and state grant reimbursements.
- PTMISEA and SAFE expenditures increased by \$3.1 million comprised of an increase of \$2.9 million for PTMISEA programs with the completion and liquidation of all PTMISEA projects as of June 30, 2023 and \$0.2 million for the SAFE program for special projects.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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, 2023.



The following table represents the fund balances for the governmental funds for the fiscal years ended June 30, 2023 and June 30, 2022:

	Fund Balance			
	Fiscal Year 2022-2023	Fiscal Year 2021-2022	Change	% of Change
Planning and Administration	\$ 22,949,665	\$ 21,445,376	\$ 1,504,289	7%
PTMISEA Program	-	4,352,315	(4,352,315)	-100%
State Transit Assistance Fund (STA)	9,629,828	6,578,115	3,051,713	46%
State of Good Repair Fund (SGR)	7,147,439	7,912,566	(765,127)	-10%
Local Transportation Funds (LTF)	26,093,026	37,890,860	(11,797,834)	-31%
SAFE Funds	4,008,815	3,703,429	305,386	8%
Total Fund Balance	\$ 69,828,773	\$ 81,882,661	\$ (12,053,888)	-15%

Key elements for SACOG's governmental funds at June 30, 2023 were:

- Planning and Administration fund balance increased by \$1.5 million (7%) due to loan repayment related to SACOG Managed Fund.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

- PTMISEA fund balance decreased by \$4.4 million (100%) due to the close out and liquidation of all PTMISEA funding as of June 30, 2023.
- STA fund balance increased by \$3.0 million (46%) due to higher collected sales tax revenue due to the increase in price of gas during the fiscal year.
- SGR fund balance decreased by \$0.8 million (10%) due to the increase in project reimbursements for current and prior years' apportionments.
- The LTF fund balance decreased by \$11.8 million (31%) due to increase in claimant's claims of \$16.2 million (57%).
- SAFE fund balance increased by \$0.3 million (8%) due to higher vehicle registration fees received for the fiscal year.

General Fund Budgetary Highlights

The Board adopts an annual budget for the SACOG Planning and Administration General Fund and the Capitol Valley SAFE 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 2022-2023, there were two 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 \$3.5 million decrease in revenues and \$6.7 million in expenses and debt services which were largely due to the following changes:

- The reduction of approximately \$3.3 million in intergovernmental revenues represents grant project expenditures expected in future fiscal year and approximately \$0.2 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 is 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 reduction of approximately \$6.3 million in program expenditures is largely attributed to pass-through funds to other agencies for the Green Means Go and the Regional Early Action Planning Program (REAP).

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Variances between the actual expenditures and the final amended budget for the planning and administrative fund are summarized in the following table:

	Fiscal Year 2022-2023		Variance with	Percentage
	Final Budget	Actual	Final Budget	Variance
Revenues:				
Intergovernmental	\$ 28,664,871	\$ 13,270,681	\$ (15,394,190)	\$ (1)
Charges for services	417,135	412,990	(4,145)	-1%
Member assessments	941,064	941,065	1	0%
Other	508,999	860,203	351,204	41%
Total revenues	30,532,069	15,484,939	(15,047,130)	-97%
Expenditures:				
Planning and administration	32,339,449	17,240,725	15,098,724	-88%
Payments to SMF grantees	855,000	677,944	177,056	-26%
Capital outlay	200,000	649,734	(449,734)	69%
Debt Service	743,036	1,122,514	(379,478)	34%
Total expenditures	34,137,485	19,690,917	14,446,568	-73%
Other Financing Sources:				
IT Subscription	-	522,560	522,560	100%
Transfers in	5,187,707	5,187,707	-	0%
Total Other Financing Uses	5,187,707	5,710,267	522,560	9%
Net Change in fund balances	1,582,291	1,504,289	(78,002)	-5%
Fund balance - beginning	21,445,376	21,445,376	-	0%
Fund balance - ending	\$ 23,027,667	\$ 22,949,665	\$ (78,002)	0%

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

- The approximate \$15.0 million negative variance for intergovernmental revenues occurred because of delays in implementing new projects which included RAISE grant, 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 \$15.1 million positive variance for planning and administration expenditures were primarily due to the followings:
 - \$13.5 million in consulting, pass-through and other direct costs due to timing of grant funded project expenditures which included Raise grant, REAP Housing, Green Means Go, Innovative Mobility awards and Discretionary awards.
 - \$1.0 million in salaries and fringe benefits due to unfilled positions.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Capital Assets

Total investment in capital assets on June 30, 2023, net of accumulated depreciation and amortization, was \$6.4 million, an increase of \$0.26 million from last fiscal year primarily due to implementation of GASB Statement No. 96, Subscription Based Information Technology Agreements (SBITA).

	Balance as of June 30, 2023	Balance as of June 30, 2022
Computers, Equipment, Leasehold Improvements and Automobiles	\$ 1,456,578	\$ 1,403,642
Right to Use Lease Assets	6,180,597	6,180,597
Right to Use Subscription IT assets	1,269,445	-
Less Accumulated Depreciation and Amortization	(2,506,290)	(1,440,619)
Capital Assets, Net	<u>\$ 6,400,330</u>	<u>\$ 6,143,620</u>

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

Debt Administration

Long-term debt includes the lease liability and IT subscription liability. The lease liability at June 30, 2023, is \$4,858,135, a decrease of \$674,575 due to regular principal payments. The IT subscription liability at June 30, 2023 is \$862,217. This is the first year the subscription liability is recorded due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, effective July 1, 2022.

Additional information regarding leases and SBITA's can be found in Note G and Note H 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 2023, the SACOG Board of Directors adopted the FY 2023-24 budget for the SACOG Planning and Administration General Fund of \$36.7 million in expenditures. This budget projected the use of reserve funds in categories like that of the previous year. Reserve funds planned usage

Sacramento Area Council of Governments
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

includes \$1.3 million for projects for the SACOG Managed Fund and \$15.0 million in deferred expenses and carried-over projects, grants and pass-through funds. 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 of equity, economy and environment for the SACOG region. 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 Team, Sacramento Area Council of Governments, 1415 L Street, Suite 300, Sacramento, California 95814.

Statement of Net Position

June 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 98,660,928
Restricted cash and investments	1,840,373
Receivables	38,913,385
Other assets	117,533
Total current assets	139,532,219
Non-current assets:	
Capital assets, net of accumulated depreciation	676,425
Right to use lease and subscription IT assets, net of accumulated amortization	5,723,905
Total capital assets	6,400,330
Total assets	145,932,549
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	1,957,477
Deferred outflows related to pension	10,318,018
Total deferred outflows of resources	12,275,495
LIABILITIES	
Current liabilities:	
Payables	69,417,519
Compensated absences - due within one year	362,118
Lease liability - due within one year	702,068
IT Subscription liability - due within one year	358,703
Accrued interest	20,521
Total current liabilities	70,860,929
Non-current Liabilities	
Compensated absences	582,325
Net OPEB liability	4,142,207
Net pension liability	19,467,971
Lease liability	4,156,067
IT Subscription liability	503,514
Total non-current liabilities	28,852,084
Total liabilities	99,713,013

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

Statement of Net Position

June 30, 2023

	Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	\$ 985,537
Deferred inflows related to pensions	5,381,333
Total deferred inflows of resources	6,366,870
NET POSITION	
Net investment in capital assets	679,978
Restricted for pension contributions	1,840,373
Restricted for transportation projects	950,474
Restricted for transportation claimants	46,879,108
Unrestricted	1,778,228
Total net position	\$ 52,128,161

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, 2023

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	\$ 19,247,670	\$ 1,354,055	\$ 13,506,650	\$ (4,386,965)
Transportation claimants	159,804,150	-	-	(159,804,150)
PTMISEA	4,457,295	-	-	(4,457,295)
SAFE	2,513,218	2,681,030	-	167,812
Total governmental activities	<u>\$ 186,022,333</u>	<u>\$ 4,035,085</u>	<u>\$ 13,506,650</u>	<u>(168,480,598)</u>
General revenues:				
		State shared revenue - sales and use tax		153,150,081
		Unrestricted investment earnings		3,094,415
		Other		<u>388,828</u>
		Total general revenue		<u>156,633,324</u>
		Change in net position		<u>(11,847,274)</u>
		Net Position - beginning		<u>63,975,435</u>
		Net Position - ending		<u>\$ 52,128,161</u>

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

Sacramento Area Council of Governments

Balance Sheet – Governmental Funds

June 30, 2023

		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	\$ 16,439,047	\$ -	\$ 17,387,943	\$ 11,208,837
Restricted cash and investments	1,840,373	-	-	-
Accounts receivable	150	-	-	-
Miscellaneous receivable	4,472	-	-	-
Due from other governments	6,540,497	-	9,069,239	815,419
Interest receivable	337,597	-	405,120	310,157
Prepaid items	117,533	-	-	-
Total assets	<u>\$ 25,279,669</u>	<u>\$ -</u>	<u>\$ 26,862,302</u>	<u>\$ 12,334,413</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 1,935,429	\$ -	\$ -	\$ -
Accrued liabilities	108,648	-	-	-
Due to other governments	-	-	17,232,474	5,186,974
Total liabilities	<u>2,044,077</u>	<u>-</u>	<u>17,232,474</u>	<u>5,186,974</u>
Deferred inflows of resources:				
Unavailable revenues	285,927	-	-	-
Total deferred inflows of resources	<u>285,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	117,533	-	-	-
Restricted:				
State Transit Assistance Funds	-	-	9,629,828	-
State of Good Repairs	-	-	-	7,147,439
Local Transportation Funds	-	-	-	-
SAFE Funds	-	-	-	-
Transportation Projects	950,474	-	-	-
Pension Contributions (CEPPT)	1,840,373	-	-	-
Committed:				
Board & Advocacy	342,792	-	-	-
SACOG Managed Fund Grantees	967,463	-	-	-
Assigned:				
Legal defense	500,000	-	-	-
Project specific carryover funds	408,990	-	-	-
Capital equipment	156,783	-	-	-
Contingencies	1,000,000	-	-	-
Unassigned:				
Unassigned	16,665,257	-	-	-
Total fund balances	<u>22,949,665</u>	<u>-</u>	<u>9,629,828</u>	<u>7,147,439</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,279,669</u>	<u>\$ -</u>	<u>\$ 26,862,302</u>	<u>\$ 12,334,413</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, 2023

	<u>Special Revenue</u>		
	<u>Local Transportation Funds</u>	<u>SAFE Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and investments	\$ 49,866,534	\$ 3,758,567	\$ 98,660,928
Restricted cash and investments	-	-	1,840,373
Accounts receivable	-	486,365	486,515
Miscellaneous receivable	-	-	4,472
Due from other governments	20,399,826	-	36,824,981
Interest receivable	464,490	80,053	1,597,417
Prepaid items	-	-	117,533
Total assets	<u>\$ 70,730,850</u>	<u>\$ 4,324,985</u>	<u>\$ 139,532,219</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 316,140	\$ 2,251,569
Accrued liabilities	-	30	108,678
Due to other governments	44,637,824	-	67,057,272
Total liabilities	<u>44,637,824</u>	<u>316,170</u>	<u>69,417,519</u>
Deferred inflows of resources:			
Unavailable revenues	-	-	285,927
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>285,927</u>
Fund Balances:			
Nonspendable:			
Prepaid Items	-	-	117,533
Restricted:			
State Transit Assistance Funds	-	-	9,629,828
State of Good Repairs	-	-	7,147,439
Local Transportation Funds	26,093,026	-	26,093,026
SAFE Funds	-	4,008,815	4,008,815
Transportation Projects	-	-	950,474
Pension Contributions (CEPPT)	-	-	1,840,373
Committed:			
Board & Advocacy	-	-	342,792
SACOG Managed Fund Grantees	-	-	967,463
Assigned:			
Legal defense	-	-	500,000
Project specific carryover funds	-	-	408,990
Capital equipment	-	-	156,783
Contingencies	-	-	1,000,000
Unassigned:			
Unassigned	-	-	16,665,257
Total fund balances	<u>26,093,026</u>	<u>4,008,815</u>	<u>69,828,773</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,730,850</u>	<u>\$ 4,324,985</u>	<u>\$ 139,532,219</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, 2023

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 69,828,773
Long-term receivables not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in governmental funds.	285,927
Capital assets, right to use leased assets, and subscription IT assets used in government activities are not financial resources, and therefore, are not reported as assets in the governmental funds.	6,400,330
Compensated absences not due and payable in the current period, and therefore, not reported in the governmental funds' Balance Sheet.	(944,443)
Long-term items related to leases and IT subscription liabilities are not due and payable in the current period and therefore are not reported in the fund.	
Lease liability	(4,858,135)
IT subscription liability	(862,217)
Accrued interest payable	(20,521)
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	10,318,018
Net pension liability	(19,467,971)
Deferred inflows related to pension	(5,381,333)
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	1,957,477
Net OPEB liability	(4,142,207)
Deferred inflows related to OPEB	(985,537)
Net position of governmental activities	<u>\$ 52,128,161</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, 2023

		<u>Special Revenue</u>		
		Public Transportation Modernization, Improvement & Service Enhancement Account	State Transit Assistance Fund	State of Good Repair Fund
	Planning and Administration			
Revenues:				
Sales and use taxes	\$ -	\$ -	\$ 34,930,125	\$ 4,095,316
Vehicle registration fees and traffic fines	-	-	-	-
Intergovernmental:				
Federal	7,878,466	-	-	-
State	4,843,490	-	-	-
Local	548,725	-	-	-
Charges for services	412,990	-	-	-
Member assessments	941,065	-	-	-
Investment earnings (loss)	631,072	104,980	643,285	427,166
Other	229,131	-	-	106,278
Total revenues	15,484,939	104,980	35,573,410	4,628,760
Expenditures:				
Current:				
Transportation Claimants	-	-	32,521,697	5,393,887
SAFE services	-	-	-	-
Planning and administration	17,240,725	-	-	-
Public Transportation Modernization	-	4,457,295	-	-
Payments to SMF grantees	677,944	-	-	-
Capital outlay	649,734	-	-	-
Debt Service:				
Principal	1,054,053	-	-	-
Interest	68,461	-	-	-
Total expenditures	19,690,917	4,457,295	32,521,697	5,393,887
Excess (deficiency) of revenues over (under) expenditures	(4,205,978)	(4,352,315)	3,051,713	(765,127)
Other Financing Sources (Uses):				
IT Subscription	522,560	-	-	-
Transfers in	5,187,707	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	5,710,267	-	-	-
Net change in fund balances	1,504,289	(4,352,315)	3,051,713	(765,127)
Fund balances - beginning	21,445,376	4,352,315	6,578,115	7,912,566
Fund balances - ending	\$ 22,949,665	\$ -	\$ 9,629,828	\$ 7,147,439

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, 2023

	<u>Special Revenue</u>		
	<u>Local Transportation Funds</u>	<u>SAFE Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Sales and use taxes	\$ 114,124,640	\$ -	\$ 153,150,081
Vehicle registration fees and traffic fines	-	2,681,030	2,681,030
Intergovernmental:			
Federal	-	-	7,878,466
State	-	-	4,843,490
Local	-	3,461	552,186
Charges for services	-	-	412,990
Member assessments	-	-	941,065
Investment earnings (loss)	1,153,799	134,113	3,094,415
Other	-	-	335,409
Total revenues	<u>115,278,439</u>	<u>2,818,604</u>	<u>173,889,132</u>
Expenditures:			
Current:			
Transportation Claimants	121,888,566	-	159,804,150
SAFE services	-	2,513,218	2,513,218
Planning and administration	-	-	17,240,725
Public Transportation Modernization	-	-	4,457,295
Payments to SMF grantees	-	-	677,944
Capital outlay	-	-	649,734
Debt Service:			
Principal	-	-	1,054,053
Interest	-	-	68,461
Total expenditures	<u>121,888,566</u>	<u>2,513,218</u>	<u>186,465,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,610,127)</u>	<u>305,386</u>	<u>(12,576,448)</u>
Other Financing Sources (Uses):			
IT Subscription	-	-	522,560
Transfers in	-	-	5,187,707
Transfers out	<u>(5,187,707)</u>	<u>-</u>	<u>(5,187,707)</u>
Total other financing sources (uses)	<u>(5,187,707)</u>	<u>-</u>	<u>522,560</u>
Net change in fund balances	<u>(11,797,834)</u>	<u>305,386</u>	<u>(12,053,888)</u>
Fund balances - beginning	<u>37,890,860</u>	<u>3,703,429</u>	<u>81,882,661</u>
Fund balances - ending	<u><u>\$ 26,093,026</u></u>	<u><u>\$ 4,008,815</u></u>	<u><u>\$ 69,828,773</u></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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (12,053,888)

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 deprecation is netted against capital additions and deletions in the period. (462,425)

Unavailable revenues in the Statement of Activities do not provide current financial
resources and are not reported as revenues in the governmental funds' statements. 285,927

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). (36,892)

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. (604,446)

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. 513,478

Principal payments and accrued interest on long term lease and IT subscription
liabilities reported in the statement of activities are reported as expenditures in the
governmental funds. 510,972

Change in Net Position of Governmental Activities \$ (11,847,274)

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental:				
Federal	\$ 10,635,065	\$ 10,736,574	\$ 7,878,466	\$ (2,858,108)
State	21,161,242	15,493,444	4,843,490	(10,649,954)
Local	207,171	2,434,853	548,725	(1,886,128)
Charges for services	567,352	417,135	412,990	(4,145)
Member assessments	941,064	941,064	941,065	1
Investment earnings	35,569	90,569	631,072	540,503
In-kind	110,000	76,000	-	(76,000)
Other	398,337	342,430	229,131	(113,299)
Total revenues	34,055,800	30,532,069	15,484,939	(15,047,130)
Expenditures:				
Current:				
Planning and administration:				
Salaries	6,086,089	5,981,113	5,499,395	481,718
Fringe Benefits	6,330,976	6,240,254	5,672,671	567,583
Consulting Costs	5,180,683	4,417,804	2,945,687	1,472,117
Pass-Through to Other Agencies	17,851,864	12,213,488	1,796,306	10,417,182
Other Costs	1,960,891	2,266,029	628,236	1,637,793
Indirect Costs (Non-Staff)	1,256,890	1,220,761	698,430	522,331
Total planning and administration:	38,667,393	32,339,449	17,240,725	15,098,724
Payments to SMF grantees	1,200,000	855,000	677,944	177,056
Capital outlay	200,000	200,000	649,734	(449,734)
Debt Service:				
Principal	674,575	674,575	1,054,053	(379,478)
Interest	68,461	68,461	68,461	-
Total expenditures	40,810,429	34,137,485	19,690,917	14,446,568
Deficiency of revenues under expenditures	(6,754,629)	(3,605,416)	(4,205,978)	(600,562)
Other Financing Sources:				
IT Subscription	-	-	522,560	522,560
Transfers in	5,207,504	5,187,707	5,187,707	-
Total other financing sources	5,207,504	5,187,707	5,710,267	522,560
Change in fund balances	\$ (1,547,125)	\$ 1,582,291	1,504,289	\$ (78,002)
Fund balance - beginning			21,445,376	
Fund balance - ending			\$ 22,949,665	

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual –SAFE Funds Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Vehicle registration fees	\$ 2,657,674	\$ 2,655,012	\$ 2,681,030	\$ 26,018
Federal	379,091	379,091	-	(379,091)
Local	23,000	23,000	3,461	(19,539)
Investment earnings	8,000	8,000	134,113	126,113
	<u>3,067,765</u>	<u>3,065,103</u>	<u>2,818,604</u>	<u>(246,499)</u>
Expenditures:				
Current:				
Safe services:				
SACOG Services	527,352	413,406	412,990	416
Consultants	879,091	879,091	547,696	331,395
Pass-through to				
Other Agencies	1,334,000	1,334,000	1,320,723	13,277
Other Services	327,322	441,268	231,809	209,459
	<u>3,067,765</u>	<u>3,067,765</u>	<u>2,513,218</u>	<u>554,547</u>
Total safe services:				
	<u>3,067,765</u>	<u>3,067,765</u>	<u>2,513,218</u>	<u>554,547</u>
Total expenditures	<u>3,067,765</u>	<u>3,067,765</u>	<u>2,513,218</u>	<u>554,547</u>
Change in fund balance	<u>\$ -</u>	<u>\$ (2,662)</u>	<u>305,386</u>	<u>\$ 308,048</u>
Fund balance - beginning			<u>3,703,429</u>	
Fund balance - ending			<u>\$ 4,008,815</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, 2023

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 California Department of Transportation (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, 2023

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. Capitol Valley SAFE and Glenn County SAFE are reported in SAFE Funds special revenue fund.

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.

II. Government-wide Financial Statements

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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 of 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 unearned 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 passed the funding to transit agencies for approved transit projects. SACOG Board approval is required for the subrecipient funding agreements. All funds from this program were liquidated as of June 30, 2023.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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. The Glenn County SAFE reimbursed CVR-SAFE for its share of expenditures. For the fiscal year, Glenn SAFE received a vehicle registration fee of \$33,311, interest income of \$6,500 and paid for its share of expenditures of \$17,910. The fund balance as of June 30, 2023 is \$205,951.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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, 2023.

Prepaid Items

Payments for services that will benefit periods beyond June 30, 2023. 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, Right to Use Lease Assets, and Right to Use Subscription IT 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 of 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.

Right to use lease assets are recognized at the lease commencement date and represent SACOG's right to use an underlying asset for the lease term. Right to use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use lease assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 5 to 8 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent SACOG's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period varies from 2 to 6 years.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE A — Summary of Significant Accounting Policies, Continued

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.

IT Subscription Liabilities

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

Compensated Absences

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.

It is SACOG's policy to permit employees to accumulate earned, but unused paid time off (PTO) leave benefits and to cap PTO accrual at 450 hours. For employees who have more than 350 hours of unused PTO at June 30 of each fiscal year must be cashed out or be deposited into the Special Pay Plan. Employee's entitlement to these balances is attributable to 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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE A — Summary of Significant Accounting Policies, Continued

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*.

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.

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.
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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE A — Summary of Significant Accounting Policies, Continued

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, 2023, SACOG has \$117,533 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 by the Board of Directors through Board resolution or motion.

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

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE A — Summary of Significant Accounting Policies, Continued

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, 2023, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund was \$10,437,550. The SACOG Managed Fund cash balance was \$9,737,550.

Pensions

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (see Note M), 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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE A — Summary of Significant Accounting Policies, Continued

V. Implementation of New Governmental Accounting Standard

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*. The objective of this Statement is to establish standards of accounting and financial reporting for PPPs and APAs. The Statement requires recognition of certain assets, receivables, deferred inflows of revenues (transferor) and liabilities and deferred outflows of resources (operators) for PPP arrangements. This Statement is effective for reporting periods beginning after June 15, 2022. SACOG has determined that there was no material impact on the financial statements.

GASB Statement No. 96 - As of July 1, 2022, the Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as 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 H and the additional disclosures required by this standard is included in Note Q .

GASB Statement No. 97 – In June 2020, the GASB issued 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. The Statement is effective for reporting periods beginning after June 15, 2022. SACOG has determined that there was no material impact on the financial statements.

GASB Statement No. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objective of this Statement is to enhance comparability in account and financial 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 the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. SACOG has determined that there was no material impact on the financial statements.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE B — Budgetary Information

The Board adopts an annual budget for the SACOG Planning and Administration General Fund (General and Administration Fund) and the SAFE Funds 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 Fiscal Year 2022-2023 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.

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE C — Cash and Investments**Investments Authorized by the California Government Code and SACOG's Investment Policy**

The table below identifies the investment types that are authorized for SACOG by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

	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
Registered State Warrants and Municipal Notes	5 years	80%	--	None
Bankers' Acceptances	180 days	40%	10%	A-1
Commercial Paper	270 days	40%	10%	A1/P1
Negotiable Certificates of Deposit	180 days	30%	10%	A-1
CRA Bank Deposits/Certificates of Deposit	1 Year	30%	--	A-2/P-2
Repurchase Agreements	1 Year	30%	10%	None
Reverse Repurchase Agreements	92 days	20%	10%	None
Medium Term Corporate Notes	180 days	30%	10%	A-1
Shares of Money Market Mutual fund	SEC regs	20%	10%	None
Collateralized Mortgage Obligations	180 days	20%	10%	None
Local Agency Investment Fund (LAIF)	--	Max \$75 million per account	10%	None

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

No more than 80 percent of the portfolio may be invested in 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, 2023

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
	No Maturity	0 - 5 Years	at June 30, 2023
Petty Cash	\$ 300	\$ -	\$ 300
Deposits in banks	227,566	-	227,566
Mutual Fund	1,840,373	-	1,840,373
County of Sacramento investment pool	-	72,647,913	72,647,913
County of Sutter investment pool	-	5,159,291	5,159,291
County of Yolo investment pool	-	19,585,075	19,585,075
County of Yuba investment pool	1,040,783	-	1,040,783
Total Cash and Investments	<u>\$ 3,109,022</u>	<u>\$ 97,392,279</u>	<u>\$ 100,501,301</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 \$227,566 which was fully insured and collateralized.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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 held in County Treasurers' Investment Pools at June 30, 2023, of \$98,433,062, 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, 2023, for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Miscellaneous Receivable	Total
Planning and Administration	\$ 150	\$ 6,540,497	\$ 337,597	\$ 4,472	\$ 6,882,716
State Transit Assistance Fund	-	9,069,239	405,120	-	9,474,359
State of Good Repair Fund	-	815,419	310,157	-	1,125,576
Local Transportation Funds	-	20,399,826	464,490	-	20,864,316
SAFE Funds	486,365	-	80,053	-	566,418
Total Receivables – Governmental Activities	\$ 486,515	\$ 36,824,981	\$ 1,597,417	\$ 4,472	\$ 38,913,385

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE E — Capital Assets

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

	July 1, 2022, As Restated	Additions	Deletions	June 30, 2023
Capital assets, being depreciated:				
Computers	\$ 543,163	\$ 99,424	\$ 14,869	\$ 627,718
Equipment	148,790	-	-	148,790
Leasehold Improvements	680,070	-	-	680,070
Automobiles	31,620	-	31,620	-
Total capital assets, being depreciated	1,403,643	99,424	46,489	1,456,578
Less accumulated depreciation:				
Computers	331,854	65,186	14,869	382,171
Equipment	146,435	2,355	-	148,790
Leasehold Improvements	180,101	69,091	-	249,192
Automobiles	31,620	-	31,620	-
Total accumulated depreciation	690,010	136,632	46,489	780,153
Total net book value of capital assets, being depreciated	713,633	(37,208)	-	676,425
Right to use leased and subscription IT assets, being amortized:				
Right to Use Lease Building	6,165,674	-	-	6,165,674
Right to Use Lease Automobile	14,923	-	-	14,923
Right to Use Subscription IT Assets	719,135	550,310	-	1,269,445
Total right to use leased and subscription IT assets being amortized	6,899,732	550,310	-	7,450,042
Less accumulated amortization:				
Right to Use Lease Building	747,354	747,354	-	1,494,708
Right to Use Lease Automobile	3,256	3,257	-	6,513
Right to Use Subscription IT Assets	-	224,916	-	224,916
Total accumulated amortization	750,610	975,527	-	1,726,137
Total net book value of right to use lease assets, being amortized	6,149,122	(425,217)	-	5,723,905
Total net book value of capital assets	\$ 6,862,755	\$ (462,425)	\$ -	\$ 6,400,330

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, 2023

NOTE F — Payables

Payables as of June 30, 2023, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities	Due to Other Governments	Total
Planning and Administration	\$ 1,935,429	\$ 108,648	\$ -	\$ 2,044,077
State Transit Assistance Fund	-	-	17,232,474	17,232,474
State of Good Repair Fund	-	-	5,186,974	5,186,974
Local Transportation Funds	-	-	44,637,824	44,637,824
SAFE Funds	316,140	30	-	316,170
Total Payables – Governmental Funds	<u>\$ 2,251,569</u>	<u>\$ 108,678</u>	<u>\$ 67,057,272</u>	<u>\$ 69,417,519</u>

NOTE G — Leases

Changes in the lease liability for the fiscal year ended June 30, 2023, are summarized as follows:

	July 1, 2022	Additions	Deletions	June 30, 2023	Due within One year
Lease Liability	<u>\$ 5,532,710</u>	<u>\$ -</u>	<u>\$ 674,575</u>	<u>\$ 4,858,135</u>	<u>\$ 702,068</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 and interest payments were \$60,505 in July 2022 increasing to a monthly payment of \$62,018 in October 2022.

At June 30, 2023, SACOG recognized a right to use asset of \$4,679,376 and a lease liability of \$4,858,135 related to these agreements. During the fiscal year, SACOG recorded \$750,611 in amortization expense and \$68,461 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, 2023

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>
2024	\$ 702,068	\$ 59,459
2025	730,388	50,093
2026	758,157	40,354
2027	786,207	30,260
2028	817,102	19,776
2029 - 2032	1,064,213	9,352
Total	<u>\$ 4,858,135</u>	<u>\$ 209,294</u>

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

NOTE H — Subscription Based Information Technology Arrangements (SBITA)

SACOG has entered into 12 SBITA contracts for various software subscriptions. SACOG is required to make principal and interest payments through November 2027. The SBITA contracts have an interest rate of 4.86% based on SACOG's incremental borrowing rate at the inception of the subscriptions.

A summary of the changes in subscription IT liabilities during the year ended June 30, 2023 is as follows:

	<u>July 1, 2022, As restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>Due within one year</u>
IT Subscription Liability	<u>\$ 719,135</u>	<u>\$ 522,560</u>	<u>\$ 379,478</u>	<u>\$ 862,217</u>	<u>\$ 358,703</u>

Remaining obligations associated with these SBITA's are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 358,703	\$ 40,091
2025	211,395	24,471
2026	141,715	14,197
2027	116,414	7,310
2028	33,990	1,652
Total	<u>\$ 862,217</u>	<u>\$ 87,721</u>

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE I — Compensated Absences

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

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>Due within One year</u>
Compensated Absences	\$ 907,551	\$ 966,211	\$ 929,319	\$ 944,443	\$ 362,118

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 J — Contingent Liabilities and Commitments

SACOG 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 the 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.

At June 30, 2023, the Planning and Administration Fund commitments totaled \$10,314,898, of which \$993,221 is included in the restricted, committed, and assigned fund balances and the remaining balance of \$9,321,677 will be paid with future revenues. The SAFE Fund commitments totaled \$1,007,768 at June 30, 2023. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

NOTE K — 401(a)/ Special Pay Plans

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).

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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

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 contribute 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 350 hours is deposited to the Special Pay Plan based on the PTO balance as of June 30, 2023. 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 \$176,460 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 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 \$151 per month. Total contributions to this plan as of June 30, 2023, were \$90,111.

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. Total contributions to this plan as of June 30, 2023, were \$15,014.

The sixth plan is for PEPRA non-management employees who will receive 1% of salary deposited into the 401(a) as a hybrid defined benefit/defined contribution plan. Total contributions to this plan as of June 30, 2023, were \$29,744.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE L — 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 M — 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, 2023

NOTE M — Pension Plan, Continued

The rate plan provisions and benefits in effect at June 30, 2023, 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	7.96%	6.92%	7.25%
Required employer contribution rates	13.12%	11.10%	7.65%

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, 2023 were \$2,041,703.

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

As of June 30, 2023, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$19,467,971.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE M — Pension Plan, Continued

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. SACOG's proportion of the net pension liability was based on a projection of SACOG's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SACOG's proportionate share of the net pension liability measured as of June 30, 2022, and 2021 was as follows:

Proportion - June 30, 2021	0.19921%
Proportion - June 30, 2022	0.16854%
Change - Decrease	-0.03067%

For the year ended June 30, 2023, SACOG recognized pension expense of \$2,646,149. At June 30, 2023, 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
Change of Assumptions	\$ 1,994,900	\$ -
Difference between expected and actual experience	390,956	261,845
Net differences between projected and actual earnings on plan investments	3,566,016	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	2,324,443	5,119,488
Pension contributions subsequent to the measurement date	2,041,703	-
Total	\$ 10,318,018	\$ 5,381,333

The \$2,041,703 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, 2024. 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	
2024	\$ 863,831
2025	415,075
2026	(565,019)
2027	2,181,095
Total	\$ 2,894,982

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE M — Pension Plan, Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.30%
Investment Rate of Return	6.90%
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 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report that can be found on the CalPERS website.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%

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, 2023

NOTE M — 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
Global Equity - cap-weighted	30.00%	4.45%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-back Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.90 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 6.90%, 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 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 28,285,024	\$ 19,467,971	\$ 12,213,724

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, 2023

NOTE N — 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 \$2,375.72 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 \$1,827.48 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, 2023, 6 retirees and their spouses met the Tier I eligibility requirements, and there were no Tier II retirees and no Tier III retirees.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE N — 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 \$151 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 account 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 \$151 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	51
Inactive employees or beneficiaries currently receiving benefit payments	49
Inactive employees entitled to, but not yet receiving benefits	6
Total	<u>106</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, 2023 were \$651,926.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

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

SACOG's net OPEB liability of the HC Plan was measured as of June 30, 2022, using an actuarial valuation as of June 30, 2022.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 (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, 2022
Valuation Date	June 30, 2022
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.10%
Mortality rate	2021 CalPERS Experience Study; Improvement using MW Scale 2022
Healthcare cost trend rates	5.6% in January 2024 fluctuating down to 3.9% by 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, 2023

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

Discount Rate – The discount rate used to measure the total OPEB liability was 6.10 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, 2022 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 9,939,905	\$ 6,840,334	\$ 3,099,571
Changes in the year:			
Service cost	202,800	-	202,800
Interest on total OPEB liability	684,186	-	684,186
Contribution - employer	-	658,602	(658,602)
Net investment income	-	477,497	(477,497)
Change of Benefit Terms	(242,324)		(242,324)
Benefit payments	(596,605)	(596,605)	-
Assumption changes	760,830	-	760,830
Plan experience	(622,577)	(1,394,088)	771,511
Administrative expenses	-	(1,732)	1,732
Net changes	186,310	(856,326)	1,042,636
Balance at June 30, 2023	\$ 10,126,215	\$ 5,984,008	\$ 4,142,207

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, 2022.

	1% Decrease 5.10%	Discount Rate 6.10%	1% Increase 7.10%
Net OPEB liability	\$ 5,382,063	\$ 4,142,207	\$ 3,112,549

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE N — 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	\$ 3,044,152	\$ 4,142,207	\$ 5,487,833

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, 2023, SACOG recognized OPEB expense of \$138,448 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	\$ 750,810	\$ -
Differences between expected and actual experience	12,123	985,537
Net difference between projected and actual earnings on plan investments	542,618	-
OPEB contributions subsequent to measurement date	651,926	-
Total	<u>\$ 1,957,477</u>	<u>\$ 985,537</u>

The \$651,926 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, 2024. 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,	
2024	\$ (23,579)
2025	(19,093)
2026	52,935
2027	278,668
2028	21,434
Thereafter	9,649
	<u>\$ 320,014</u>

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE O — 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 were liquidated as of June 30, 2023.

The PTMISEA activity for the fiscal years ended June 30, 2022 and 2023 are as follows:

Cash Balance at June 30, 2021	\$ 6,306,649
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>
Receipts: Interest, Net of GASB 31 Adjustment	126,354
Disbursements: Unitrans Davis Community Electric Vehicle	(715,373)
Disbursements: Unitrans 40 FT Battery-Electric Buses Purchase	(2,157,000)
Disbursements: Yuba-Sutter Transit Authority Buses Purchase	(550,000)
Disbursements: SRTD Wheel Truing Machine	(800,000)
Disbursements: SRTD LRT Enhancement	(574,869)
Disbursements: SRTD Connect Card Firewall and Other	(750,687)
Disbursements: Connect Card Universal Fare Card	(405,000)
Cash Balance at June 30, 2023	<u>\$ -</u>

NOTE P — Future Accounting Pronouncements

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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2023

NOTE P — Future Accounting Pronouncements, Continued

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.

NOTE Q — Adoption of New Standard

As of July 1, 2022, SACOG adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as 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. 96 as follows:

Net position at June 30, 2022, as previously reported	\$ 63,975,435
Recognition of right-to-use subscription IT asset	719,135
Recognition of IT subscription liability	(719,135)
Net position at July 1, 2022, as restated	<u>\$ 63,975,435</u>

Required Supplementary Information

Schedule of SACOG'S Proportionate Share of the Net Pension Liability

For the Fiscal Year Ended June 30, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020
SACOG's Proportion of the net pension liability	0.16854%	0.19921%	0.15829%	0.15864%
SACOG's Proportionate share of the net pension liability	\$ 19,467,971	\$ 10,774,039	\$ 17,222,664	\$ 16,254,664
Covered payroll	\$ 5,445,822	\$ 5,686,986	\$ 5,801,807	\$ 5,610,618
SACOG's Proportionate Share of the net pension liability as a percentage of covered payroll	27.97%	52.78%	33.69%	34.52%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

Notes to Schedule:

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

Required Supplementary Information

Schedule of SACOG'S Proportionate Share of the Net Pension Liability

For the Fiscal Year Ended June 30, 2023
Last 10 Fiscal Years*

2019	2018	2017	2016	2015
0.15807%	0.15793%	0.15979%	0.16382%	0.14297%
\$ 15,231,710	\$ 15,664,853	\$ 13,826,741	\$ 11,244,576	\$ 8,896,169
\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320	\$ 5,095,286
34.87%	33.29%	36.64%	45.09%	57.28%
75.26%	70.93%	74.06%	78.40%	79.82%
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Required Supplementary Information
Schedule of Contributions – Retirement Plan
For the Fiscal Year Ended June 30, 2023
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contributions	\$ 2,041,703	\$ 1,797,626	\$ 1,929,552	\$ 1,778,408
Contributions in relation to the actuarially determined contribution	<u>2,041,703</u>	<u>1,797,626</u>	<u>1,929,552</u>	<u>1,778,408</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,375,850	\$ 5,445,822	\$ 5,686,986	\$ 5,801,807
Contributions as a percentage of covered payroll	32.02%	33.01%	33.93%	30.65%

Notes to Schedule

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

Sacramento Area Council of Governments

Required Supplementary Information
Schedule of Contributions – Retirement Plan
 For the Fiscal Year Ended June 30, 2023
 Last 10 Fiscal Years*

2019	2018	2017	2016	2015
\$1,590,293	\$ 1,395,452	\$ 1,292,761	\$ 1,194,202	\$ 984,832
1,590,293	1,395,452	1,292,761	1,194,202	984,832
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$5,610,618	\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320
28.34%	26.27%	24.79%	23.57%	19.42%

Required Supplementary Information
 Schedule of Changes in the Net OPEB Liability and Related Ratios
 For the Fiscal Year Ended June 30, 2023
 Last 10 Fiscal Years*

	2023	2022	2021
Total OPEB liability			
Service cost	\$ 202,800	\$ 196,893	\$ 233,675
Interest on the total OPEB liability	684,186	664,624	663,187
Differences between actual and expected experience	-	-	(350,731)
Changes of assumptions	760,830	-	149,311
Benefit payments, including refunds of employee contributions	(596,605)	(575,301)	(564,347)
Changes of benefit terms	(242,324)	-	-
Plan experience	(622,577)	-	-
Net change in total OPEB liability	186,310	286,216	131,095
Total OPEB liability - beginning	9,939,905	9,653,689	9,522,594
Total OPEB liability - ending (a)	\$ 10,126,215	\$ 9,939,905	\$ 9,653,689
Plan fiduciary net position			
Contributions - employer	\$ 658,602	\$ 654,342	\$ 681,500
Net investment income	(916,591)	1,458,104	177,450
Benefit payments	(596,605)	(575,301)	(564,347)
Administrative expenses	(1,732)	(2,007)	(2,449)
Other expenses	-	-	-
Net change in plan fiduciary net position	(856,326)	1,535,138	292,154
Plan fiduciary net position - beginning	6,840,334	5,305,196	5,013,042
Plan fiduciary net position - ending (b)	5,984,008	6,840,334	5,305,196
Net OPEB liability - ending (a)-(b)	\$ 4,142,207	\$ 3,099,571	\$ 4,348,493
Plan fiduciary net position as a percentage of the total OPEB liability	59.09%	68.82%	54.96%
Covered-employee payroll	\$ 5,445,822	\$ 5,694,892	\$ 5,801,807
Net OPEB liability as a percentage of covered-employee payroll	76.06%	54.43%	74.95%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020

Notes to Schedule:

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

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2023
Last 10 Fiscal Years*

2020	2019	2018
\$ 226,320	\$ 232,998	\$ 225,664
641,287	676,349	644,344
-	(967,249)	51,759
-	92,179	-
(559,879)	(497,096)	(439,248)
-	-	-
-	-	-
307,728	(462,819)	482,519
9,214,866	9,677,685	9,195,166
\$ 9,522,594	\$ 9,214,866	\$ 9,677,685
\$ 676,609	\$ 653,354	\$ 478,305
284,966	328,990	391,353
(559,879)	(497,096)	(439,248)
(988)	(2,203)	(1,986)
-	(5,468)	-
400,708	477,577	428,424
4,612,334	4,134,757	3,706,333
5,013,042	4,612,334	4,134,757
\$ 4,509,552	\$ 4,602,532	\$ 5,542,928
52.64%	50.05%	42.72%
\$ 5,610,618	\$ 5,529,653	\$ 5,191,432
80.38%	83.23%	106.77%
June 30, 2019	June 30, 2018	June 30, 2017

Sacramento Area Council of Governments

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

For the Fiscal Year Ended June 30, 2023
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined Contributions	\$ 594,098	\$ 658,535	\$ 654,342	\$ 681,500	\$ 676,609	\$ 607,178
Contributions in relation to the actuarially determined	<u>651,926</u>	<u>658,602</u>	<u>654,342</u>	<u>681,500</u>	<u>676,609</u>	<u>478,305</u>
Contribution deficiency (excess)	<u>\$ (57,828)</u>	<u>\$ (67)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,873</u>
Covered-employee payroll	\$ 6,507,338	\$ 5,445,822	\$ 5,694,892	\$ 5,801,807	\$ 5,610,618	\$ 5,529,653
Contributions as a percentage of covered-employee payroll	10.02%	12.09%	11.49%	11.75%	12.06%	8.65%

Notes to Schedule

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

Sacramento Area Council of Governments

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

For the Fiscal Year Ended June 30, 2023

	<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	\$ 941,064	\$ 941,064	\$ 941,065	\$ 1
Total revenues	941,064	941,064	941,065	1
Expenditures:				
Current:				
Meetings/training/travel expenses	194,500	194,500	37,977	156,523
Board reimbursement	60,000	60,000	62,848	(2,848)
Consultant	215,000	215,000	193,740	21,260
Other Costs	83,045	83,045	3,693	79,352
Memberships	32,000	32,000	47,926	(15,926)
Salaries, benefits and overhead	504,442	504,442	503,397	1,045
Total expenditures	1,088,987	1,088,987	849,581	239,406
Excess (deficiency) of expenditures over (under) revenues	<u>\$ (147,923)</u>	<u>\$ (147,923)</u>	<u>\$ 91,484</u>	<u>\$ (239,405)</u>

Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2023

DIRECT COSTS:

Salaries	\$	3,921,013
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INDIRECT COSTS:

Allocated Indirect Costs (95.30%):

Service costs		3,081,524
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Actual Indirect Costs:

Building Costs	743,976
Career Development Program	78,951
Computer Software & Maint	305,804
Consultants	152,705
Depreciation	63,668
Insurance	130,522
Legal	121,269
Memberships	44,111
Office Supplies	11,626
Office Equipment	40,899
Publications/Data/Subscriptions	980
Recruitment	22,257
Salaries	1,537,498
Salaries-Intern	40,884
Services - Other	15,436
Services - Telecommunications	11,397
Staff Training	19,863
Vehicle Lease	4,527
Travel and Meeting Expenses	4,778
Vehicle Parking	7,338
Miscellaneous (Gain)/Loss	(10,099)

Total indirect costs	3,348,390
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Under-absorbed indirect costs	\$	(266,866)
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Statistical Section

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Statistical Section

For the Fiscal Year Ended June 30, 2023

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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Sacramento Area Council of Governments

Net Position by Component

For Ten Fiscal Years Ended June 30

	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	\$ 148,847	\$ 174,906	\$ 204,303	\$ 209,730
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Restricted for Transportation Projects	917,880	700,946	574,181	473,445
Restricted for Transportation Claimants	36,701,567	37,546,082	32,365,872	30,653,263
Unrestricted	15,798,418	5,215,052	2,952,631	3,657,730
Total governmental activities				
Net Position	\$ 53,566,712	\$ 43,636,986	\$ 36,096,987	\$ 34,994,168

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

2018	2019	2020	2021	2022	2023
\$ 339,945	\$ 288,240	\$ 967,986	\$ 830,170	\$ 610,910	\$ 679,978
-	-	-	2,005,991	1,752,902	1,840,373
485,831	445,642	1,774,167	1,861,884	1,308,224	950,474
32,188,187	36,731,395	30,274,437	51,327,551	60,437,285	46,879,108
957,629	864,290	(1,495,640)	(2,537,435)	(133,886)	1,778,228
\$ 33,971,592	\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435	\$ 52,128,161

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

	2014	2015***	2016	2017***
EXPENSES				
Transportation Claimants	\$ 82,519,242	\$ 80,040,856	\$ 81,636,347	\$ 79,530,309
Planning and Administration	23,478,952	19,462,387	16,149,917	22,248,042
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	10,872,693	9,424,005	5,452,494	4,930,158
Capitol Valley SAFE	1,955,345	2,091,288	2,472,852	2,961,035
Glenn County SAFE	23,781	16,712	90,061	889
SAFE Funds	-	-	-	-
Total Expenses	\$ 118,850,013	\$ 111,035,248	\$ 105,801,671	\$ 109,670,433
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	22,010,737	15,820,697	11,371,902	17,663,047
Sacramento Emergency Clean Air & Transportation Program	-	-	-	303,776
PTMISEA	170,197	10,780,660	887,174	3,902,487
Charges for Services:				
Planning and Administration	424,844	586,896	851,521	577,946
Capitol Valley SAFE	2,269,183	2,326,565	2,521,364	2,487,681
Glenn County SAFE	30,303	30,790	31,453	32,667
SAFE Funds	-	-	-	-
Total Program Revenues	24,905,264	29,545,608	15,663,414	24,967,604
Net Expense	\$ (93,944,749)	\$ (81,489,640)	\$ (90,138,257)	\$ (84,702,829)
General Revenues and Other Changes in Net Position				
State Shared Revenue - Sales and Use Taxes	\$ 79,607,818	\$ 82,089,764	\$ 82,144,492	\$ 83,067,575
Investment Earnings	81,680	(49,608)	407,335	421,368
In-Kind Revenue	582,399	-	-	-
Other	104,742	58,562	46,431	111,067
Total General Revenues	\$ 80,376,639	\$ 82,098,718	\$ 82,598,258	\$ 83,600,010
Change in Net Position	(13,568,110)	609,078	(7,539,999)	(1,102,819)
Net Position - Beginning	67,134,822	53,566,712	43,636,986	36,096,987
Prior Period Adjustment Pension Liability GASB 68	-	(10,538,804)	-	-
Prior Period Adjustment Pension Liability GASB 75	-	-	-	(4,670,841)
Net Position - Ending	\$ 53,566,712	\$ 43,636,986	\$ 36,096,987	\$ 30,323,327

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

2018	2019	2020	2021	2022	2023
\$ 90,155,212	\$ 103,433,330	\$ 111,388,368	\$ 94,439,801	\$ 125,225,317	\$ 159,804,150
21,322,636	16,894,265	17,160,749	17,183,884	14,245,570	19,247,670
-	317,840	375	-	-	-
4,018,076	3,664,050	3,982,780	910,549	1,574,017	4,457,295
3,177,595	3,364,043	2,432,718	-	-	-
29,140	39,527	19,949	-	-	-
-	-	-	2,469,900	2,258,401	2,513,218
\$ 118,702,659	\$ 127,713,055	\$ 134,984,939	\$ 115,004,134	\$ 143,303,305	\$ 186,022,333
18,072,722	11,671,349	11,576,978	13,114,579	10,150,156	13,506,650
-	-	-	-	-	-
149,858	3,347,585	-	-	-	-
1,035,151	1,149,781	1,066,343	1,471,071	1,255,511	1,354,055
2,490,482	2,569,529	2,559,315	-	-	-
32,551	33,416	32,598	-	-	-
-	-	-	2,708,373	2,659,603	2,681,030
21,780,764	18,771,660	15,235,234	17,294,023	14,065,270	17,541,735
\$ (96,921,895)	\$ (108,941,395)	\$ (119,749,705)	\$ (97,710,111)	\$ (129,238,035)	\$ (168,480,598)
\$ 99,868,505	\$ 111,253,431	\$ 111,018,556	\$ 119,562,002	\$ 140,860,552	\$ 153,150,081
547,564	1,886,474	1,737,139	(16,612)	(1,382,768)	3,094,415
-	-	-	-	-	-
154,091	159,465	185,393	131,932	247,525	388,828
\$ 100,570,160	\$ 113,299,370	\$ 112,941,088	\$ 119,677,322	\$ 139,725,309	\$ 156,633,324
3,648,265	4,357,975	(6,808,617)	21,967,211	10,487,274	(11,847,274)
30,323,327	33,971,592	38,329,567	31,520,950	53,488,161	63,975,435
-	-	-	-	-	-
-	-	-	-	-	-
\$ 33,971,592	\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435	\$ 52,128,161

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

	2014	2015	2016	2017
REVENUES				
Federal	\$ 12,847,391	\$ 10,476,372	\$ 7,560,062	\$ 12,059,126
State	4,783,759	3,923,625	2,726,891	904,757
Local	1,410,738	1,420,700	1,084,949	1,425,276
Charges for Services	140,574	302,626	475,533	153,416
Member Assessments	284,270	284,270	375,988	424,530
Investment Earnings	11,847	(22,172)	54,698	71,896
In-Kind	582,399	-	-	-
Other	69,354	36,732	46,431	111,067
Total Revenues	<u>20,130,332</u>	<u>16,422,153</u>	<u>12,324,552</u>	<u>15,150,068</u>
EXPENDITURES				
Planning and Administration	22,331,342	19,002,274	15,106,301	21,655,454
Payments to SMF grantees	1,005,170	647,705	453,123	272,244
Capital Outlay	95,110	75,716	90,755	68,258
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>23,431,622</u>	<u>19,725,695</u>	<u>15,650,179</u>	<u>21,995,956</u>
Deficiency of Revenues under Expenditures	<u>(3,301,290)</u>	<u>(3,303,542)</u>	<u>(3,325,627)</u>	<u>(6,845,888)</u>
OTHER FINANCING SOURCES				
IT Subscription	-	-	-	-
Transfers in	2,802,773	2,821,163	2,891,043	3,082,708
Change in Fund Balance	<u>(498,517)</u>	<u>(482,379)</u>	<u>(434,584)</u>	<u>(3,763,180)</u>
Fund Balance - Beginning	<u>14,582,079</u>	<u>14,083,562</u>	<u>13,601,182</u>	<u>13,166,598</u>
Fund Balance - Ending	<u><u>\$ 14,083,562</u></u>	<u><u>\$ 13,601,182</u></u>	<u><u>\$ 13,166,598</u></u>	<u><u>\$ 9,403,418</u></u>
Fund Balance				
Nonspendable - Prepaid Items	\$ 18,011	\$ 75,929	\$ 81,339	\$ 66,217
Restricted:				
Restricted for Transportation Projects	917,880	583,947	574,181	473,445
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Committed:				
Board and Advocacy	166,323	37,999	384	7,985
SACOG Managed Fund Grantees	1,256,846	797,670	1,351,093	1,029,814
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
Capital Equipment	-	-	-	-
GIS Recipients	139,897	162,397	184,897	209,897
Contingencies	-	-	-	-
Unassigned:				
Unassigned	10,691,423	11,050,059	10,081,522	6,722,878
Total Ending Fund Balance	<u><u>\$ 14,083,562</u></u>	<u><u>\$ 13,601,183</u></u>	<u><u>\$ 13,166,598</u></u>	<u><u>\$ 9,403,418</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

2018	2019	2020	2021	2022	2023
\$ 12,710,609	\$ 7,340,007	\$ 6,755,581	\$ 6,504,971	\$ 5,921,351	\$ 7,878,466
3,386,211	2,740,627	4,334,061	3,822,830	3,253,940	4,843,490
3,621,790	2,110,096	894,336	2,368,975	2,054,656	548,725
595,289	686,918	465,049	730,455	375,573	412,990
439,862	462,863	601,294	740,616	879,938	941,065
92,779	301,556	315,592	(22,198)	(347,590)	631,072
-	-	-	-	-	-
122,115	112,323	161,633	131,932	247,525	229,131
<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>	<u>15,484,939</u>
19,165,515	15,981,412	15,513,013	16,020,331	14,643,561	17,240,725
554,757	316,055	263,527	225,676	284,288	677,944
210,452	50,260	821,497	22,429	43,582	649,734
-	-	-	-	647,887	1,054,053
-	-	-	-	77,106	68,461
<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>19,690,917</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>(4,205,978)</u>
-	-	-	-	-	522,560
3,063,312	3,348,050	4,804,623	6,416,039	4,337,717	5,187,707
<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>1,504,289</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>
<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>	<u>\$ 22,949,665</u>
\$ 59,025	\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286	\$ 117,533
485,831	445,642	1,774,167	1,861,884	1,308,224	950,474
-	-	-	2,005,991	1,752,902	1,840,373
32,385	28,452	109,919	222,850	250,881	342,792
1,601,425	2,290,899	781,510	1,255,834	821,546	967,463
500,000	500,000	356,575	500,000	500,000	500,000
200,000	200,000	200,000	-	-	-
193,182	193,182	193,182	187,137	159,028	408,990
-	-	-	-	-	156,783
234,897	259,897	258,682	243,105	270,503	-
-	-	-	-	-	1,000,000
10,197,916	10,233,243	12,232,945	13,868,593	16,286,006	16,665,257
<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>	<u>\$ 22,949,665</u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

	2014	2015	2016	2017
REVENUES				
Sales and Use Taxes	\$ 79,778,015	\$ 92,870,424	\$ 83,031,666	\$ 86,970,062
Vehicle registration fees and traffic fines	2,299,485	2,357,355	2,552,816	2,520,348
Intergovernmental:				
Federal	12,847,391	10,476,372	7,560,062	12,059,126
State	4,783,759	3,923,625	2,726,891	1,208,533
Local	1,410,738	1,420,700	1,084,949	1,425,276
Charges for services	140,574	302,626	475,533	153,416
Member assessments	284,270	284,270	375,988	424,530
Investment earnings	81,680	(49,608)	407,335	421,368
In-Kind	582,399	-	-	-
Other	104,742	58,562	46,431	111,067
Total Revenues	102,313,053	111,644,326	98,261,671	105,293,726
EXPENDITURES				
City of Elk Grove	6,359,521	6,640,834	6,782,505	6,744,562
City of Citrus Heights	3,368,745	3,464,765	3,509,808	3,503,965
City of Davis	3,643,141	3,773,822	3,518,718	3,489,076
City of Folsom	2,965,270	2,994,838	3,094,786	3,095,668
City of Galt	966,917	993,483	1,008,347	1,012,626
City of Isleton	32,531	33,478	33,835	33,744
City of Live Oak	336,684	293,500	366,996	401,570
City of Marysville	77,028	-	-	-
City of Sacramento	339,472	353,082	357,147	382,018
City of West Sacramento	2,651,674	2,757,538	2,574,828	2,620,351
City of Rancho Cordova	47,641	49,906	50,994	54,992
City of Wheatland	85,968	51,472	63,164	45,132
City of Winters	367,905	381,115	353,484	355,397
City of Woodland	2,993,489	3,109,907	2,898,327	2,939,922
City of Yuba City	1,696,190	1,289,439	1,540,935	1,647,686
County of Sacramento	1,681,590	1,667,857	1,693,570	1,724,568
County of Sutter	756,226	641,138	774,868	813,077
County of Yolo	1,366,234	1,381,364	1,255,389	1,379,008
County of Yuba	883,272	359,374	395,445	83,965
Sacramento Regional Transit District	44,128,867	44,967,604	45,903,513	43,985,229
Yolo County Transportation District	2,872,942	2,732,566	203,485	121,910
Yuba-Sutter Transit Authority	213,026	140,588	3,268,262	2,967,874
Paratransit, Inc	1,882,136	1,963,186	1,987,941	2,127,969
SAFE services	367,588	364,335	814,681	742,901
Freeway service patrol	831,623	857,834	886,303	924,423
Equipment and maintenance	656,886	584,818	414,471	920,121
Insurance and DMV fees	11,291	21,462	22,293	22,907
Planning and Administration	22,443,080	19,281,825	15,531,462	22,075,284
Payments to SMF grantees	-	-	-	-
Transportation Claimants	-	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	10,872,693	9,424,005	5,452,494	4,930,158
Community Design Grants	1,005,170	647,705	453,123	272,244
SECAT grants or refunds	-	-	-	-
Capital outlay	95,110	75,716	90,755	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	115,999,910	111,298,556	106,168,696	109,418,347
Excess of Revenues over Expenditures	(13,686,857)	345,770	(7,907,025)	(4,124,621)
OTHER FINANCING USES				
IT Subscription	-	-	-	-
Transfers in	2,445,564	2,821,163	2,891,043	3,082,708
Transfers out	(2,445,564)	(2,821,163)	(2,891,043)	(3,082,708)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	(13,686,857)	345,770	(7,907,025)	(4,124,621)
Fund Balance - Beginning	68,363,643	54,676,786	55,022,555	47,115,530
Fund Balance - Ending	\$ 54,676,786	\$ 55,022,556	\$ 47,115,530	\$ 42,990,909

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

2018	2019	2020	2021	2022	2023
\$ 100,018,363	\$ 114,601,016	\$ 111,018,556	\$ 119,562,002	\$ 140,860,552	\$ 153,150,081
2,523,033	2,602,945	2,591,913	2,708,373	2,659,603	2,681,030
12,710,609	7,340,007	6,755,581	6,504,971	5,921,351	7,878,466
3,386,211	2,740,627	4,334,061	3,822,830	3,253,940	4,843,490
3,621,790	2,110,096	894,336	2,388,397	2,074,865	552,186
595,289	686,918	465,049	730,455	375,573	412,990
439,862	462,863	601,294	740,616	879,938	941,065
547,564	1,886,474	1,737,139	(16,612)	(1,382,768)	3,094,415
-	-	-	-	-	-
154,091	159,465	185,393	131,932	247,525	335,409
123,996,812	132,590,411	128,583,322	136,572,964	154,890,579	173,889,132
7,620,753	-	-	-	-	-
3,910,696	-	-	-	-	-
3,365,531	-	-	-	-	-
3,616,313	-	-	-	-	-
1,144,221	-	-	-	-	-
38,353	-	-	-	-	-
292,369	-	-	-	-	-
-	-	-	-	-	-
393,501	-	-	-	-	-
2,455,887	-	-	-	-	-
57,925	-	-	-	-	-
54,850	-	-	-	-	-
339,376	-	-	-	-	-
2,718,286	-	-	-	-	-
957,774	-	-	-	-	-
1,934,991	-	-	-	-	-
573,460	-	-	-	-	-
1,282,356	-	-	-	-	-
177,955	-	-	-	-	-
52,973,969	-	-	-	-	-
3,599,419	-	-	-	-	-
451,737	-	-	-	-	-
2,195,490	-	-	-	-	-
1,126,665	3,403,570	2,452,667	2,469,900	2,258,401	2,513,218
1,083,741	-	-	-	-	-
487,710	-	-	-	-	-
26,129	-	-	-	-	-
19,648,005	15,981,412	15,513,013	16,020,331	14,643,561	17,240,725
-	316,055	263,527	225,676	284,288	677,944
-	103,433,330	111,388,368	94,439,801	125,225,317	159,804,150
4,018,076	3,664,050	3,982,780	910,549	1,574,017	4,457,295
554,757	-	-	-	-	-
-	317,840	375	-	-	-
210,452	50,260	821,497	22,429	43,582	649,734
-	-	-	-	647,887	1,054,053
-	-	-	-	77,106	68,461
117,310,747	127,166,517	134,422,227	114,088,686	144,754,159	186,465,580
6,686,065	5,423,894	(5,838,905)	22,484,278	10,136,420	(12,576,448)
-	-	-	-	-	522,560
3,063,312	3,348,050	4,804,623	6,416,039	4,337,717	5,187,707
(3,063,312)	(3,348,050)	(4,804,623)	(6,416,039)	(4,337,717)	(5,187,707)
-	-	-	-	-	522,560
6,686,065	5,423,894	(5,838,905)	22,484,278	10,136,420	(12,053,888)
42,990,909	49,676,974	55,100,868	49,261,963	71,746,241	81,882,661
\$ 49,676,974	\$ 55,100,868	\$ 49,261,963	\$ 71,746,241	\$ 81,882,661	\$ 69,828,773

Source: Individual internal fund statements

Sacramento Area Council of Governments

Components of Fund Balances

For Ten Fiscal Years Ended June 30

	2014	2015	2016	2017
Nonspendable				
Prepaid Items	\$ 20,472	\$ 75,929	\$ 84,654	\$ 66,217
Restricted:				
SECAT Program	-	-	-	306,460
PTMISEA Funds	18,276,282	19,578,874	15,178,617	14,269,401
State Transit Assistance Funds	351,541	915,777	-	144,397
State of Good Repair Funds	-	-	-	-
Local Transportation Funds - Sacramento County	11,856,983	10,998,193	12,228,043	11,492,510
Local Transportation Funds - Yuba County	67,647	258,426	79,005	421,767
Local Transportation Funds - Sutter County	116,659	481,406	277,365	-
Local Transportation Funds - Yolo County	968,827	(21,478)	116,307	-
Local Transportation Funds	-	-	-	-
Capitol Valley Regional SAFE	4,926,394	5,183,974	4,392,796	3,892,104
Glenn County SAFE	137,234	150,910	93,739	126,624
SAFE Funds	-	-	-	-
Restricted for Transportation Projects	917,880	700,946	574,181	473,445
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Committed:				
Board and Advocacy	166,323	27,063	384	7,985
SACOG Managed Fund Grantees	1,256,846	797,670	1,351,093	1,029,814
Office Improvements	-	-	-	-
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000	260,000
Project Specific Carryover Funds	193,182	193,182	193,182	193,182
GIS Recipients	139,897	162,397	184,897	209,897
Post Employment Benefits (OPEB)	3,889,196	3,875,291	3,909,655	3,939,388
Purpose of the Fund	-	-	-	-
Capital Equipment	-	-	-	-
Contingencies	-	-	-	-
Unassigned:				
Unassigned Fund Balance	10,691,423	10,943,996	7,751,612	5,657,718
Total Fund Balance	\$ 54,676,786	\$ 55,022,556	\$ 47,115,530	\$ 42,990,909

Source: Individual internal fund statements

Sacramento Area Council of Governments

Components of Fund Balances
For Ten Fiscal Years Ended June 30

2018	2019	2020	2021	2022	2023
\$ 59,025	\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286	\$ 117,533
309,945	492	295	-	-	-
10,566,038	10,662,059	6,909,745	5,971,910	4,352,315	-
1,229,432	1,517,485	842,909	5,209,812	6,578,115	9,629,828
816,435	1,600,037	1,605,345	4,956,169	7,912,566	7,147,439
13,547,839	-	-	-	-	-
717,973	-	-	-	-	-
481,342	-	-	-	-	-
1,045,919	-	-	-	-	-
-	20,129,615	17,862,156	31,878,903	37,890,860	26,093,026
3,341,870	2,691,841	2,907,548	-	-	-
131,394	130,358	146,734	-	-	-
-	-	-	3,310,757	3,703,429	4,008,815
485,831	445,642	1,774,167	1,861,884	1,308,224	950,474
-	-	-	2,005,991	1,752,902	1,840,373
32,385	28,452	109,919	222,850	250,881	342,792
1,601,425	1,034,226	781,510	1,255,834	821,546	967,463
-	1,200,000	-	-	-	-
500,000	500,000	356,575	500,000	500,000	500,000
200,000	200,000	200,000	-	-	-
193,182	193,182	193,182	187,137	159,028	408,990
234,897	259,897	258,682	243,105	270,503	-
3,984,126	-	-	-	-	-
-	2,909,607	2,993,725	-	-	-
-	-	-	-	-	156,783
-	-	-	-	-	1,000,000
10,197,916	11,489,916	12,232,945	13,868,593	16,286,006	16,665,257
\$ 49,676,974	\$ 55,100,868	\$ 49,261,963	\$ 71,746,241	\$ 81,882,661	\$ 69,828,773

Source: Individual internal fund statements

Sacramento Area Council of Governments

Total Population by Jurisdiction

For Ten Fiscal Years Ended June 30

	2014	2015	2016	2017	2018	2019*	2020*	2021	2022	2023
SACOG 6- County Region	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	2,574,273
El Dorado County	181,408	182,540	183,684	185,147	188,185	190,018	191,185	191,054	190,465	189,006
Placerville	10,485	10,504	10,555	10,658	10,748	10,836	10,811	10,636	10,646	10,585
South Lake Tahoe	21,201	21,289	21,346	21,346	22,116	22,304	21,425	21,508	21,199	20,548
Unincorporated	149,722	150,747	151,783	153,143	155,321	156,878	158,949	158,910	158,620	157,873
Placer County	368,059	371,264	376,508	383,598	389,387	395,978	404,739	407,517	409,025	410,305
Auburn	14,000	14,025	14,135	14,223	14,342	14,440	13,781	13,795	13,608	13,365
Colfax	2,060	2,059	2,083	2,098	2,113	2,121	2,001	2,016	2,042	2,016
Lincoln	45,576	46,224	46,962	47,736	48,264	48,679	49,731	50,422	51,252	52,313
Loomis	6,631	6,646	6,697	6,775	6,803	6,828	6,814	6,833	6,739	6,607
Rocklin	59,897	60,475	61,646	64,205	66,410	68,806	71,290	71,644	71,663	71,179
Roseville	128,311	129,723	132,676	135,398	137,983	141,299	147,245	148,794	151,034	152,928
Unincorporated	111,584	112,112	112,309	113,163	113,472	113,805	113,877	114,013	112,687	111,897
Sacramento County	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	1,572,453
Citrus Heights	84,972	85,668	86,453	87,106	87,550	87,731	87,715	87,245	86,367	85,837
Elk Grove	162,313	164,648	167,395	170,103	171,774	173,170	176,337	176,769	176,972	177,005
Folsom	74,596	75,560	76,562	77,398	78,019	79,171	82,943	83,075	84,592	85,498
Galt	24,270	24,602	24,841	25,153	25,562	25,655	25,467	25,383	25,239	25,557
Isleton	808	812	814	817	825	827	795	790	780	759
Rancho Cordova	69,689	71,118	72,749	74,492	75,937	77,438	79,139	79,536	80,359	81,117
Sacramento	479,424	483,830	487,455	492,858	498,563	505,230	520,264	518,322	518,037	518,161
Unincorporated	570,104	575,513	580,116	584,794	588,902	592,079	612,395	609,504	604,272	598,519
Sutter County	95,600	96,056	96,868	98,607	100,634	102,914	99,633	98,908	99,145	98,952
Live Oak	8,439	8,451	8,459	8,850	8,973	9,164	9,159	9,191	9,394	9,515
Yuba City	65,868	66,916	67,669	68,753	70,336	72,005	70,181	69,614	69,663	69,478
Unincorporated	21,293	20,689	20,740	21,004	21,325	21,745	20,293	20,103	20,088	19,959
Yolo County	208,637	210,801	215,016	218,039	219,990	220,896	216,403	217,237	221,165	220,880
Davis	66,498	66,809	67,270	68,141	68,596	69,179	64,687	66,687	64,869	64,097
West Sacramento	50,929	51,540	53,089	53,384	53,876	53,995	52,787	53,776	52,837	54,187
Winters	6,929	6,951	6,990	7,130	7,204	7,169	6,954	7,399	7,422	7,534
Woodland	57,569	58,058	58,681	59,568	60,079	60,068	59,654	60,999	60,137	59,881
Unincorporated	26,712	27,443	28,986	29,816	30,235	30,485	32,321	28,376	35,900	35,181
Yuba County	73,742	74,093	74,720	75,971	76,733	77,342	81,575	81,988	82,275	82,677
Marysville	12,274	12,265	12,294	12,336	12,323	12,333	13,189	13,003	12,824	12,606
Wheatland	3,485	3,533	3,568	3,591	3,613	3,620	3,720	3,708	3,664	3,811
Unincorporated	57,983	58,295	58,858	60,044	60,797	61,389	64,666	65,277	65,787	66,260

* 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

	2014		2015		2016	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	944,332	85,181	948,072	87,374	952,724	83,625
El Dorado County	88,950	18,061	89,293	18,156	89,675	18,145
Placer County	157,117	20,033	158,518	20,297	160,369	20,075
Sacramento County	561,460	39,037	562,950	40,539	564,517	37,254
Sutter County	34,080	2,199	34,140	2,239	34,205	2,244
Yolo County	74,920	3,340	75,231	3,457	75,869	3,247
Yuba County	27,805	2,511	27,940	2,686	28,089	2,660

	2017		2018		2019	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	959,216	92,747	966,695	96,697	974,711	97,388
El Dorado County	90,353	18,422	91,745	18,852	91,987	18,904
Placer County	162,489	20,961	164,820	21,415	167,548	21,637
Sacramento County	567,281	44,636	570,305	47,291	574,449	47,645
Sutter County	34,339	2,253	34,363	2,243	34,398	2,244
Yolo County	76,449	3,793	77,138	4,004	77,679	4,031
Yuba County	28,305	2,682	28,324	2,892	28,650	2,927

	2020		2021		2022	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	997,519	68,989	1,004,712	69,642	1,014,896	70,207
El Dorado County	93,467	18,147	94,035	18,161	94,680	18,265
Placer County	172,356	20,255	174,035	20,622	177,369	20,813
Sacramento County	587,551	23,106	591,185	23,338	595,939	23,522
Sutter County	34,499	1,437	34,601	1,442	34,749	1,448
Yolo County	80,188	3,594	81,108	3,605	81,945	3,637
Yuba County	29,458	2,450	29,748	2,474	30,214	2,522

	2023	
	Total Units	Vacant
SACOG Region	1,026,463	104,114
El Dorado County	95,278	52,057
Placer County	181,012	20,816
Sacramento County	601,226	23,448
Sutter County	34,882	1,465
Yolo County	83,172	3,826
Yuba County	30,893	2,502

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

* There are a large number of vacation homes in the region. Particularly in El Dorado and Placer Counties unincorporated areas.

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

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				2022			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,175,200	1,098,100	77,200		1,202,400	1,155,700	46,700	
El Dorado County	91,100	85,900	5,200	5.7	93,400	90,200	3,200	3.4
Placer County	188,000	178,700	9,400	5.0	193,800	187,900	5,900	3.1
Sacramento County	714,000	664,400	49,700	7.0	728,300	699,800	28,500	3.9
Sutter County	45,200	41,100	4,100	9.0	46,300	43,300	3,000	6.6
Yolo County	106,100	99,900	6,200	5.8	109,000	104,600	4,400	4.0
Yuba County	30,800	28,100	2,600	8.5	31,600	29,900	1,700	5.5

Source: Labor Force Data for Sub-County Areas (Annual), State of California Employment Development Department Labor Market Information Division (<http://www.labormarketinfo.edd.ca.gov/>)
Information for 2023 is not yet available.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2021 and 2022

El Dorado County

2021		
Employer	# of Emps	%
El Dorado County	1,900	3.4%
Blue Shield of California	1,515	2.7%
Marshall Medical Center	1,460	2.6%
Red Hawk Casino	1,300	2.3%
Safeway	915	1.7%
Barton Health	875	1.6%
State of CA	684	1.2%
US Government	680	1.2%
El Dorado Office of Education	597	1.1%

2022		
Employer	# of Emps	%
El Dorado County	1,929	3.4%
Marshall Medical Center	1,498	2.6%
Red Hawk Casino	1,200	2.1%
Barton Health	867	1.5%
Safeway	843	1.5%
US Government	647	1.1%
Sierra-at-Tahoe	630	1.1%
State of CA	568	1.5%
Buckeye Union Elementary School District	525	0.9%

Placer County

2021		
Employer	# of Emps	%
Sutter Health	7,320	4.2%
Kaiser Permanente	6,367	3.7%
Placer County	2,530	1.5%
Sierra Joint Community College District	2,100	1.2%
Thunder Valley casino Resort	1,712	1.0%
Safeway	1,288	0.7%
City of Roseville	1,260	0.7%
Roseville City School District	1,260	0.7%
PG&E	1,151	0.7%

2022		
Employer	# of Emps	%
Sutter Health	6,223	3.4%
Kaiser Permanente	5,865	3.2%
Placer County	2,585	1.4%
Thunder Valley Casino Resort	2,300	1.3%
Sierra Joint Community College District	1,900	1.0%
Palisades Tahoe	1,321	0.7%
City of Roseville	1,320	0.7%
Roseville City School District	1,286	0.7%
Safeway	1,217	0.6%

Sacramento County

2021		
Employer	# of Emps	%
State of California	82,894	12.4%
UC Davis Health	16,075	2.4%
Kaiser Permanente	12,301	1.8%
US Government	10,698	1.6%
Sutter Health	9,595	1.4%
Dignity Health	7,488	1.1%
Intel Corp	5,300	0.8%
San Juan Unified School District	5,126	0.8%
Los Rios Community College District	2,833	0.4%
CSUS	2,535	0.4%

2022		
Employer	# of Emps	%
State of California	107,876	15.5%
UC Davis Health	16,075	2.3%
Sacramento County	13,252	1.9%
Kaiser Permanente	10,934	1.6%
US Government	10,507	1.5%
Sutter Health	9,595	1.4%
Dignity Health	7,353	1.1%
Intel Corp	5,000	0.7%
San Juan Unified School District	4,801	0.7%
Los Rios Community College District	3,049	0.4%

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.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2021 and 2022

Sutter County

2021		
Employer	# of Emps	%
WalMart	600	1.9%
Sunsweet Growers	500	1.6%
Sutter County	500	1.6%
Yuba City	350	1.1%
Express Services	300	0.9%
Sierra Gold Nurseries	300	0.9%
Sysco Sacramento, Inc	280	0.9%
Legend Transportation	280	0.9%

2022		
Employer	# of Emps	%
WalMart	615	1.9%
Sunsweet Growers	600	1.8%
Sutter County	460	1.4%
Yuba City	380	1.2%
Express Services	315	1.0%
Sierra Gold Nurseries	360	1.1%
Sysco Sacramento, Inc	370	1.1%
Legend Transportation	280	0.9%

Yolo County

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%

2022		
Employer	# of Emps	%
State of California	20,949	19.2%
University of California, Davis	10,766	9.9%
Yolo County	10,487	9.6%
US Government	2,582	2.4%
Cache Creek Casino Resort	2,000	1.8%
Dignity Health	1,154	1.1%
Raley's	879	0.8%
PG&E	860	0.8%
Sutter Health	807	0.7%

Yuba County

2021		
Employer	# of Emps	%
Rideout Memorial Hospital	2,000	10.4%
Hard Rock Hotel and Casino	1,000	5.2%
Beale AFB	1,000	5.2%
WalMart	500	2.6%
Yuba Community College District	400	2.1%
Yuba County	250	1.3%
Pacific Gas and electric	230	1.2%
State of California	170	0.9%

2022		
Employer	# of Emps	%
Rideout Memorial Hospital	1,700	8.4%
Hard Rock Hotel and Casino	1,200	5.9%
Beale AFB	1,000	4.9%
WalMart	445	2.2%
Yuba Community College District	500	2.5%
Yuba County	250	1.2%
Pacific Gas and electric	230	1.2%
State of California	175	0.9%

Sources: Primarily annual Sacramento Business Journal Book of Lists for El Dorado, Placer, Sacramento & Yolo Counties sources are found.

Total county employment for 2019 and 2020 come from the county level QCEW data found here:

[Quarterly Census of Employment and Wages \(QCEW\) \(ca.gov\)](https://data.ces.ucdavis.edu/quarterly-census-of-employment-and-wages-qcew-ca)

Information for 2023 is not yet available.

Sacramento Area Council of Governments

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

	2014	2015	2016	2017	2018
SACOG Region	402,061	403,258	406,734	411,074	416,220
El Dorado	27,237	26,960	26,987	27,021	27,875
Placer	70,141	70,496	71,435	72,769	74,063
Sacramento	240,216	241,022	242,725	244,394	245,906
Sutter	21,390	21,459	21,693	22,633	23,690
Yolo	29,185	29,345	29,681	29,841	30,067
Yuba	13,892	13,976	14,213	14,416	14,619

	2019	2020	2021	2022	2023
SACOG Region	419,464	424,666	418,374	417,218	438,243
El Dorado	28,221	31,126	30,131	30,637	32,180
Placer	74,927	75,208	73,926	74,446	70,522
Sacramento	246,663	249,540	246,069	243,002	264,502
Sutter	24,813	23,308	23,695	24,444	24,346
Yolo	30,085	30,569	29,839	29,689	31,652
Yuba	14,755	14,915	14,714	15,000	15,041

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>)

Sacramento Area Council of Governments

Total Acreage by County

	Total Acreage
SACOG Region	4,196,599
El Dorado	1,143,270
Placer	961,427
Sacramento	636,389
Sutter	389,384
Yolo	653,966
Yuba	412,163

Source: U.S. Census Bureau, Census 2020 Tiger Line File

Sacramento Area Council of Governments

Average Weekly & Annual Wages by County

For Ten Fiscal Years Ended June 30

	2013		2014		2015		2016		2017	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages ¹	Average Weekly Wages	Average Annual Wages ¹	Average Weekly Wages	Average Annual Wages
SACOG Region	\$903	\$46,956	\$919	\$47,788	\$954	\$49,614	\$964	\$50,128	\$993	\$51,636
El Dorado County	\$789	\$41,044	\$805	\$41,860	\$837	\$43,524	\$871	\$45,292	\$899	\$46,748
Placer County	\$916	\$47,633	\$947	\$49,244	\$989	\$51,428	\$1,013	\$52,676	\$1,036	\$53,872
Sacramento County	\$936	\$48,687	\$948	\$49,296	\$983	\$51,116	\$986	\$51,272	\$1,015	\$52,780
Sutter County	\$659	\$34,251	\$682	\$35,464	\$714	\$37,128	\$727	\$37,804	\$739	\$38,428
Yolo County	\$832	\$43,241	\$847	\$44,044	\$872	\$45,344	\$891	\$46,332	\$928	\$48,256
Yuba County	\$755	\$39,285	\$774	\$40,248	\$823	\$42,796	\$835	\$43,420	\$877	\$45,604

	2018		2019		2020		2021		2022	
	Average Weekly Wages	Mean Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages
SACOG Region	\$1,149	\$59,726	\$1,172	\$60,965	\$1,164	\$60,528	\$1,214	\$63,128	\$1,245	\$64,740
El Dorado County	\$1,032	\$53,664	\$1,019	\$52,992	\$1,058	\$55,016	\$1,087	\$56,524	\$1,178	\$61,256
Placer County	\$1,141	\$59,328	\$1,164	\$60,504	\$1,235	\$64,220	\$1,295	\$67,340	\$1,327	\$69,004
Sacramento County	\$1,192	\$61,980	\$1,222	\$63,552	\$1,183	\$61,516	\$1,232	\$64,064	\$1,425	\$74,100
Sutter County	\$828	\$43,056	\$833	\$43,308	\$852	\$44,304	\$911	\$47,372	\$989	\$51,428
Yolo County	\$1,032	\$53,676	\$1,030	\$53,580	\$1,098	\$57,096	\$1,132	\$58,864	\$1,377	\$71,604
Yuba County	\$948	\$49,296	\$1,017	\$52,872	\$1,032	\$53,664	\$1,074	\$55,848	\$1,174	\$61,048

Source: California Employment Development Department, Labor Market Information Division

¹ Average Annual Wages based upon Average Weekly Wages
Information for 2023 is not yet available.

Transit Providers by County

SACOG REGION	TRANSIT PROVIDERS
El Dorado County	El Dorado Transit
Placer County	Placer County Transit Auburn Transit Roseville Transit
Sacramento County	Sacramento Regional Transit District Rancho CordoVan Paratransit, Inc. South County Transit/ SCT LINK
Yolo County	Davis Community Transit UC Davis - Mobility Assistance Shuttle Unitrans Yolo County Transportation District / YoloBus Bee Line
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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION										
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	-	-	-	-	-	2	2	2	2	2
Chief Operations Officer/ General Counsel	1	1	1	1	1	1	0	0	0	0
Administration	8	8	9	10	10	7	7	7	7	7
Finance	3	3	4	4	6	7	7	7	7	8
Research Analysts**	11	11	11	11	13	11	12	8	6	11
Information Technology	1	1	1	1	1	0	0	0	0	0
Planning	22	22	21	24	22	19	18	18	24	15
Public Affairs and Communications	5	6	7	7	6	8	8	6	9	8
Interns	2	3	1	5	8	2	1	2	1	3
Total Approved Full-Time Positions	54	56	56	64	68	58	56	51	57	55

*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

	2014	2015
Direct Projects		
Metropolitan Transportation Plan	4.7	11.1
Sustainable Communities Strategy Implementation Grant from Strategic Growth Council, Round #2	1.2	2.9
Services to Other Agencies (pass-through)	0.1	0.7
Misc Other Funding	0.4	1.1
Government Relations, Public Affairs & Administration	6.1	5.5
Long-Range Transportation Planning	3.0	1.7
Short-Range Transportation Planning & Studies	1.6	2.5
Continuing Transportation Implementation	8.1	6.7
Land Use & Housing Planning	8.4	4.2
Public Services	n/a	n/a
Member & Agency Services	8.6	5.7
Services to Other Agencies	0.7	1.6
Board and Advocacy	0.4	1.3
Subtotal - Direct Projects	43.4	45.0
Indirect	10.6	10.6
Total FTEs Based on Total Hours	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	2023
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	27.8
Discretionary Transportation Planning Grant Activities	2.1	1.6	1.2	0.8	1.2	2.2	1.5	0.7
Other Planning Grant and Partnership Projects	7.0	2.8	1.4	0.1	0.3	0.0	0.1	0.0
Regional Bikeshare Pilot Project	n/a	2.2	2.1	0.5	0.2	0.2	0.2	0.1
Downtown Riverfront Streetcar Project	n/a	1.5	1.3	1.9	0.0	0.0	0.0	0.0
Connect Card	n/a	2.5	0.9	0.5	0.7	0.3	0.3	0.1
Regional Early Action Planning					0.0	0.5	0.1	0.1
Green Means Go							1.6	2.8
Services to Other Agencies	2.9	1.8	2.7	1.7	1.6	1.2	0.8	0.5
Board and Advocacy	1.8	1.3	0.6	0.4	0.8	0.5	0.8	0.7
Subtotal - Direct Projects	41.1	42.0	44.3	36.4	32.7	30.9	36.9	32.8
Indirect	12.9	22.3	23.7	21.6	23.3	20.1	20.1	22.9
Total FTEs Based on Total Hours	54.0	64.2	68.0	58.0	56.0	51.0	57.0	55.7

Source: Individual internal fund statements

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

	2014	2015	2016	2017
INDIRECT COSTS				
Building Costs	\$ 602,173	\$ 595,752	\$ 627,635	\$ 662,936
Career Development Program	58,748	40,713	64,409	75,491
Consultants	91,669	156,099	193,000	153,126
Depreciation	47,330	49,658	61,358	62,831
Insurance	76,403	69,777	72,503	72,193
Legal	67,426	95,132	92,152	111,393
Maintenance	8,537	9,377	8,037	6,509
Meetings	2,052	1,916	1,655	1,628
Memberships	6,412	24,701	43,282	41,012
Miscellaneous	5,972	10,458	8,359	32,803
Office Equipment	32,878	48,062	43,835	61,122
Parking	8,300	8,607	7,510	8,070
Postage	6,739	3,819	5,028	12,473
Printing	14,266	2,209	22,944	17,250
Publications	1,885	2,057	2,442	4,222
Salaries	1,560,919	1,683,761	991,498	1,048,707
Services - other	-	-	-	-
Software & Maintenance	72,148	120,135	121,058	99,682
Supplies	26,867	39,181	16,154	22,662
Travel Expense	11,392	12,799	14,869	13,345
Accounting Services	39,153	12,567	14,481	6,006
Unemployment Costs	-	4,520	5,333	-
Telephone/Telcommunications	37,542	25,512	22,940	28,228
Temporary services/Recruitment	41,062	20,154	37,880	48,916
Staff Training	-	-	-	-
Vehicle Lease	-	-	-	-
Miscellaneous (Gain)/Loss	-	-	-	-
Total Indirect Costs	\$2,819,873	\$3,036,966	\$2,478,361	\$2,590,606

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**

2018	2019	2020	2021	2022	2023
\$ 675,365	\$ 660,713	\$ 568,493	\$ 706,712	\$ 729,859	\$ 743,976
99,761	95,680	56,507	15,355	41,229	78,951
234,109	140,629	124,890	141,946	124,175	152,705
80,237	101,964	103,864	96,004	82,468	63,668
91,079	97,323	102,348	96,566	114,710	130,522
81,456	88,858	107,689	115,072	131,314	121,269
3,294	235	1,457	310	-	-
13,741	21,172	10,549	447	-	-
28,050	34,716	45,014	40,959	41,725	44,111
43,368	48,064	65,949	35,769	27,078	-
34,093	98,280	56,020	1,064	32,638	40,899
11,360	10,048	9,237	9,200	9,200	7,338
6,018	1,464	1,284	440	767	-
18,974	20,366	12,425	771	401	-
3,335	1,554	765	12,511	13,397	980
1,224,653	1,461,019	1,596,700	1,472,547	1,421,711	1,578,382
-	-	-	-	-	15,436
171,244	150,991	164,618	203,772	281,394	305,804
41,181	15,374	14,286	4,599	2,385	11,626
13,712	13,439	13,225	-	1,032	4,778
870	-	-	-	-	-
-	-	-	-	-	-
28,286	25,362	26,329	60,510	54,499	11,397
92,365	43,595	319	4,401	15,103	22,257
-	-	29,976	27,832	9,357	19,863
-	-	-	-	3,135	4,527
-	-	-	-	-	(10,099)
\$2,996,551	\$3,130,844	\$ 3,111,944	\$3,046,787	\$3,137,577	\$3,348,390

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2014	2015	2016	2017
Planning and Administration Fund:				
Computers, Equipment, Leasehold Improvements, and Automobiles	\$ 148,847	\$ 174,906	\$ 204,303	\$ 209,730
Right to use leased assets	-	-	-	-
Right to use subscription assets	-	-	-	-
Total	\$ 148,847	\$ 174,906	\$ 204,303	\$ 209,730

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2018	2019	2020	2021	2022	2023
\$ 339,945	\$ 288,240	\$ 967,986	\$ 830,170	\$ 713,633	\$ 676,425
-	-	-	-	5,429,987	4,679,376
-	-	-	-	719,135	1,044,529
<u>\$ 339,945</u>	<u>\$ 288,240</u>	<u>\$ 967,986</u>	<u>\$ 830,170</u>	<u>\$ 6,862,755</u>	<u>\$ 6,400,330</u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

Ratios of Outstanding Debt
For Ten Fiscal Years Ended June 30

	2022	2023
Lease liability	\$ 5,532,710	\$ 4,858,135
IT subscription liability	<u>-</u>	<u>862,217</u>
Total	<u>\$ 5,532,710</u>	<u>\$ 5,720,352</u>

Source: Individual internal fund statements

Miscellaneous Statistics

For Fiscal Year Ended June 30, 2023

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 Vision	A vibrant and thriving Sacramento region for all.
SACOG Mission	SACOG convenes and connects the region to advance an equitable, sustainable, and prosperous future.
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

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Single Audit Section

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Sacramento Area Council of Governments

Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Grant Award Number or Pass-through Entity Identifying	Federal 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	\$ 55,105	\$ -
Federal Transit Formula Grants - Connect Card - (Earmark Repurposing)	20.507	CA-2020-226-00	13,414	-
Federal Transit Formula Grants - Remix	20.507	CA-2022-181-00	200,000	-
COVID-19 - Federal Transit Formula Grants - Regional Network Transit	20.507	CA-2022-180-00	556,478	-
Subtotal - Federal Transit Formula Grants			824,997	-
Subtotal - Federal Transit Cluster			824,997	-
Passed through the State of California,				
Department of Transportation				
Highway Planning and Construction - Planning	20.205	74A0816	3,693,494	-
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	1,032,001	48,655
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	44,442	-
Highway Planning and Construction - CMAQ - Regional Bike Share	20.205	03-6085F15	148,311	-
Highway Planning and Construction - FHWA Partnership Planning	20.205	74A0816	51,643	-
Highway Planning and Construction - Regional Surface Transportation Program - Planning, Programming, and Monitoring	20.205	03-6085F15	647,643	-
Subtotal - Highway Planning and Construction			5,617,534	48,655
Metropolitan Transportation Planning, and State and Non-Metropolitan Planning & Research				
Section 5303 - Metropolitan Transportation Planning	20.505	74A0816	1,248,727	-
Section 5304 - Statewide Transportation Planning	20.505	74A0816	187,208	-
Subtotal - Metropolitan Transportation Planning, and State and Non-Metropolitan Planning & Research			1,435,935	-
Total U.S. Department of Transportation			7,878,466	48,655
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 7,878,466	\$ 48,655

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements and have issued our report thereon dated December 19, 2023. Our report included an emphasis of matter paragraph regarding SACOG's adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022.

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 "Esde Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 19, 2023



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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 19, 2023

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's 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:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Federal Transit Cluster	20.507
Highway Planning and Construction	20.205
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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