COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SACOG
Sacramento Area Council of Governments
Sacramento, California

BOARD MEMBERS AND MEMBER JURISDICTIONS

John Allard, City of Roseville

Christopher Cabaldon, City of West Sacramento

Kim Douglass, City of Colfax

Dan Flores, Sutter County

Lucas Frerichs, City of Davis

Sue Frost, Sacramento County

Jill Gayaldo, City of Rocklin

Bonnie Gore, Placer County

Shon Harris, City of Yuba City

Robert Jankovitz, City of Isleton

Rick Jennings II, City of Sacramento

Paul Joiner, City of Lincoln

Patrick Kennedy, Sacramento County

Mike Kozlowski, City of Folsom

Mike Leahy, Yuba County

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Darren Suen, City of Elk Grove

Aleksandar Tica, City of Live Oak

Brian Veerkamp, El Dorado County

Rick West, City of Wheatland

Amarjeet Benipal, Caltrans Ex-Officio

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.

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SACRAMENTO AREA COUNCIL OF GOVERNMENTS
1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Group
Loretta Su, Finance Director

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Sacramento Area Council of Governments

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Introductory Section

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SACOG
Sacramento Area Council of Governments

1415 L Street,
Suite 300
Sacramento, CA
95814

916.321.9000
sacog.org

December 13, 2019

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

At the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and *Government Auditing Standards* by a firm of licensed certified public accountants is required. Pursuant to that requirement, we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Sacramento Area Council of Governments (SACOG) for the fiscal year ended June 30, 2019.

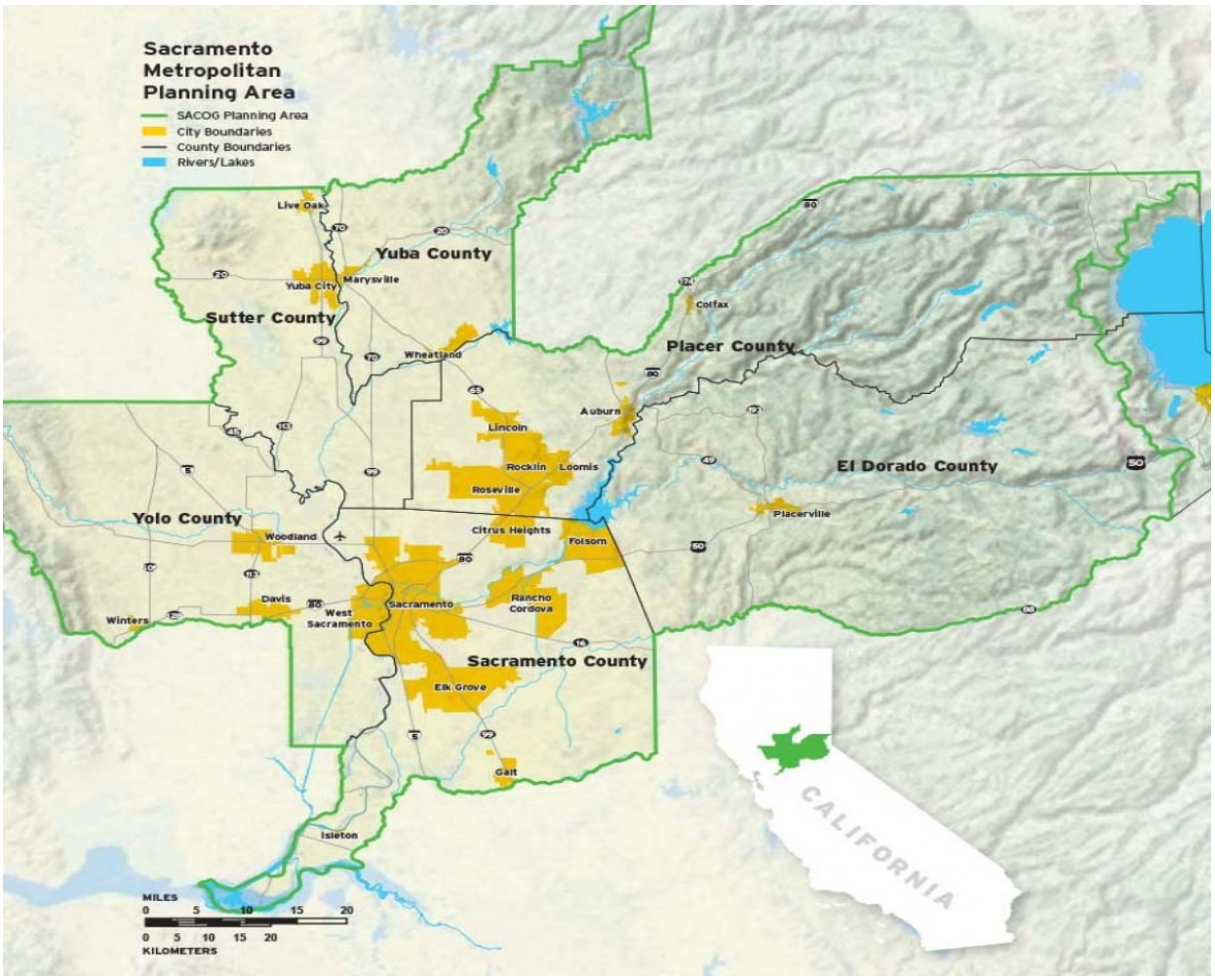
This report consists of management's representations concerning the finances of SACOG. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of SACOG. To the best of our knowledge and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

The firm of Eide Bailly LLP (formerly Vavrinek, Trine, Day & Co., LLP), a licensed certified public accounting firm, has audited the basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of SACOG for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Eide Bailly LLP issued their unmodified (clean) opinion that the basic financial statements of SACOG for the fiscal year ended June 30, 2019, are fairly presented in accordance with GAAP. Their report is presented as the first component of the financial section of this CAFR.

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

Profile of Sacramento Area Council of Governments

The Sacramento Area Council of Governments (SACOG) is a joint powers authority of local governments formed by six counties and 22 cities in the region. Member governments are the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba and the cities of Auburn, Citrus Heights, Colfax, Davis, Elk Grove, Folsom, Galt, Isleton, Lincoln, Live Oak, Loomis, Marysville, Placerville, Rocklin, Rancho Cordova, Roseville, Sacramento, West Sacramento, Wheatland, Winters, Woodland, and Yuba City. SACOG provides transportation planning and funding for the region and serves as a forum for the study and resolution of regional issues. In addition to preparing the region's long-range transportation plan and assisting member agencies in delivery of the projects within that plan, SACOG approves the distribution of affordable housing in the region and assists in planning for transit, bicycle and pedestrian networks, clean air, and airport land uses.



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. The Policy and Innovation Committee meets as the Board of Directors for the Financing Corporation.

Factors Affecting Financial Condition

Local Economy

The regional economy and employment base continue its long-term transition from a state government concentration to a diverse economic base including health care providers, high-tech manufacturers, software development companies, biotechnology and medical research laboratories, food processors, and medical equipment manufacturers. The region is also a transportation hub served by air cargo airports, an international airport, a deep-water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system. These key industries interface with the Sacramento region's service, hospitality and government employers.

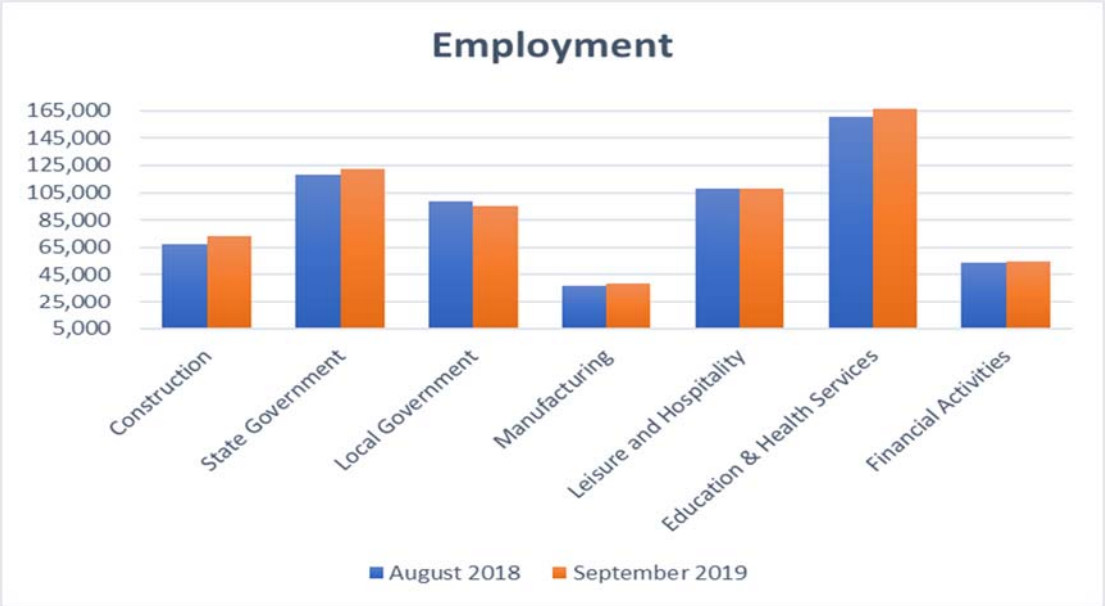
The SACOG region is home to two Metropolitan Statistical Areas (MSAs): Sacramento—Roseville—Arden-Arcade and Yuba City.

The unemployment rate in the Sacramento—Roseville—Arden-Arcade MSA was 3.7 percent in August 2019, down from a revised 4.0 percent in July 2019, and slightly below the year-ago estimate of 3.8 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 3.8 percent for the nation during the same period. The unemployment rate was 3.6 percent in El Dorado County, 3.3 percent in Placer County, 3.9 percent in Sacramento County, and 3.9 percent in Yolo County.

The unemployment rate in the Yuba City MSA was 6.0 percent in August 2019, down from a revised 6.7 percent in July 2019, and above the year-ago estimate of 5.9 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 3.8 percent for the nation during the same period. The unemployment rate was 6.0 percent in Sutter County, and 6.0 percent in Yuba County.

Between August 2018 and September 2019, total jobs in the region increased by 14,400, or 1.4 percent.

- Construction led year-over growth, adding 5,400 jobs. Specialty trade contractors led the expansion with 4,300 jobs. Construction of buildings added 800 jobs.
- Education and health services gained 4,100 jobs since last August. Health care and social assistance (up 4,000 jobs) was responsible for most of the increase.
- Leisure and hospitality advanced by 2,200 jobs. Accommodation and food services grew by 3,000 jobs. This gain offset a loss in arts, entertainment, and recreation, which shed 800 jobs.
- Only two major industries experienced job reductions from last August. Government was down 1,100 jobs. Information dipped by 400 jobs.



Long-Term Financial Planning

The federal budget and transportation programs have been highly unstable and difficult to forecast over the past several years. Congress passed short-term extension of the previous Transportation Act continuing to make transportation funding unpredictable. In December 2015, President Obama signed into law the FAST Act, a five-year federal transportation reauthorization bill that succeeds Moving Ahead for Progress in the 21st Century (MAP-21). The FAST Act maintained funding programs that SACOG relies on and provided a one-time increase in 2016, followed by inflationary increases in the final four years of the law. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation**.** While the FAST Act expires in September 2020, typically Congress passes one or more Continuing Resolutions to extend the authorization bill until a new bill is enacted.

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. These funds are passed through Caltrans. Additionally, SACOG receives an administrative and a transportation-planning fee for the administering the Transportation Development Act Funds (TDA). The TDA provides two major sources of funding: Local Transportation Fund (LTF) which are derived from a one-quarter state sales tax for the four counties (Sacramento, Sutter, Yolo, and Yuba) and State Transit Assistance (STA), which is derived from the statewide sales tax on diesel fuel. SACOG also has agreements with the transportation planning agencies in El Dorado and Placer counties to designate a portion of their LTF revenues in return for the transportation planning SACOG performs on their behalf.

Senate Bill 1, Road Repair and Accountability Act (SB 1) was passed by California State Legislature and signed by Governor Jerry Brown in April 2017, which is estimated to provide $5.2 billion in annual funding in both competitive and formula distribution to cities, counties, transit agencies and Regional Transportation Planning Agencies such as SACOG starting in fiscal year 2018. SACOG receives approximately $800,000 in annual allocation of the SB 1 formula funding and additional funds through competitive grants. 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.

Major Initiatives

SACOG Board of Directors adopted the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) Update in November 2019. This MTP/SCS included the adoption of a preferred scenario including a land use forecast, revenue forecast, and list of major transportation investments. Work began on finalizing technical analyses, drafting a plan, and developing the accompanying environmental impact report.

The MTP/SCS is an important document that, among other things, outlines the region's transportation needs, sets principles and policies, proposes specific strategies to coordinate and manage future transportation improvements in the region, considers resource areas and farmland in the region, identifies areas in the region to house the projected population of the region in light of state housing goals, and, to the extent feasible, forecasts a development pattern for the region that will meet the regional target for greenhouse gas emission reductions. The final report is available on SACOG's website (2020 MTP/SCS).

Staff continued work on the Rural-Urban Connections Strategy (RUCS). Through cutting-edge technical work and stakeholder engagement, RUCS is designed to study the challenges and opportunities in the rural areas of the Sacramento region and identify strategies that leverage and enhance the value of these assets. In March 2018 staff initiated RUCS 2.0, with the intent of focusing on how to apply existing RUCS tools, implement strategies, and identify new areas of research. With committee direction, staff moved forward with a RUCS 2.0 stakeholder outreach process designed to help SACOG determine the next phase of this program. Through this process, a Theory of Change and Workplan were created to guide the next phase of RUCS.

With funding from USDA's Specialty Crop Block Grant Program, SACOG completed a groundwater recharge study for specialty crop production (i.e. fruits, vegetables, nuts, and nursery products) in the Sacramento region. SACOG demonstrated critical links between implementation of the state's groundwater recharge and monitoring requirements to crop production that supports a range of agricultural and food industries in the region. The work helps the region better understand where to apply surface water to fields and other areas so water can percolate relatively quickly into aquafers and then later be used for crop production. The final report is available on SACOG's website (https://www.sacog.org/post/sustainable-water-management-strategies-specialty-crop-expansion-sacramento-valley).

SACOG also expanded its work on forest management concerns raised by board members. The work continues to focus on better understanding and communication between those managing the forests and those receiving benefits and impacts on services such as water supply, flood, recreation, jobs, habitat, and air quality. SACOG continues to work with the Sierra Nevada Conservancy and stakeholders in the American River Watershed on possible collaboration to identify projects and funding that will reduce the frequency and severity of fires.

Connect Card implementation is a continuing project involving the planning, procurement, and deployment of a regional electronic transit fare system. The new system is expected to simplify and

integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase transit ridership. The primary activities this fiscal year were related to implementation. The public launch focused efforts on market penetration and expanding the Corporate Accounts program. System testing and software development continue as minor bugs are found and system enhancements are provided based on customer feedback.

SACOG is the lead agency responsible for managing the regional bike share system in partnership JUMP by Uber, the cities of Davis, Sacramento, and West Sacramento, and UC Davis and Sacramento State University. Under this unique partnership, the Sacramento region launched the largest electric-assist bike share system in North America, featuring 900 electric assist bicycles and 150 stations. Bike share is a membership-based system that can be used for recreation, commuting, exercise, or other trips. It can help people get to transit stops more easily, connect to different neighborhoods, shops, restaurants, and jobs, and can help people be more active. JUMP's e-bikes are similar to regular bikes, but they have pedal assist, allowing speeds up to 15 miles per hour. E-bikes do not operate without pedaling, but the electric assist makes it easier for people to travel longer distances in a shorter amount of time.

In 2018, SACOG launched the second cohort of Civic Labwith 12 teams participating. The team-based program works to provide technical assistance and build local capacity to tackle new and innovative projects. Civic Lab takes on regional issues at a local level by focusing on challenges and barriers that local jurisdictions and partner agencies face and works with local and national experts on finding and implementing a solution. The second cohort of Civic Lab focused on commercial corridor revitalization. SACOG worked with city and county team to look at low-cost innovative solutions to reduce VMT by creating higher density walkable, bikeable, and transit-oriented corridors.

The SACOG Board of Directors (Board) has emphasized an interest in exploring the build out of our Council of Governments (COG) role seeking to deliver services outside of designated transportation initiatives. The Shared Services program has explored service delivery through shared back-end administrative functions, topic-specific convenings, emergency preparedness and planning, and more. Initial services provide access to a menu of opportunities including cooperative purchasing and contracting for automotive fuel and lubricants, various forms of cloud software, national purchasing partnerships, and regional service delivery through a shared staffing agreement.

The 511/STARNET project provides real-time sharing of data and video feeds, and has facilitated the refinement of joint procedures for operations of roadways and public transportation safety activities. The project is providing timely and accurate multi-modal information for travelers via the region's 511 website, smart phone apps, and interactive phone services. 511/STARNET allows multi agencies in the SACOG region to test new concepts jointly and have a regionally cohesive plan on addressing issues related to congestion and traveler information using advanced technologies.

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

SACOG administers programs that allocate flexible federal funds to regional jurisdictions for capital projects. In FY 18-19, SACOG staff worked on developing criteria, applications, and calls for projects for five SACOG transportation funding programs awarded in Fall 2018. Two new programs were added to support Innovative Mobility and Green Region projects. The Innovative Mobility program was formerly known as Transportation Demand Management. The new moniker is illustrative of SACOG and its member agencies looking for modern solutions to increase ride-sharing, transit ridership, walking, and biking to reduce the number of single-occupancy vehicle trips in the region. Civic Lab Year One continued through the fiscal year with pilot projects that included microtransit in rural and urban communities, first and last mile solutions near light and heavy commuter rail.

SACOG also administers many pass-through grants on behalf of our member jurisdictions and local transit agencies. In FY 2018-19, Sacramento Regional Transit (SacRT), Yolo County Transportation District (YCTD), and UC Davis (UCD) began modifications to establish a regionally coordinated service expansion connecting the UCD main campus, the City of Davis, the City of Sacramento, and the UCD Medical Center in Sacramento. The project is supported with operating funds by Congestion Mitigation Air Quality (CMAQ) and UC Davis. The Zero-Emission vehicles capital costs (including charging infrastructure) are fully funded by Electrify America (EA), and are being procured by SacRT. In FY 2018-19, SACOG staff also assisted local agencies with applications for numerous federal and state grant programs to help increase the receipt of transportation funds in the region.

In addition, SACOG staff helped the region's transit agencies with meeting new federal requirements for Public Transportation Agency Safety Plan (PTASP) as well as provided grant training to Non-Profit Organizations for Caltrans funding. In FY 2018-19, SACOG (through the funding support of Caltrans Transportation Planning Grant) completed the Davis to Sacramento Transit Alternatives Study to assess the feasibility of a short-haul commuter service between Davis and Sacramento to augment the Capital Corridor service. SACOG staff also provided guidance for all the region's transit agencies on utilization of the Transit Asset Management (TAM) tool (ThingTech) to develop their transit asset inventories, condition assessments, and plan their capital investment needs.

With our ongoing regional partnership, SACOG is spearheading a Smart Region Intelligent Transportation Systems (ITS) effort, developing ITS plans for the region, local jurisdictions, and Caltrans District 3, and an updated regional ITS architecture to support new ITS investments.

The Phase II of Call Box Modernization/Upgrade/Removal project began in January 2019 for the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) and Glenn County SAFE, which are administered by SACOG. This included call box removals, cellular technology upgrades, and signage improvements. The project is anticipated to be completed by the end of FY 2019-20.

SACOG completed its first comprehensive household travel survey since year 2000. The travel patterns of all members of 4000 households in the region were collected, mostly through an interactive smartphone application, and the remainder through online reporting. The information collected was used for updating SACOGs travel demand forecasting model and has been used for assessment of different concepts of pricing of transportation facilities and use as part of the MTP/SCS policy discussions. The data from the survey are being made available to member agencies and university researchers for their own inquiries. https://www.sacog.org/post/2018-sacog-regional-household-travel-survey

Related to the MTP/SCS update, which will add priced transportation facilities and to the region's future transportation improvements, and committed to actively explore new ways of funding use and maintenance of the system, the capability to analyze different forms of pricing were incorporated into SACOG's regional travel demand model. This modeling software is shared with SACOG member agencies and Caltrans for use in their ongoing transportation project development activities. For the first time, SACOG hosted a very successful Users' Conference, as well as a training session and beta-test group, for the model. https://www.sacog.org/modeling

Additionally, related to the MTP/SCS update, SACOG developed the Green Means Go pilot program to accelerate infill development and help the region achieve the greenhouse gas reduction goals in the SCS. Green Means Go will catalyze infill development projects, which paired with innovative transportation options, will increase housing opportunities, revitalize older commercial corridors, and reduce greenhouse gas emissions. In FY 2018-19, SACOG staff finalized development of the program, began outreach with its local jurisdiction to identify potential implementation and advocated for state funding for the program.

SACOG expanded its Open Data Portal, developing new data and coordinating with other agencies to share access to other data sources. https://data.sacog.org/. A growing part of the Open Data Portal development is online tools, such as the Project Performance Assessment tool, which was used for assessment of projects proposed for funding.
https://www.sacog.org/project-performance-assessment

SACOG has a primary role in the State's Regional Housing Needs Allocation (RHNA) process. Every eight years, the State of California's Housing and Community Development Department (HCD) provides SACOG with a regional determination, which represents the number of housing units the region must plan for. SACOG is responsible for developing a methodology for allocating that number by income category to each city and county in the region. SACOG began outreach to local agency housing planners and other stakeholders to develop a RHNA methodology that, pending HCD approval, will be adopted in November 2019 at the soonest. A final Regional Housing Needs Plan, describing the process and methodology must be completed by August 2020 followed by updates to local agency housing elements one year later in August 2021.

The Downtown Riverfront Streetcar Project has been a regional priority project for nearly a decade. Under SACOG's leadership, a unprecedented partnership—including two cities, two counties, two transit districts, the state department of transportation, and local property owner investors—was formed to build a streetcar connecting the cities of Sacramento and West Sacramento. The project is intended to help transform the historic 8-5 Sacramento jobs center into a full-service community spanning both sides of the Sacramento River. The project area is projected to quadruple in population and housing over the next 20 years; and jobs will increase by over 50%. The specific goals of the project include increasing access to and mobility around the central cities, reducing traffic congestion and the need for additional parking facilities in the fast-growing urban core, supporting the development of needed new housing close to the region's largest job center, and spurring economic growth. The streetcar is projected to generate over $2 billion in economic development benefits over 20 years, including over $20 million in new public sector revenues. During the fiscal year, the project moved into final design and engineering, and construction bids were opened in January 2019. Unfortunately, the lowest bid was about $75 million over the project budget. Nevertheless, the

partners remain committed to the project, and have been meeting regularly to analyze all alternatives to reduce the project cost or deliver a redesigned project.

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

Financial Information

SACOG management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Agency are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed benefits likely to be derived; and (2) choices between these two concepts often require estimates and judgements by management.

SACOG's accounting records are maintained on the modified accrual basis of accounting. This essentially involves the recording of revenue when they become measurable and available and the recording of expenditures when the goods and services are received, and the related liability incurred.

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 and Capitol Valley SAFE by June of each year. The approved 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 Administrative General Fund. Budgetary control and the level of control are at the major work element level. Costs for the projects, as well as classification of costs, can be modified if the major element total remains the same. Board approval is required if costs are expected to exceed the major element total, or if new projects are added to the element.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to SACOG for its comprehensive annual financial reports for many years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, SACOG must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine eligibility for another Certificate of Achievement.

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

This letter is designed to complement the MD&A and should be read in conjunction with it. SACOG's MD&A, which is unaudited, can be found on pages A-7 through A-15 of this report.

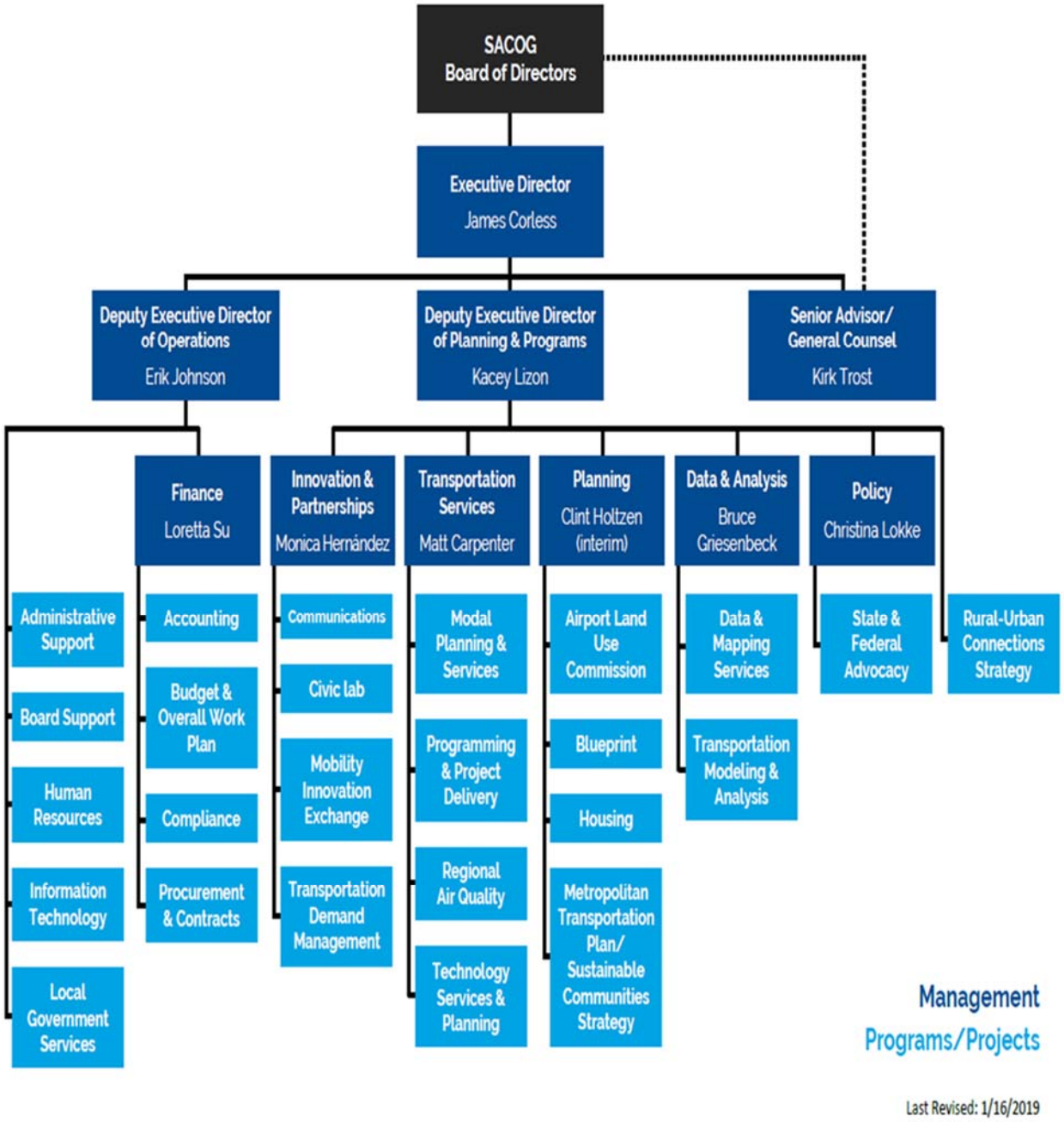
Respectfully submitted,

James Corless
Executive Director

Erik Johnson
Deputy Executive Director
of Operations

Loretta Su
Finance Director

Organizational Chart



Last Revised: 1/16/2019

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sacramento Area Council of Governments, California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Financial Section

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG) as of, and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Local Transportation Funds and the State Transit Assistance and State of Good Repair Fund, which are major funds and collectively represent 60 percent, 61 percent, and 85 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Local Transportation Funds and the State Transit Assistance and State of Good Repair Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SACOG as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the Planning and Administrative General Fund and Capitol Valley Regional SAFE Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, 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.

Eide Bailly LLP

Sacramento, California
December 13, 2019

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The Management Discussion and Analysis (MD&A) of the Sacramento Area Council of Governments (SACOG) presents an overview and analysis of the financial activities and changes in financial position of SACOG and its blended component units for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of the transmittal.

This comprehensive annual financial report includes the following funds:

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

Financial Highlights

Highlights of SACOG and its blended component units' financial performance during the fiscal year ended June 30, 2019 are below:

- The assets and deferred outflow of resources of SACOG exceeded liabilities and deferred inflows at the close of fiscal year 2018-19 by $38.3 million (net position), of this amount, $37.2 million is restricted for specific purposes (restricted net position), and $0.3 million is SACOG's net investment in capital assets. SACOG's total net position increased by $4.4 million during the fiscal year.

- As of June 30, 2019, SACOG governmental funds reported combined fund balances of $55.1 million, an increase of $5.4 million compared to June 30, 2018. Of the total combined fund balances, $11.5 million (21%) is available for spending at SACOG's Board discretion (*unassigned fund balance*).

- As of June 30, 2019, SACOG governmental funds reported a combined revenue of $132.6 million, an increase of $8.6 million (7%) compared to June 30, 2018. The increase is primary due to increases in sales and used taxes revenue, partially offset by decreases in grant revenues.

- As of June 30, 2019, SACOG governmental funds reported a combined expenditure of $127.2 million, an increase of $9.9 million (8%) compared to June 30, 2018. The increase is primary due to increases in transportation claimants' expenditures, partially offset by a decrease in grant expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of SACOG's finances in a manner like private-sector financial statements. This means reporting the extent to which SACOG met its operating objectives. The government-wide statements ignore the partitions created by the funds, bringing the financial activity together in one place, reporting all assets and liabilities, and inflows and outflows of resources.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SACOG has one general fund and 10 special funds used to account for the activities supported by grants, sales taxes, intergovernmental revenues, member assessments, charges for services, administrative services, and other similar types of revenue sources. These funds focus on the near-term annual inflows and outflows of resources, rather than the longer-term focus of governmental activities as seen in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison of the governmental funds to the government-wide statements.

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 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 previously noted, net position over time may serve as a useful indicator of SACOG's financial position. For the fiscal year ended June 30, 2019, SACOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $38.3 million.

The following table shows SACOG's condensed government-wide statement of net position for the fiscal years ended June 30, 2019 and June 30, 2018:

CONDENSED STATEMENT OF NET POSITION
As of June 30, 2019 and 2018

	Governmental Activities		
	2019	2018	Increase (Decrease)
ASSETS			
Current and other assets	$ 88,560,529	$ 84,236,288	$ 4,324,241
Capital assets	288,240	339,945	(51,705)
Total assets	88,848,769	84,576,233	4,272,536
DEFERRED OUTFLOWS			
Deferred outflows related to OPEB	793,956	698,507	95,449
Deferred outflows related to pensions	3,986,469	4,396,669	(410,200)
Total deferred outflows	4,780,425	5,095,176	(314,751)
LIABILITIES			
Other liabilities	32,477,904	33,067,300	(589,396)
Long term liabilities	20,670,117	22,007,707	(1,337,590)
Total liabilities	53,148,021	55,075,007	(1,926,986)
DEFERRED INFLOWS			
Deferred inflows related to OPEB	932,730	104,507	828,223
Deferred inflows related to pensions	1,218,876	520,303	698,573
Total deferred inflows	2,151,606	624,810	1,526,796
NET POSITION			
Net Investment in capital assets	288,240	339,945	(51,705)
Restricted:			
Transportation projects	445,642	485,831	(40,189)
Transportation claimants	36,731,395	32,188,187	4,543,208
Unrestricted	864,290	957,629	(93,339)
Total net position	$ 38,329,567	$ 33,971,592	$ 4,357,975

As of June 30, 2019, total assets and deferred outflows of resources were $93.6 million, an increase of $3.9 million over fiscal year ended June 30, 2018. The increase is primary due to the following key activities in SACOG's major funds:

- Planning and Administration fund assets decreased by $3.1 million due to the winding down of some major projects as of June 30, 2019.

- State Transit Assistance and State of Good Repair (STA/SGR) fund assets increased by $2.1 million and the combined four LTF funds' assets increased by $8.4 million.

- PTMISEA fund assets decreased by $3.0 million as a result of payments to transit providers for completed projects as of June 30, 2019.

- Capitol Valley SAFE and Glenn County's combined fund assets decreased by $0.4 million. This is primarily due to the contribution of match and project expenditures for Transportation Demand Management (TDM), ITS Master Plan, and Big Data projects.

- The deferred outflows related to pension and OPEB decreased by $0.3 million due to the decrease in pension of $0.4 million and an increase in the OPEB of $0.1 million.

Total liabilities and deferred inflows of resources were $55.3 million at June 30, 2019, a decrease of $0.4 million over fiscal year ended June 30, 2018. While the deferred inflows increased by $1.5 million over last fiscal year, long term liabilities consisting of the net OPEB and pension liability decreased by $1.4 million. The remaining $0.5 million consists of a net decrease in other current liabilities for the combined 11 funds.

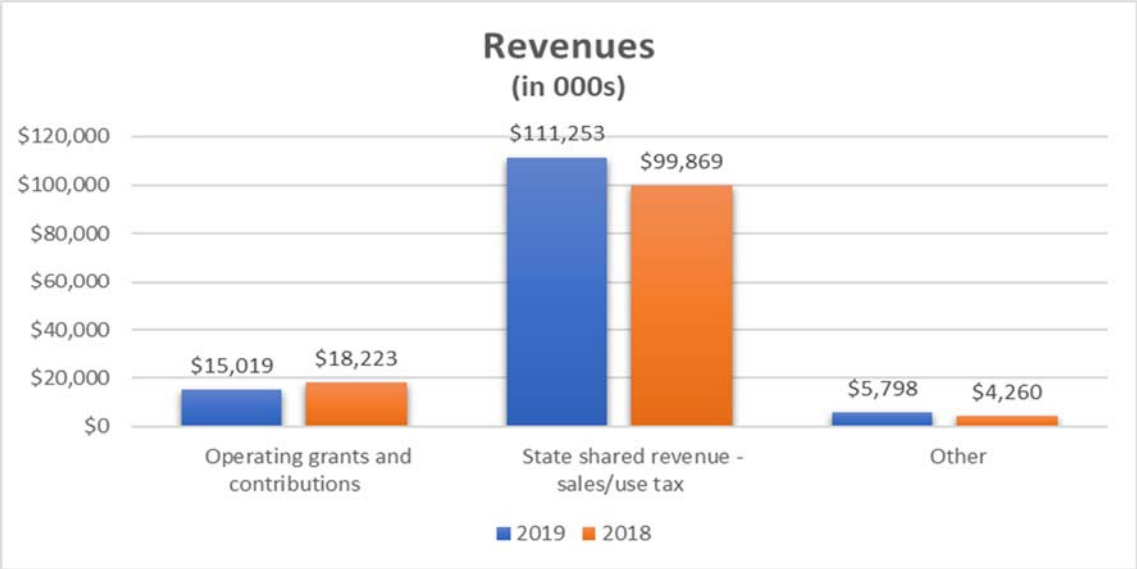
Total Net Position was $38.3 million at June 30, 2019, an increase of $4.4 million over fiscal year ended June 30, 2018. The increase is primarily due to increase of $1.0 million in the STA/SGR fund, $4.4 million increase in the 4 LTF funds, partially offset by slight decreases of $0.7 million in the SAFE fund and $0.3 million in SECAT fund.

CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2019 and 2018

	Governmental Activities		
	2019	2018	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	$ 3,752,726	$ 3,558,184	$ 194,542
Operating Grants and contributions	15,018,934	18,222,580	(3,203,646)
General revenues:			
State shared revenue - sales /use tax	111,253,431	99,868,505	11,384,926
Investment earnings	1,886,474	547,564	1,338,910
Other and In-Kind	159,465	154,091	5,374
Total Revenues	$ 132,071,030	$ 122,350,924	$ 9,720,106
Expenses			
Planning and Administration	16,894,265	21,322,636	(4,428,371)
SECAT Program	317,840		
Transportation Claimants	103,433,330	90,155,212	13,278,118
PTMISEA	3,664,050	4,018,076	(354,026)
Capitol Valley Regional SAFE	3,364,043	3,177,595	186,448
Glenn County SAFE	39,527	29,140	10,387
Total expenses	127,713,055	118,702,659	8,692,556
Change in Net Position	4,357,975	3,648,265	1,027,550
Net- Position Beginning (as restated)	33,971,592	30,323,327	3,648,265
Net - Position Ending	$ 38,329,567	$ 33,971,592	$ 4,675,815

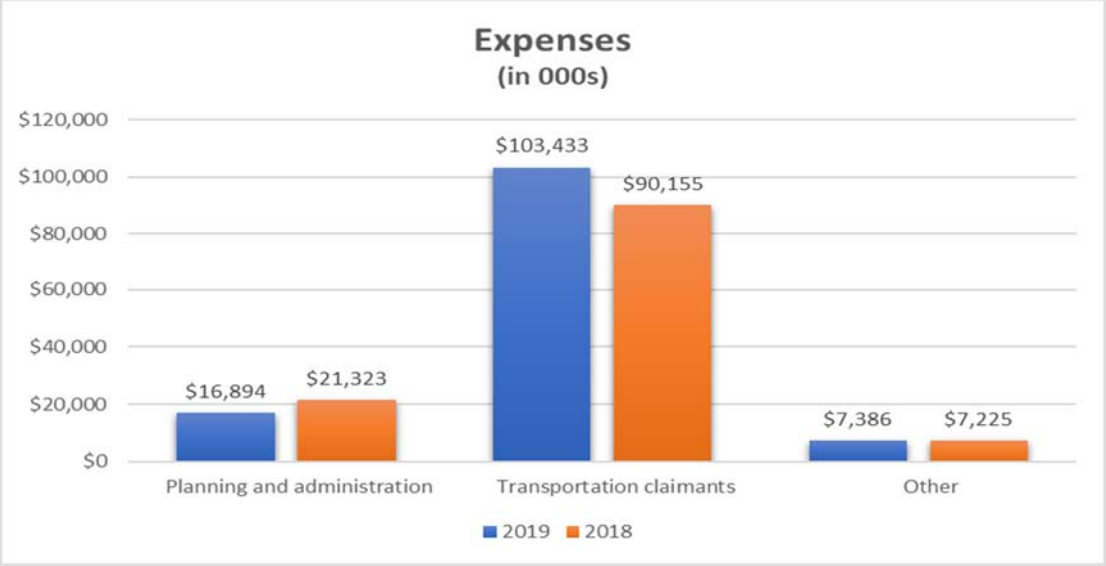
As of June 30, 2019, total revenues were $132.1 million, an increase of $9.7 million over fiscal year ended June 30, 2018. The following are changes in key activities during fiscal year 2019:



- State Shared Revenue – Sales tax revenue (includes STA/SGR fund and the 4 LTF Funds) had a net increase of $11.4 million. The STA/SGR revenue increased by $5.5 million and the 4 LTF funds had a sales tax revenue increase of $5.9 million.

- Operating Grants and Contributions revenue had a net decrease of $3.2 million due to inreases in PTMISEA revenue, partialy offset by decreases in Plannning and Administration revenues of $6.4 million.

Total expenses were $127.7 million in fiscal year ended June 30, 2019, an increase of $9.0 million over fiscal year ended June 30, 2018. The following are the key activities during fiscal year 2019.



- Transportation claimants' expenses for STA and the four LTF funds increased by $13.3 million. The STA expenses increased by $6.6 million, primarily due to the board approved increased allocations and the four LTF funds had a net expense increase of $6.7 million due to an increase in claims and annual apportionment.

- Planning and Administration expenses decreased by $4.4 million from last year. The decrease was due to four projects winding down in FY 18-19.

Fund Financial Statement Analysis

As noted earlier, SACOG uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The following table represents the fund balances for the governmental funds for the fiscal years ended June 30, 2019 and June 30, 2018:

Fund Balance	2019	2018	Increase (Decrease)	% of Change
Planning and Administration	$ 14,259,374.00	$ 13,504,661.00	$ 754,713.00	6%
SACOG Financing Corp	4,109,607	3,984,126	125,481	3%
SECAT	492	309,945	(309,453)	-100%
PTMISEA	10,662,059	10,566,038	96,021	1%
STA/SGR	3,117,522	2,045,867	1,071,655	52%
Local Transportation Fund	20,129,615	15,793,073	4,336,542	27%
Capital Valley SAFE	2,691,841	3,341,870	(650,029)	-19%
Glenn County SAFE	130,358	131,394	(1,036)	-1%
Total Fund Balance	**$ 55,100,868**	**$ 49,676,974**	**$ 5,423,894**	**11%**

Key elements for SACOG's governmental funds at June 30, 2019 were:

- The Planning and Administration fund balance increased by $0.8 million (6%). The increase was largely due to an increase in TDA funds and investment income.
- STA/SGR fund balance increased by $1.1 million (52%) due to an increase in allocation in current fiscal year.
- The combined LTF fund balance increased by $4.3 million (27%) due to an increase in collected sales tax revenues in the current fiscal year.
- Capital Valley SAFE fund balance decreased by $0.6 million (19%) due to the continued work on Call Box Removal/Upgrade Modernization project, TDM, ITS Master Plan/Regional Architecture update and the Big Data project.

Budget

Annually, the SACOG Board of Directors approves the budget in two phases. The first phase is the development of the Overall Work Program (OWP) budget, which is the plan for the transportation-related projects. The OWP is funded largely by federal and state grants with matching funds from local sources. The projects are comprised of functions related to the responsibilities of a Metropolitan Planning Organization and Regional Transportation Planning Agency and centered on transportation and land use planning and project delivery to fulfill those plans. The draft OWP is released for public comment during which the grantor agencies, both federal and state, various public organizations including member agencies, regional transit authorities, and the general public review the projects planned for the budget year and make comments. At the close of the public comment period, the

SACOG Board of Directors adopts the OWP as it has been amended during the review period. Final adoption of the OWP occurs no later than May of each year. After adoption by the Board of Directors, federal and state funding agencies approve the OWP. Throughout the year, amendments to the OWP budget occur for grants that are received, a realignment of priorities for projects or other occurrences that require a budget adjustment and increases or decreases in federal or state funding allocations. Amendments to the OWP are also reviewed and approved by Caltrans.

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

SACOG's original Planning and Administration budget was $37.4 million which included the use of designated fund balance for committed projects of $1.1 million, deferred revenue and carryforward projects of $0.4 million and capital equipment purchase of $0.1 million.

During the year there were four amendments to the OWP and Budget. These amendments were to true-up available grant funds remaining at the end of the prior fiscal year for multi-year grant funded projects, reallocate revenue and expenditures among work elements within the OWP, incorporate SACOG's approved Indirect Cost Allocation Plan (ICAP) Rate, and add additional grant funding. The final adopted budget was $27.0 million, resulted in a decrease of $10.4 million compared to the adopted budget.

Capital Assets

Total investment in capital assets at June 30, 2019, net of accumulated depreciation, was $0.3 million, a slight decrease from last fiscal year of $52,000.

	Planning and Administration	Total Governmental Activities
Computers, Furniture and Equipment, Phones, Software, Leasehold Improvements and Automobiles	$ 1,479,275	$ 1,479,275
Less Accumulated Depreciation	(1,191,035)	(1,191,035)
Capital Assets, Net	$ 288,240	$ 288,240

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

Economic Factors and Next Year's Budget

One of the ongoing challenges for SACOG over the last several years has been the loss of revenues from the close out of certain multi-year discretionary earmarks/grants and finding new revenues to replace them. Although the increased funding from the SB1 measures aides SACOG in implementing the OWP work activities, more funding is needed to fund transportation and housing projects in the region.

While many of the revenues SACOG receives are based on formula planning funds or discretionary grant awards, there still are requirements to match those funds with non-federal and/or non-state dollars. The primary sources of those matching dollars are the LTF ¼ cent sales tax collected within each county for transportation and vehicle registration fees from SAFE.

SACOG is fortunate to have benefitted from a fiscally-sound labor Memorandum of Understanding (MOU) and continues to benefit from a strong relationship with the SACOG Employees Association (SEA), which has greatly supported SACOG's cost reduction and containment strategies. The SEA has proactively worked with management to identify and implement additional savings through assuming a greater share of retirement contributions, implementing a three-tier retirement system with reduced benefits, and modifying the formula for calculating retirement benefits. In February 2017, the SACOG Board of Directors approved a new five-year MOU with the SEA that continues to shift a more equal share of future fluctuations in benefit increases between employees and SACOG. However, ongoing challenges includes finding enough resources to fully fund new goals and initiatives and rising fringe benefits costs including funding the unfunded pension and OPEB liability.

Towards the end of the 2018-19 fiscal year, SACOG identified three long-term goals intended to be durable over many years. They are Economic Prosperity, Connected Communities, and Vibrant Places. SACOG will develop and implement OWP projects that support these three goals in the region.

SACOG does not anticipate significant change in federal funding for its operations in the foreseeable future. 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 money from other programs funding transportation. As additional funding is received, projects will be assessed to determine their priority within the SACOG Strategic Plan, planning goals for the year, and the availability of staff to work on the project. SACOG is committed to assisting our member agencies with their land use and transportation planning in order to create a more livable region.

Requests for Information

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

Statement of Net Position

June 30, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 61,084,527
Receivables	27,367,943
Other assets	108,059
Total current assets	88,560,529
Non-current assets:	
Capital assets, net	288,240
Total assets	88,848,769
Deferred outflow of resources	
Deferred outflows related to OPEB	793,956
Deferred outflows related to pension	3,986,469
Total deferred outflows of resources	4,780,425
LIABILITIES	
Current liabilities:	
Payables	32,351,042
Other liabilities	11,902
Compensated absences - due within one year	114,960
Total current liabilities	32,477,904
Non-current Liabilities:	
Compensated absences	835,875
Net OPEB liability	4,602,532
Net pension liability	15,231,710
Total non-current liabilities	20,670,117
Total liabilities	53,148,021
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	932,730
Deferred inflows related to pensions	1,218,876
Total deferred inflows of resources	2,151,606
NET POSITION	
Investment in capital assets	288,240
Restricted for transportation projects	445,642
Restricted for transportation claimants	36,731,395
Unrestricted	864,290
Total net position	$ 38,329,567

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

Statement of Activities

For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary Government:				
Governmental activities:				
Planning and administration	$ 16,894,265	$ 1,149,781	$ 11,671,349	$ (4,073,135)
Sacramento Emergency Clean Air and Transportation Program	317,840	-	-	(317,840)
Transportation claimants	103,433,330	-	-	(103,433,330)
PTMISEA	3,664,050	-	3,347,585	(316,465)
Capitol Valley Regional SAFE	3,364,043	2,569,529	-	(794,514)
Glenn County SAFE	39,527	33,416	-	(6,111)
Total governmental activities	$ 127,713,055	$ 3,752,726	$ 15,018,934	(108,941,395)
General revenues:				
State shared revenue - sales and use tax				111,253,431
Unrestricted investment earnings				1,886,474
Other				159,465
Total general revenue				113,299,370
Change in net position				4,357,975
Net Position - beginning				33,971,592
Net Position - ending				$ 38,329,567

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

Balance Sheet
Governmental Funds
June 30, 2019

		Special Revenue			
	Planning and Administration	SACOG Financing Corporation	Sacramento Emergency Clean Air and Transportation Program	Public Transportation Modernization, Improvement & Service Enhancement Account	State Transit Assistance & State of Good Repair Fund
Assets					
Cash and investments	$ 10,456,819	$ 4,059,651	$ 83,991	$ 11,032,688	$ 8,242,141
Accounts receivable	-	-	-	-	-
Miscellaneous receivable	22,641	-	-	-	-
Due from other governments	5,820,096	-	-	-	6,450,300
Interest receivable	119,002	49,956	3,876	165,782	121,019
Prepaid items	108,059	-	-	-	-
Total assets	$ 16,526,617	$ 4,109,607	$ 87,867	$ 11,198,470	$ 14,813,460
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	$ 1,079,170	$ -	$ 87,375	$ 536,411	$ -
Accrued liabilities	79,454	-	-	-	-
Due to other governments	-	-	-	-	11,695,938
Total liabilities	1,158,624	-	87,375	536,411	11,695,938
Deferred inflows of resources					
Unavailable revenues	1,108,619	-	-	-	-
Total deferred inflows of resources	1,108,619	-	-	-	-
Fund Balances:					
Nonspendable:					
Prepaid Items	108,059	-	-	-	-
Restricted:					
SECAT Program	-	-	492	-	-
PTMISEA Funds	-	-	-	10,662,059	-
State Transit Assistance Funds - Regular	-	-	-	-	1,517,485
State Transit Assistance Funds - State of Good Repair	-	-	-	-	1,600,037
Local Transportation Funds	-	-	-	-	-
Capitol Valley Regional SAFE	-	-	-	-	-
Glenn County SAFE	-	-	-	-	-
Transportation Projects	445,642	-	-	-	-
Committed:					
Board & Advocacy	28,452	-	-	-	-
SACOG Managed Fund Grantees	1,034,226	-	-	-	-
Office Improvements	-	1,200,000	-	-	-
Assigned:					
Legal defense	500,000	-	-	-	-
Self insurance	200,000	-	-	-	-
Project specific carryover funds	193,182	-	-	-	-
GIS Recipients	259,897	-	-	-	-
Purpose of the fund	-	2,909,607	-	-	-
Unassigned:					
Unassigned fund balance	11,489,916	-	-	-	-
Total fund balances	14,259,374	4,109,607	492	10,662,059	3,117,522
Total liabilities, deferred inflows and fund balances	$ 16,526,617	$ 4,109,607	$ 87,867	$ 11,198,470	$ 14,813,460

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

Balance Sheet
Governmental Funds (Continued)
June 30, 2019

	Special Revenue			
	Local Transportation Funds	Capitol Valley Regional SAFE	Glenn County SAFE	Total Governmental Funds
Assets				
Cash and investments	$ 24,147,388	$ 2,908,052	$ 153,797	$ 61,084,527
Accounts receivable	-	490,930	6,059	496,989
Miscellaneous receivable	-	-	-	22,641
Due from other governments	13,955,388	-	-	26,225,784
Interest receivable	122,062	38,800	2,032	622,529
Prepaid items	-	-	-	108,059
Total assets	$ 38,224,838	$ 3,437,782	$ 161,888	$ 88,560,529
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	$ -	$ 745,941	$ 31,530	$ 2,480,427
Accrued liabilities	-	-	-	79,454
Due to other governments	18,095,223	-	-	29,791,161
Total liabilities	18,095,223	745,941	31,530	32,351,042
Deferred inflows of resources				
Unavailable revenues	-	-	-	1,108,619
Total deferred inflows of resources	-	-	-	1,108,619
Fund Balances:				
Nonspendable:				
Prepaid Items	-	-	-	108,059
Restricted:				
SECAT Program	-	-	-	492
PTMISEA Funds	-	-	-	10,662,059
State Transit Assistance Funds - Regular	-	-	-	1,517,485
State Transit Assistance Funds - State of Good Repair	-	-	-	1,600,037
Local Transportation Funds	20,129,615	-	-	20,129,615
Capitol Valley Regional SAFE	-	2,691,841	-	2,691,841
Glenn County SAFE	-	-	130,358	130,358
Transportation Projects	-	-	-	445,642
Committed:				
Board & Advocacy	-	-	-	28,452
SACOG Managed Fund Grantees	-	-	-	1,034,226
Office Improvements	-	-	-	1,200,000
Assigned:				
Legal defense	-	-	-	500,000
Self insurance	-	-	-	200,000
Project specific carryover funds	-	-	-	193,182
GIS Recipients	-	-	-	259,897
Purpose of the fund	-	-	-	2,909,607
Unassigned:				
Unassigned fund balance	-	-	-	11,489,916
Total fund balances	20,129,615	2,691,841	130,358	55,100,868
Total liabilities, deferred inflows and fund balances	$ 38,224,838	$ 3,437,782	$ 161,888	$ 88,560,529

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, 2019

Total Fund Balances on Governmental Funds' Balance Sheet	$ 55,100,868
Long-term receivables not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in governmental funds.	1,108,619
Long term liabilities, not due in the current period, therefore, are not reported in the governmental funds.	(11,902)
Capital assets used in government activities are not financial resources, and therefore, are not reported as assets in the governmental funds.	288,240
Compensated absences not due and payable in the current period, and therefore, not reported in the governmental funds' Balance Sheet.	(950,835)
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	3,986,469
Net pension liability	(15,231,710)
Deferred inflows related to pension	(1,218,876)
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	793,956
Net OPEB liability	(4,602,532)
Deferred inflows related to OPEB	(932,730)
Net position of governmental activities	$ 38,329,567

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

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

For the Fiscal Year Ended June 30, 2019

	Special Revenue				
	Planning and Administration	**SACOG Financing Corporation**	**Sacramento Emergency Clean Air and Transportation Program**	**Public Transportation Modernization, Improvement & Service Enhancement Account**	**State Transit Assistance & State of Good Repair Fund**
Revenues:					
Sales and use taxes	$ -	$ -	$ -	$ 3,347,585	$ 25,562,844
Vehicle registration fees and traffic fines	-	-	-	-	-
Intergovernmental:					
Federal	7,340,007	-	-	-	-
State	2,740,627	-	-	-	-
Local	2,110,096	-	-	-	-
Charges for services	686,918	-	-	-	-
Member assessments	462,863	-	-	-	-
Investment earnings	301,556	125,481	8,387	412,486	273,083
Other	112,323	-	-	-	-
Total revenues	13,754,390	125,481	8,387	3,760,071	25,835,927
Expenditures:					
Current:					
Transportation Claimants	-	-	-	-	24,764,272
SAFE services	-	-	-	-	-
Planning and administration	15,981,412	-	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	-	-	-	3,664,050	-
Payments to SMF grantees	316,055	-	-	-	-
SECAT Program	-	-	317,840	-	-
Capital outlay	50,260	-	-	-	-
Total expenditures	16,347,727	-	317,840	3,664,050	24,764,272
Excess (deficiency) of revenues over (under) expenditures	(2,593,337)	125,481	(309,453)	96,021	1,071,655
Other Financing Sources (Uses):					
Transfers in	3,348,050	-	-	-	-
Transfers out	-	-	-	-	
Total other financing sources (uses)	3,348,050	-	-	-	-
Net change in fund balances	754,713	125,481	(309,453)	96,021	1,071,655
Fund balances - beginning	13,504,661	3,984,126	309,945	10,566,038	2,045,867
Fund balances - ending	$ 14,259,374	$ 4,109,607	$ 492	$ 10,662,059	$ 3,117,522

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

Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2019

	Special Revenue			
	Local Transportation Funds	**Capitol Valley Regional SAFE**	**Glenn County SAFE**	**Total Governmental Funds**
Revenues:				
Sales and use taxes	$ 85,690,587	$ -	$ -	$ 114,601,016
Vehicle registration fees and traffic fines	-	2,569,529	33,416	2,602,945
Intergovernmental:				
Federal	-	-	-	7,340,007
State	-	-	-	2,740,627
Local	-	-	-	2,110,096
Charges for services	-	-	-	686,918
Member assessments	-	-	-	462,863
Investment earnings	663,063	97,343	5,075	1,886,474
Other	-	47,142	-	159,465
Total revenues	86,353,650	2,714,014	38,491	132,590,411
Expenditures:				
Current:				
Transportation Claimants	78,669,058	-	-	103,433,330
SAFE services	-	3,364,043	39,527	3,403,570
Planning and administration	-	-	-	15,981,412
Public Transportation Modernization Improvement & Service Enhancement	-	-	-	3,664,050
Payments to SMF grantees	-	-	-	316,055
SECAT Program	-	-	-	317,840
Capital outlay	-	-	-	50,260
Total expenditures	78,669,058	3,364,043	39,527	127,166,517
Excess (deficiency) of revenues over (under) expenditures	7,684,592	(650,029)	(1,036)	5,423,894
Other Financing Sources (Uses):				
Transfers in	-	-	-	3,348,050
Transfers out	(3,348,050)	-	-	(3,348,050)
Total other financing sources (uses)	(3,348,050)	-	-	-
Net change in fund balances	4,336,542	(650,029)	(1,036)	5,423,894
Fund balances - beginning	15,793,073	3,341,870	131,394	49,676,974
Fund balances - ending	$ 20,129,615	$ 2,691,841	$ 130,358	$ 55,100,868

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

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

For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	$	5,423,894
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 in the period.		(51,705)
Unavailable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds' statements.		(519,381)
Payment of long term payable is an expenditure in the governmental funds but it reduces the long term payable on the Statement of Net Position.		12,984
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).		(36,809)
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.		(678,630)
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 pension liability during the year.		207,622
Change in Net Position of Governmental Activities	$	4,357,975

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual — Planning and Administration
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental:				
Federal	$ 23,461,228	$ 11,945,558	$ 7,340,007	$ (4,605,551)
State	3,684,626	4,472,692	2,740,627	(1,732,065)
Local	3,566,330	4,187,247	2,110,096	(2,077,151)
Charges for services	154,828	325,000	686,918	361,918
Member assessments	475,125	475,125	462,863	(12,262)
Investment earnings	-	-	301,556	301,556
In-kind	1,269,800	140,000	-	(140,000)
Other	123,500	98,500	112,323	13,823
Total revenues	32,735,437	21,644,122	13,754,390	(7,889,732)
Expenditures:				
Current:				
Planning and administration	36,221,905	25,033,898	15,981,412	9,052,486
Payments to SMF grantees	1,029,814	1,029,814	316,055	713,759
Capital outlay	130,000	930,000	50,260	879,740
Total expenditures	37,381,719	26,993,712	16,347,727	10,645,985
Deficiency of revenues under expenditures	(4,646,282)	(5,349,590)	(2,593,337)	2,756,253
Other Financing Sources:				
Transfers in	3,040,189	3,369,779	3,348,050	(21,729)
Total other financing sources	3,040,189	3,369,779	3,348,050	(21,729)
Change in fund balances	$ (1,606,093)	$ (1,979,811)	754,713	$ 2,734,524
Fund balance - beginning			13,504,661	
Fund balance - ending			$ 14,259,374	

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

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

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Vehicle registration fees	$ 2,569,807	$ 2,569,807	$ 2,569,529	$ (278)
Investment earnings	2,000	2,000	97,343	95,343
Other	118,000	298,000	47,142	(250,858)
Total revenues	2,689,807	2,869,807	2,714,014	(155,793)
Expenditures:				
Current:				
SAFE services	2,420,492	2,100,718	1,542,326	558,392
Freeway Service Patrol	996,250	996,250	939,773	56,477
Equipment and maintenance	242,424	242,424	216,898	25,526
Insurance and DMV fees	27,500	27,500	26,962	538
Planning and administration	465,000	650,000	638,084	11,916
Total expenditures	4,151,666	4,016,892	3,364,043	652,849
Change in fund balance	$ (1,461,859)	$ (1,147,085)	(650,029)	$ 497,056
Fund balance - beginning			3,341,870	
Fund balance - ending			$ 2,691,841	

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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, 2019

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

Joint Certification as:

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

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

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

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

NOTE A — Summary of Significant Accounting Policies, Continued

I I . Government-wide Financial Statements

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

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

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

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

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, SACOG considers revenues to be available if they are collected within six months from the end of the current fiscal period. SACOG uses a six-month availability period to align with the reimbursement timeline associated with most of its funding sources, except for LTF revenues, which is 60 days. Revenues considered susceptible to accrual primarily include sales tax revenues, federal, state and local funds, as well as investment earnings. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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 restricted fund balance or unavailable revenue until SACOG has satisfied the grantor's eligibility requirements. Such funding is subject to review by the funding agency and may result in disallowance in subsequent periods. Sales taxes collected and held by the state at year-end on behalf of SACOG are recognized as revenue.

NOTE A — Summary of Significant Accounting Policies, Continued

SACOG reports the following major governmental funds:

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

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

Sacramento Emergency Clean Air and Transportation Program Fund (SECAT)
Accounts for the revenues and expenditures restricted for SACOG's administration of the Traffic Congestion Relief Program (TCRP), funded by the State of California. However, in FY 2016-17 these funds were reclassified from a liability to the Restricted Fund Category, based upon a new agreement between SACOG and the Sacramento Metropolitan Air Quality Management District (SMAQMD). The funds now belong to SACOG; however, the funds must be used on projects, that meet certain specifications.

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

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

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

NOTE A — Summary of Significant Accounting Policies, Continued

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

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

I V . Assets, Liabilities, Deferred Outflows/Inflows, 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, 2019.

Prepaid Items
Payments for services that will benefit periods beyond June 30, 2019. 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 Assets)
Capital and intangible assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the Sacramento Area Council of Governments date of receipt of donation. Capital and intangible assets are defined by SACOG as assets with an initial, individual cost of more than $5,000 and an estimated useful life more than 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. The estimated useful lives for furniture and equipment are 3 to 15 years.

NOTE A — Summary of Significant Accounting Policies, Continued

Compensated Absences

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 592 hours. Employees' 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.

SACOG has recognized a liability in the government-wide financial statements for unused PTO leave in which employees have a vested right and which is attributable to employee services already performed. A current liability for this amount is reported in the governmental funds only if the PTO has matured, for example, because of employee resignations and retirements.

Interfund Transfers

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as expense/expenditure until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. A deferred inflows of resources is an acquisition of net position that applies to a future reporting period and will not be recognized as a revenue until then.

In addition to liabilities, the balance sheet of government funds reports a separate section for deferred inflows of resources. Unavailable revenue reported consists primarily of revenue outs of SACOG's 180-day availability policy. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as revenue until that time.

Use of Estimates

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

Fund Balance Policy

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

NOTE A — Summary of Significant Accounting Policies, Continued

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 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.

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, 2019, SACOG has $108,059 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.

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.

NOTE A — Summary of Significant Accounting Policies, Continued

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.

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, 2019, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund was $6,101,962. The SACOG Managed Fund cash balance was $7,136,188. Management continues work on developing an official Board policy for these funds.

Pensions

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (see Note L and the requirement supplemental information (RSI) section immediately following the Notes to Financial Statements), 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 position 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.

NOTE A — Summary of Significant Accounting Policies, Continued

Postemployment Benefits Other Than Pensions (OPEB)

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

V . Implementation of New Governmental Accounting Standard

GASB Statement No. 83, *Certain Asset Retirement Obligations* - In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations,* effective for fiscal years beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the Statement. There was no material impact to the financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - In March 2018, GASB issued Statement No. *88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for fiscal years beginning after June 15, 2018. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. There was no material impact to the financial statements.

NOTE B — Budgetary Information

The Board adopts an annual budget for the SACOG Planning and Administration General Fund and the Capitol Valley SAFE Special Revenue fund based on anticipated projects at the beginning of the year. SACOG reports its primary activities through the Planning and Administrative General Fund. The budget is approved in two phases. One phase is the Overall Work Program (OWP) budget, the plan for transportation related projects which is a major portion of the Planning and Administration fund budget, which is approved by the California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) after adoption by the Board of Directors.

The second phase of the budget process is the adoption of the Operating Budget.

This includes the OWP, Board of Directors and Advocacy operating project budget, capital assets, and can include other related functions not associated with the OWP.

NOTE B — Budgetary Information, Continued

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

During the FY 2018-19 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 annual adopted budget is prepared for the SACOG Financing Corporation because the only activity is interest income. 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. Both STA and LTF have distinct and separate annual Board approval processes (February and March of each year) whereby their annual funds are apportioned and allocated for the next year, and therefore not included in SACOG's budgetary process. Glenn County SAFE is a legally separate organization (and included as a component unit herein) that has contracted with SACOG to provide management and accounting services for implementing, operating, and maintaining the motorist aid system of callboxes with the County of Glenn pursuant to Street and Highway Code Section 2553. The County of Glenn has not directed SACOG to prepare a budget for their activities.

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

NOTE C — Cash and Investments

Authorized Investments

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

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

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

NOTE C — Cash and Investments, Continued

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

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

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

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

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

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 investments and maturities are as follows:

	Weighted Average Maturity		Total Fair Balance at
	No Maturity	0 - 5 Years	June 30, 2019
Petty Cash	$ 300	$ -	$ 300
Deposits in banks	197,625	-	197,625
County of Sacramento investment pool	-	49,132,459	49,132,459
County of Sutter investment pool	-	377,634	377,634
County of Yolo investment pool	-	10,837,851	10,837,851
County of Yuba investment pool	-	538,658	538,658
Total Cash and Investments	$ 197,925	$ 60,886,602	$ 61,084,527

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. SACOG's investments in the County of Sacramento, County of Sutter, County of Yolo and County of Yuba's investment pools are not rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

SACOG has no exposure to custodial credit risk because it primarily invests in external investment pools. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. At year end, the carrying amount of SACOG's cash deposits was $197,625 which was fully insured and collateralized.

NOTE C — Cash and Investments, Continued

Fair Value Measurements

SACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, SACOG held no individual investments. All funds are invested in the County Treasurer's Investment Pool. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SACOG's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, the SACOG's proportionate share of investments in the County Treasurers' Investment Pool at June 30, 2019 of $60,886,602 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. 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.

Receivables as of June 30, 2019, for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Misc. A/R	Total
Planning and Administration	$ -	$ 5,820,096	$ 119,002	$ 22,641	$ 5,961,739
SACOG Financing Corporation	-	-	49,956	-	49,956
SECAT	-	-	3,876	-	3,876
PTMISEA	-	-	165,782	-	165,782
State Transit Assistance	-	6,450,300	121,019	-	6,571,319
Local Transportation Funds	-	13,955,388	122,062	-	14,077,450
Capitol Valley Regional SAFE	490,930	-	38,800	-	529,730
Glenn County SAFE	6,059	-	2,032	-	8,091
Total Receivables – Governmental Activities	$ 496,989	$ 26,225,784	$ 622,529	$ 22,641	$ 27,367,943

NOTE E — Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	June 30, 2018	Additions	Deletions	June 30, 2019
Computers	$ 455,759	$ 24,950	$ -	$ 480,709
Furniture and Equipment	691,435	-	-	691,435
Phones	57,253	-	-	57,253
Intangible Assets - Software	145,098	-	-	145,098
Leasehold Improvements	47,851	25,309	-	73,160
Automobiles	31,620	-	-	31,620
Total for SACOG	1,429,016	50,259	-	1,479,275
Depreciation/Amortization for:				
Computers	242,791	73,164	-	315,955
Furniture and Equipment	651,290	10,372	-	661,662
Phones	24,004	8,913	-	32,917
Intangible Assets - Software	145,098	-	-	145,098
Leasehold Improvements	7,443	3,191	-	10,634
Automobiles	18,445	6,324	-	24,769
Total for SACOG	1,089,071	101,964	-	1,191,035
Net Book Value of Assets				
Computers	212,968	(48,214)	-	164,754
Furniture and Equipment	40,145	(10,372)	-	29,773
Phones	33,249	(8,913)	-	24,336
Leasehold Improvements	40,408	22,118	-	62,526
Automobiles	13,175	(6,324)	-	6,851
Total for SACOG	339,945	(51,705)	-	288,240
Total Net Book Value of Capital Assets	$ 339,945	$ (51,705)	$ -	$ 288,240

Note: Leasehold improvements not depreciated/amortized due to improvements still in progress at June 30, 2019

NOTE F — Payables

Payables as of June 30, 2019, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities	Due to Other Governments	Total
Planning and Administration	$ 1,079,170	$ 79,454	$ -	$ 1,158,624
Sacramento Emergency Clean Air and Transportation Program	87,375	-	-	87,375
PTMISEA	536,411	-	-	536,411
State Transit Assistance Fund	-	-	11,695,938	11,695,938
Local Transportation Funds	-	-	18,095,223	18,095,223
Capitol Valley Regional SAFE	745,941	-	-	745,941
Glenn County SAFE	31,530	-	-	31,530
Total Payables – Governmental Activities	$ 2,480,427	$ 79,454	$ 29,791,161	$ 32,351,042

NOTE G — Operating Lease

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

Rental expenditures for the fiscal year ended June 30, 2019 were $626,344. There were also additional tenant costs of $33,392.

As of June 30, 2019, SACOG minimum lease payments required under the lease are as follows:

Year ending June 30,	
2020	$ 685,222
2021	704,037
2022	721,637
2023	739,678
2024	758,170
Thereafter	4,300,588
Total	$ 7,909,333

NOTE H — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2019, was as follows:

	July 1, 2018	Additions	Deletions	June 30, 2019	Due within One year
Compensated Absences	$ 914,026	$ 841,301	$ 804,492	$ 950,835	$ 114,960

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

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

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

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

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

Commitments for the Planning and Administration Fund totaled $4,966,438 at June 30, 2019. The PTMISEA Fund commitments totaled $10,289,498 at June 30, 2019, and the CVR-SAFE Fund commitments totaled $902,826 at June 30, 2019. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

In 2010, SACOG incurred a long-term severance liability (in lieu of an OPEB benefit) of $129,814 (that is separate from the OPEB CERBT information found in Note N) because of an agreement with an employee who retired from SACOG. Payments approximate $13,000 per year, over 10 years. The balance of this liability is $11,902 at June 30, 2019.

NOTE J — 401(a)/ Special Pay Plans

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

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

The second plan is for year-end PTO hours and employees who terminate employment. The cash value of Paid Time Off (PTO) leave in excess of 592 hours is deposited to the Special Pay Plan based on the PTO balance at June 30 each year. In addition, any employee who separates from SACOG employment with cash value of accumulated PTO hours over 80 hours deposited to the Special Pay Plan, subject to IRS limitation. Total contributions to this plan were $146,757 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% of gross taxable monthly salary and the maximum contribution is 20% of gross taxable monthly salary. Contributions shall be in increments of 1% only. Once an option is selected, changes may not be made to the amount contributed or to select an option to not participated. Deposits to the ICMA-RC 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 $136 per month. Total contributions to this plan as of June 30, 2019, were $43,990.

The fifth plan is an executive deferred compensation plan. Per employment contracts, the Executive Director and Senior Advisor/General Counsel have deferred compensation contributed by SACOG to a 401(a) plan. SACOG contributes 5% of earnings on behalf of the executive director, and $17,941 annually plus 7.25% earnings for the Senior Advisor/General Counsel.

NOTE K — Risk Management

SACOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SACOG reports its risk management activities in its Planning and Administration Fund and Capitol Valley Regional SAFE Special Revenue Fund. SACOG purchases commercial insurance through the Golden State Risk Management Authority, a pooled risk Joint Powers Authority. To date, there have been no reductions in any of SACOG's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the last three years.

NOTE L — Pension Plan

Plan Description

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

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

NOTE L — Pension Plan, Continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The rate plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

	MISCELLANEOUS		
	Tier I	Tier II	PEPRA
Hire Date	Prior to May 1, 2011	May 1, 2011 - December 31, 2012	On or after January 1, 2013
Benefit Formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of annual salary	2.5%	2%	2%
Required employee contribution rates	8%	7%	6.50%
Required employer contribution rates	11.24%	9.38%	7.05%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SACOG is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. During the year, SACOG paid 1.10 percent of the employees' contribution on behalf of its Tier I employees and the employee contributed the remaining 6.90 percent. For Tier II, SACOG paid 1.10 percent of the employee's contribution, and the employee contributed 5.90 percent. For the PEPRA Tier, SACOG paid zero percent of the employee's contribution and the employee contributes the full 6.5 percent. Based on the most recently MOU with SEA, employees shall pay their full employee share of PERS contributions after June 30, 2019. Additionally, Tier I and Tier II employees shall also split with SACOG (50-50) of any normal increase of the employer rate, with a 1 percent cap for the burden on employees after June 30, 2019.

SACOG's employer contributions to the Plan for the year ended June 30, 2019 were $1,590,293.

NOTE L — Pension Plan, Continued

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

As of June 30, 2019, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of $15,231,710.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018 using standard update procedures. SACOG's proportion of the net pension liability was based on a projection of the SACOG's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SACOG's proportionate share of the net pension liability measured as of June 30, 2017, and 2018 was as follows:

Proportion - June 30, 2017	0.15793%
Proportion - June 30, 2018	0.15807%
Change - Increase (Decrease)	0.00014%

For the year ended June 30, 2019, SACOG recognized pension expense of $2,268,878. At June 30, 2019, SACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 584,414	$ 198,872
Changes in assumptions	1,736,461	425,573
Net differences between projected and actual earnings on plan investments	75,301	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	-	594,431
Pension contributions subsequent to measurement date	1,590,293	-
Total	$ 3,986,469	$ 1,218,876

The $1,590,293 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, 2020. 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	
2020	$ 1,268,818
2021	654,720
2022	(609,237)
2023	(137,001)
Total	$ 1,177,300

NOTE L — Pension Plan, Continued

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuations was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.50%
Investment Rate of Return	7.15%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

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

Change of assumption – In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. The inflation rate was changed from 2.75 to 2.50 percent.

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.

NOTE L — Pension Plan, Continued

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

Asset Class	Target Allocation	Years 1 - 10 (2)	Real Return Years 11+
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the SACOG's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what SACOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1 % Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	$ 24,466,354	$ 15,231,710	$ 7,608,663

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

NOTE M — Other 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 CAFR. Copies of the CalPERS CAFR 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. Current employees will receive the existing MOU post-retirement benefits until December 31, 2018 with the exception that the "opt out" provided is only for an HRSA, not cash (see post-retirement opt-out description below).

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently $1,997.45 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 $1,536.50 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, 2019, 16 retirees and their spouses met the Tier I eligibility requirements; and there no Tier II retiree and no Tier III retirees.

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

After January 1, 2019, there shall be two Tiers:

- 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 $136 per month towards CalPERS-provided health premiums. The rest of the premium will be paid to the retiree through an HRSA, and the premium amount will be deposited by direct deposit to the retiree once the retiree identifies annually to the benefits administrator the monthly premium amount. Tier 1 employees hired prior to July 1, 2006 will still be eligible for the "opt out" option described above.

- Tier 2: For employees hired starting on or after July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days will receive the then-current PEMHCA minimum, which is set by CalPERS. The current rate is $136 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.

At June 30, 2018, the most recent valuation date, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	59
Inactive employees or beneficiaries currently receiving benefit payments	45
Inactive employees entitled to, but not yet receiving benefits	3
Total	107

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, 2019 were $676,609.

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

OPEB Liability

The Agency's net OPEB liability of the HC Plan was measured as of June 30, 2018, using an actuarial valuation as of June 30, 2018.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 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, 2018
Valuation Date	June 30, 2018
Inflation	2.75%
Salary increases	3.25%
Investment rate of return	7.00%
Mortality rate	2017 CalPERS Experience Study; Improvement using MW Scale 2018
Healthcare cost trend rates	7.0% in 2019, step down .5% per year to 5% in 2024

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	1-10 Year Expected Rate of Return	11+ Year Expected Rate of Return
Global Equity	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Global Real Estate (REIT)	8%	3.20%	5.00%
Treasury Inflation Protected Securities	5%	25.00%	1.46%
Commodities	3%	1.50%	2.87%
Total	100%		

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0 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, 2018 are as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	$ 9,677,685	$ 4,134,757	$ 5,542,928
Changes in the year:			
Service cost	232,998	-	232,998
Interest on total OPEB liability	676,349	-	676,349
Differences between expected and actual experience	(967,249)	-	(967,249)
Changes of assumptions	92,179	-	92,179
Contribution - employer	-	653,354	(653,354)
Net investment income	-	328,990	(328,990)
Benefit payments, including refunds of employee contributions	(497,096)	(497,096)	-
Administrative expenses	-	(2,203)	2,203
Other expenses	-	(5,468)	5,468
Net changes	(462,819)	477,577	(940,396)
Balance at June 30, 2019	$ 9,214,866	$ 4,612,334	$ 4,602,532

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, 2018.

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	$ 5,784,971	$ 4,602,532	$ 3,629,918

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SACOG, as well as what the SACOG's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0% Non-Medicare/4.0% Medicare) or one percentage point higher (8.0% Non-Medicare/6.0% Medicare) than the current healthcare cost trend rates (7.0% Non-Medicare/5.0% Medicare):

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
Net OPEB liability	$ 3,544,021	$ 4,602,532	$ 5,995,822

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, 2019, SACOG recognized OPEB expense of $468,987 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	$ 78,800	
Differences between expected and actual experience	38,547	$ 826,865
Net difference between projected and actual earnings on plan investments	-	105,865
OPEB contributions subsequent to measurement date	676,609	-
Total	$ 793,956	$ 932,730

The $676,609 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, 2020. 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,	Total
2020	($153,397)
2021	(153,397)
2022	(153,396)
2023	(127,271)
2024	(120,399)
Thereafter	(107,523)
	($815,383)

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

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $3.6 billion was set aside by the state as instructed by statute into the PTMISEA account. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. All PTMISEA funds are available for encumbrance and liquidation until June 30, 2023. As of June 30, 2019, the SACOG PTMISEA's cash balance is $11.0 million and outstanding accounts payable is $0.5 million.

The PTMISEA activity for the fiscal years ended June 30, 2018 and 2019 are as follows:

Cash Balance at June 30, 2017	$	15,082,599
Receipts: Interest		174,139
Receipts: PTMISEA Funding		107,820
Disbursements: Connect Card Implementation		(181,063)
Disbursements: On Board Digital Surveillance-Paratransit		(176,835)
Disbursements: ADA Transit Plan		(52,704)
Disbursements: Southline SSCP-Long Lead items		(402,124)
Disbursements: Downtown/Riverfront Streetcar		(20,326)
Disbursements: Bus Maintenance Facility II-CNG Fuel		(534,752)
Disbursements: LRT Crossing Enhancements		(26,135)
Cash Balance at June 30, 2018		13,970,619
Receipts: Interest		352,448
Receipts: PTMISEA Funding		3,347,585
Disbursements: Seven Intercity Commuter Buses		(3,389,487)
Disbursements: Paratransit Vehicle Replacement		(3,129,230)
Disbursements: Connect Card		(78,247)
Disbursements: City of Davis		(41,000)
Cash Balance at June 30, 2019	$	11,032,688

NOTE O — New Accounting Pronouncements

In January 2017, GASB issued **Statement No. 84**, *Fiduciary Activities,* effective for fiscal years beginning after December 15, 2018. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. SACOG has not determined the effect, if any, on the financial statements.

In June 2017, GASB issued **Statement No. 87**, *Leases,* effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. SACOG has not determined the effect, if any, on the financial statements.

In June 2018, GASB issued **Statement No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2019. SACOG has not determined the effect, if any, on the financial statements.

In August 2018, GASB issued **Statement No. 90**, *Majority Equity Interests,* effective for the fiscal years beginning after December 15, 2018. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. SACOG has not determined the effect, if any, on the financial statements.

In May 2019, GASB issued **Statement No. 91**, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. SACOG has not determined the effect, if any, on the financial statements.

Required Supplementary Information
Schedule of SACOG'S Proportionate Share of the Net Pension Liability

For the Fiscal Year Ended June 30, 2019
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015
SACOG's Proportion of the net pension liability	0.15807%	0.15793%	0.15979%	0.16382%	0.14297%
SACOG's Proportionate share of the net pension liability	$ 15,231,710	$ 15,664,853	$ 13,826,741	$ 11,244,576	$ 8,896,169
Covered payroll	$ 5,311,623	$ 5,214,553	$ 5,066,256	$ 5,070,320	$ 5,095,286
SACOG's Proportionate Share of the net pension liability as a percentage of covered payroll	34.87%	33.29%	36.64%	45.09%	57.28%
Plan fiduciary net position as a percentage of the total pension liability					
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule:

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

Required Supplementary Information
Schedule of Contributions – Retirement Plan
For the Fiscal Year Ended June 30, 2019
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 1,590,293	$ 1,395,452	$ 1,292,761	$ 1,194,202	$ 984,832
Contributions in relation to the actuarially determined contribution	1,590,293	1,395,452	1,292,761	1,194,202	984,832
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,610,618	$ 5,311,623	$ 5,214,553	$ 5,066,256	$ 5,070,320
Contributions as a percentage of covered payroll	28.34%	26.27%	24.79%	23.57%	19.42%

Notes to Schedule

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

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2019
Last 10 Fiscal Years*

	2019	2018
Total OPEB liability		
Service Cost	$ 232,998	$ 225,664
Interest on the total OPEB liability	676,349	644,344
Differences between actual and expected experience	(967,249)	51,759
Changes of assumptions	92,179	-
Benefit payments, including refunds of employee contributions	(497,096)	(439,248)
Net change in total OPEB liability	(462,819)	482,519
Total OPEB liability - beginning	9,677,685	9,195,166
Total OPEB liability - ending (a)	$ 9,214,866	$ 9,677,685
Plan fiduciary net position		
Contributions - employer	$ 653,354	$ 478,305
Net investment income	328,990	391,353
Benefit payments	(497,096)	(439,248)
Administrative expenses	(2,203)	(1,986)
Other expenses	(5,468)	-
Net change in plan fiduciary net position	477,577	428,424
Plan fiduciary net position - beginning	4,134,757	3,706,333
Plan fiduciary net position - ending (b)	4,612,334	4,134,757
Net OPEB liability - ending (a)-(b)	$ 4,602,532	$ 5,542,928
Plan fiduciary net position as a percentage of the total OPEB liability	50.05%	42.72%
Covered payroll	5,529,653	5,191,432
Net OPEB liability as a percentage of covered payroll	83.23%	106.77%
Measurement date	June 30, 2018	June 30, 2017

Notes to Schedule:
*Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

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

For the Fiscal Year Ended June 30, 2019
Last 10 Fiscal Years*

	2019	2018
Actuarially determined contributions	$ 676,609	$ 607,178
Contributions in relation to the actuarially determined contribution	676,609	478,305
Contribution deficiency (excess)	$ -	$ 128,873
Covered payroll	$ 5,709,367	$ 5,529,653
Contributions as a percentage of covered payroll	11.85%	8.65%

Notes to Schedule

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

Schedule of Revenues and Expenditures
Board of Directors and Advocacy
Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget (over) and under budget
Revenues:				
Member assessments	$ 475,125	$ 475,125	$ 462,863	$ (12,262)
Investment earnings	-	-	46,733	46,733
Funds from Board and Advocacy Reserve	-	-	3,934	3,934
Total revenues	475,125	475,125	513,530	38,405
Expenditures:				
Current:				
Meetings/training/travel expenses	100,000	103,004	70,177	32,827
Board reimbursement (per diem & director fees)	55,000	55,000	59,776	(4,776)
Consultant	-	-	23,465	(23,465)
Other (printing, supplies, employee travel)	10,000	7,596	44,981	(37,385)
Marketing/Advertising	-	36,000	36,000	-
Memberships	15,000	15,000	19,661	(4,661)
Salaries and benefits	283,809	258,525	259,469	(944)
Total expenditures	463,809	475,125	513,530	(38,405)
Excess of Expenditures over Revenues	$ 11,316	$ -	$ -	$ -

Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2019

DIRECT COSTS:	
Salaries and benefits	$ 3,636,675
INDIRECT COSTS:	
Allocated Indirect Costs (89.47%):	
Service costs	3,253,733
Actual Indirect Costs:	
Building expenses	660,713
Career development program	95,680
Consultants	140,629
Depreciation	101,964
Insurance	97,323
Legal	88,858
Office equipment	98,280
Office equipment maintenance	235
Meetings	21,172
Memberships	34,716
Miscellaneous	48,064
Travel expenses	13,439
Parking	10,048
Postage	1,464
Publications/periodicals	1,554
Salaries	1,461,019
Computer software and maintenance	150,991
Supplies	15,374
Telecommunications	25,362
Temporary labor services	43,595
Printing costs	20,366
Total indirect costs	3,130,844
Over-absorbed indirect costs	$ 122,889

Statistical Section

Statistical Section

For the Fiscal Year Ended June 30, 2019

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

Financial Trends

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

Demographic and Economic Information

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

Principal Employers Operational Information

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

Principal Employers Operational Information

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

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Net Position by Component
For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	$ 1,282,726	$ 769,096	$ 281,982	$ 102,217
Restricted for Transportatio Projects	-	-	-	882,560
Restricted for Transportation Claimants	13,895,556	34,088,672	38,980,228	49,966,728
Unrestricted	35,583,893	17,851,804	16,669,133	16,183,317
Total governmental activities Net Position	**$ 50,762,175**	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**

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

Source: Agency Annual Reports

Net Position by Component
For Ten Fiscal Years Ended June 30

2014	2015	2016	2017	2018	2019
$ 148,847	$ 174,906	$ 204,303	$ 209,730	$ 339,945	$ 288,240
917,880	700,946	574,181	473,445	485,831	445,642
36,701,567	37,546,082	32,365,872	30,653,263	32,188,187	36,731,395
15,798,418	5,215,052	2,952,631	3,657,730	957,629	864,290
$ 53,566,712	**$ 43,636,986**	**$ 36,096,987**	**$ 34,994,168**	**$ 33,971,592**	**$ 38,329,567**

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

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

	2010	2011**	2012	2013
EXPENSES				
Transportation Claimants	$ 62,176,903	$ 51,508,069	$ 73,899,504	$ 72,395,499
Planning and Administration	17,283,003	20,668,754	16,548,264	18,329,698
Sacramento Emergency Clean Air & Transportation Program	2,494,831	1,313	58,172	-
SACOG Managed Fund	1,068,276	-	-	-
PTMISEA	4,742,226	1,579,144	6,385,003	20,405,161
Capitol Valley SAFE	2,431,941	2,293,278	2,247,338	2,030,134
Glenn County SAFE	33,236	16,061	15,851	10,196
Total Expenses	**$ 90,230,416**	**$ 76,066,619**	**$ 99,154,132**	**$ 113,170,688**
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	14,153,990	17,371,115	11,909,077	15,319,095
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	15,319,020	800,000	13,695,246	27,710,682
Charges for Services:				
Planning and Administration	430,347	581,041	481,980	561,106
Capitol Valley SAFE	2,145,307	2,081,247	2,261,157	2,189,461
Glenn County SAFE	29,386	28,722	30,763	29,655
Total Program Revenues	32,078,050	20,862,125	28,378,223	45,809,999
Net Expense	**$ (58,152,366)**	**$ (55,204,494)**	**$ (70,775,909)**	**$ (67,360,689)**
General Revenues and Other Changes in Net Assets				
State Shared Revenue - Sales and Use Taxes	$ 66,132,449	$ 55,894,683	$ 73,300,929	$ 77,777,632
Investment Earnings	529,002	261,290	249,031	336,414
In-Kind Revenue	627,948	649,531	293,611	320,458
Other	121,857	346,387	154,109	129,664
Total General Revenues	**$ 67,411,256**	**$ 57,151,891**	**$ 73,997,680**	**$ 78,564,168**
Change in Net Position	9,258,890	1,947,397	3,221,771	11,203,479
Net Position - Beginning	41,503,285	50,762,175	52,709,572	55,931,343
Prior Period Adjustment Pension Liability GASB 68	-	-	-	-
Prior Period Adjustment Pension Liability GASB 75	-	-	-	-
Net Position - Ending	**$ 50,762,175**	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**

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

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

***2017 Net Position was restated due to implementation of GASB 75.

Source: Individual internal fund statements

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

2014	2015	2016	2017***	2018	2019
$ 82,519,242	$ 80,040,856	$ 81,636,347	$ 79,530,309	$ 90,155,212	$ 103,433,330
23,478,952	19,462,387	16,149,917	22,248,042	21,322,636	16,894,265
-	-	-	-	-	317,840
-	-	-	-	-	-
10,872,693	9,424,005	5,452,494	4,930,158	4,018,076	3,664,050
1,955,345	2,091,288	2,472,852	2,961,035	3,177,595	3,364,043
23,781	16,712	90,061	889	29,140	39,527
$ 118,850,013	**$ 111,035,248**	**$ 105,801,671**	**$ 109,670,433**	**$ 118,702,659**	**$ 127,713,055**
22,010,737	15,820,697	11,371,902	17,663,047	18,072,722	11,671,349
-	-	-	303,776	-	-
170,197	10,780,660	887,174	3,902,487	149,858	3,347,585
424,844	586,896	851,521	577,946	1,035,151	1,149,781
2,269,183	2,326,565	2,521,364	2,487,681	2,490,482	2,569,529
30,303	30,790	31,453	32,667	32,551	33,416
24,905,264	29,545,608	15,663,414	24,967,604	21,780,764	18,771,660
$ (93,944,749)	**$ (81,489,640)**	**$ (90,138,257)**	**$ (84,702,829)**	**$ (96,921,895)**	**$ (108,941,395)**
$ 79,607,818	$ 82,089,764	$ 82,144,492	$ 83,067,575	$ 99,868,505	$ 111,253,431
81,680	(49,608)	407,335	421,368	547,564	1,886,474
582,399	-	-	-	-	-
104,742	58,562	46,431	111,067	154,091	159,465
$ 80,376,639	**$ 82,098,718**	**$ 82,598,258**	**$ 83,600,010**	**$ 100,570,160**	**$ 113,299,370**
(13,568,110)	609,078	(7,539,999)	(1,102,819)	3,648,265	4,357,975
67,134,822	53,566,712	43,636,986	36,096,987	30,323,327	33,971,592
-	(10,538,804)	-	-	-	-
-	-	-	(4,670,841)	-	-
$ 53,566,712	**$ 43,636,986**	**$ 36,096,987**	**$ 30,323,327**	**$ 33,971,592**	**$ 38,329,567**

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

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

Source: Individual internal fund statements

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

	2010	2011**	2012	2013
REVENUES				
Federal	$ 12,157,504	$ 13,637,674	$ 8,678,720	$ 9,533,766
State	1,204,156	3,088,223	2,676,805	4,654,503
Local	743,493	645,220	553,552	1,130,826
Charges for Services	146,077	296,771	197,710	277,719
Member Assessments	284,270	284,270	284,270	284,270
Investment Earnings	12,696	56,532	50,047	75,288
In-Kind	625,448	649,531	293,611	320,458
Other	86,467	288,978	66,295	79,108
Total Revenues	15,260,111	18,947,199	12,801,010	16,355,938
EXPENDITURES				
Planning and Administration	16,981,392	20,022,388	15,857,825	18,182,940
Community Design Grants	-	390,310	-	-
Payments to SMF agencies	-	-	517,451	146,758
Capital Outlay	42,278	16,816	42,023	66,086
Total Expenditures	17,023,670	20,429,514	16,417,299	18,395,784
Deficiency of Revenues under Expenditures	(1,763,559)	(1,482,315)	(3,616,289)	(2,039,846)
OTHER FINANCING SOURCES				
Transfers in	2,033,399	2,124,575	2,547,066	2,445,564
Change in Fund Balance	269,840	642,260	(1,069,223)	405,718
Fund Balance - Beginning	3,203,555	14,603,324	15,245,584	14,176,361
Fund Balance - Ending	$ 3,473,395	$ 15,245,584	$ 14,176,361	$ 14,582,079
RESERVATIONS OF FUND BALANCE - PRE GASB 54				
Reserved for Prepaid Items	$ 68,505	$ -	$ -	$ -
Unreserved, Desiginated for Contingencies	700,000	-	-	-
Operating Cash Reserve	1,500,000	-	-	-
Fund Balance Categories under GASB 54				
Nonspendable - prepaid Items	151,573	58,725	72,497	95,313
Restricted:				
Restricted for Transportation Projects	-	-	-	882,560
Committed:				
Board and Advocacy	-	109,539	211,122	233,770
Community Design Grantees	-	1,412,071	1,820,244	1,712,060
Assigned:				
Legal Defense	-	500,000	500,000	500,000
Self Insurance	-	200,000	200,000	200,000
Project Specific Carryover Funds	194,065	194,065	193,182	193,182
GIS Receipients	75,451	62,397	89,897	117,397
Unassigned:				
Unassigned Fund Balance	783,801	12,708,787	11,089,419	10,647,797
Total Ending Fund Balance	**$ 3,473,395**	**$ 15,245,584**	**$ 14,176,361**	**$ 14,582,079**

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

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

2014	2015	2016	2017	2018	2019
$ 12,847,391	$ 10,476,372	$ 7,560,062	$ 12,059,126	$ 12,710,609	$ 7,340,007
4,783,759	3,923,625	2,726,891	904,757	3,386,211	2,740,627
1,410,738	1,420,700	1,084,949	1,425,276	3,621,790	2,110,096
140,574	302,626	475,533	153,416	595,289	686,918
284,270	284,270	375,988	424,530	439,862	462,863
11,847	(22,172)	54,698	71,896	92,779	301,556
582,399	-	-	-	-	-
69,354	36,732	46,431	111,067	122,115	112,323
20,130,332	16,422,153	12,324,552	15,150,068	20,968,655	13,754,390
22,331,342	19,002,274	15,106,301	21,655,454	19,165,515	15,981,412
-	-	-	-	-	-
1,005,170	647,705	453,123	272,244	554,757	316,055
95,110	75,716	90,755	68,258	210,452	50,260
23,431,622	19,725,695	15,650,179	21,995,956	19,930,724	16,347,727
(3,301,290)	(3,303,542)	(3,325,627)	(6,845,888)	1,037,931	(2,593,337)
2,802,773	2,821,163	2,891,043	3,082,708	3,063,312	3,348,050
(498,517)	(482,379)	(434,584)	(3,763,180)	4,101,243	754,713
14,582,079	14,083,562	13,601,182	13,166,598	9,403,418	13,504,661
$ 14,083,562	$ 13,601,182	$ 13,166,598	$ 9,403,418	$ 13,504,661	$ 14,259,374
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
18,011	75,929	81,339	66,217	59,025	108,059
917,880	583,947	574,181	473,445	485,831	445,642
166,323	37,999	384	7,985	32,385	28,452
1,256,846	797,670	1,351,093	1,029,814	1,601,425	2,290,899
500,000	500,000	500,000	500,000	500,000	500,000
200,000	200,000	200,000	200,000	200,000	200,000
193,182	193,182	193,182	193,182	193,182	193,182
139,897	162,397	184,897	209,897	234,897	259,897
10,691,423	11,050,059	10,081,522	6,722,878	10,197,916	10,233,243
$ 14,083,562	**$ 13,601,183**	**$ 13,166,598**	**$ 9,403,418**	**$ 13,504,661**	**$ 14,259,374**

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

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013
REVENUES				
Sales and Use Taxes	$ 66,132,449	$ 56,694,683	$ 86,996,175	$ 105,488,314
Vehicle registration fees and traffic fines	2,174,693	2,109,969	2,291,919	2,219,115
Intergovernmental:				
Federal	12,157,504	13,637,674	8,678,720	9,533,766
State	16,523,176	3,088,223	2,676,805	4,654,503
Local	792,331	645,220	553,552	1,130,826
Charges for services	146,077	296,771	197,710	277,719
Member assessments	284,270	284,270	284,270	284,270
Investment earnings	529,002	261,290	249,031	336,414
In-Kind	627,948	649,531	293,611	320,458
Other	121,857	346,387	154,109	129,664
Total Revenues	**99,489,307**	**78,014,018**	**102,375,902**	**124,375,049**
EXPENDITURES				
City of Elk Grove	4,453,961	3,855,576	5,708,010	5,784,892
City of Citrus Heights	2,718,195	2,387,142	3,376,119	3,016,818
City of Davis	2,875,410	2,054,718	3,074,492	3,522,718
City of Folsom	2,342,024	1,936,048	2,788,369	2,667,342
City of Galt	745,182	657,899	929,674	857,479
City of Isleton	25,426	22,299	31,494	29,151
City of Live Oak	236,516	464,676	333,610	319,649
City of Marysville	67,049	-	-	-
City of Sacramento	253,973	270,420	331,851	295,055
City of West Sacramento	1,952,997	1,487,468	2,132,866	2,514,725
City of Rancho Cordova	32,551	34,747	42,932	41,159
City of Wheatland	73,562	45,266	62,663	55,756
City of Winters	292,099	219,278	312,839	338,503
City of Woodland	2,317,034	1,755,475	2,523,464	2,840,885
City of Yuba City	508,249	2,787,330	1,345,087	1,464,744
County of Sacramento	1,109,664	1,051,691	1,365,862	1,579,742
County of Sutter	538,880	1,232,138	715,189	679,161
County of Yolo	969,937	735,302	1,042,866	1,258,760
County of Yuba	549,293	374,072	352,238	410,109
Sacramento Regional Transit District	36,298,222	27,382,646	43,151,709	40,062,709
Yolo County Transportation District	143,020	-	201,715	2,807,839
Yuba-Sutter Transit Authority	2,268,254	1,264,700	2,251,612	214,427
Paratransit, Inc	1,405,405	1,489,178	1,824,843	1,633,876
SAFE services	403,004	384,153	360,441	436,837
Freeway service patrol	814,681	834,494	851,210	848,418
Equipment and maintenance	443,720	450,983	459,685	455,440
Insurance and DMV fees	17,365	21,255	19,780	20,393
Planning and Administration	17,118,422	20,156,239	15,945,296	18,258,075
SACOG Managed Fund	1,068,276	-	517,451	-
Transportation Claimants	-	-	-	-
Public Transportation Moderization Improvement & Service Enhancement	4,742,226	1,579,144	6,385,003	20,405,161
Community Design Grants	-	390,310	-	146,758
SECAT grants or refunds	2,494,831	1,313	58,172	-
Capital outlay	42,278	16,816	42,023	66,086
Total Expenditures	89,321,706	75,342,776	98,538,565	113,032,667
Excess of Revenues over Expenditures	10,167,601	2,671,242	3,837,337	11,342,382
OTHER FINANCING USES				
Transfers in	2,033,399	2,124,575	2,547,066	2,445,564
Transfers out	(2,033,399)	(2,124,575)	(2,547,066)	(2,445,564)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	10,167,601	2,671,242	3,837,337	11,342,382
Fund Balance - Beginning	40,345,081	50,512,682	53,183,924	57,021,261
Fund Balance - Ending	**$ 50,512,682**	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**

Source: Individual internal fund statements

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

2014	2015	2016	2017	2018	2019
$ 79,778,015	$ 92,870,424	$ 83,031,666	$ 86,970,062	$ 100,018,363	$ 114,601,016
2,299,485	2,357,355	2,552,816	2,520,348	2,523,033	2,602,945
12,847,391	10,476,372	7,560,062	12,059,126	12,710,609	7,340,007
4,783,759	3,923,625	2,726,891	1,208,533	3,386,211	2,740,627
1,410,738	1,420,700	1,084,949	1,425,276	3,621,790	2,110,096
140,574	302,626	475,533	153,416	595,289	686,918
284,270	284,270	375,988	424,530	439,862	462,863
81,680	(49,608)	407,335	421,368	547,564	1,886,474
582,399	-	-	-	-	-
104,742	58,562	46,431	111,067	154,091	159,465
102,313,053	**111,644,326**	**98,261,671**	**105,293,726**	**123,996,812**	**132,590,411**
6,359,521	6,640,834	6,782,505	6,744,562	7,620,753	-
3,368,745	3,464,765	3,509,808	3,503,965	3,910,696	-
3,643,141	3,773,822	3,518,718	3,489,076	3,365,531	-
2,965,270	2,994,838	3,094,786	3,095,668	3,616,313	-
966,917	993,483	1,008,347	1,012,626	1,144,221	-
32,531	33,478	33,835	33,744	38,353	-
336,684	293,500	366,996	401,570	292,369	-
77,028	-	-	-	-	-
339,472	353,082	357,147	382,018	393,501	-
2,651,674	2,757,538	2,574,828	2,620,351	2,455,887	-
47,641	49,906	50,994	54,992	57,925	-
85,968	51,472	63,164	45,132	54,850	-
367,905	381,115	353,484	355,397	339,376	-
2,993,489	3,109,907	2,898,327	2,939,922	2,718,286	-
1,696,190	1,289,439	1,540,935	1,647,686	957,774	-
1,681,590	1,667,857	1,693,570	1,724,568	1,934,991	-
756,226	641,138	774,868	813,077	573,460	-
1,366,234	1,381,364	1,255,389	1,379,008	1,282,356	-
883,272	359,374	395,445	83,965	177,955	-
44,128,867	44,967,604	45,903,513	43,985,229	52,973,969	-
2,872,942	2,732,566	203,485	121,910	3,599,419	-
213,026	140,588	3,268,262	2,967,874	451,737	-
1,882,136	1,963,186	1,987,941	2,127,969	2,195,490	-
367,588	364,335	814,681	742,901	1,126,665	3,403,570
831,623	857,834	886,303	924,423	1,083,741	-
656,886	584,818	414,471	920,121	487,710	-
11,291	21,462	22,293	22,907	26,129	-
22,443,080	19,281,825	15,531,462	22,075,284	19,648,005	15,981,412
-	-	-	-	-	316,055
-	-	-	-	-	103,433,330
10,872,693	9,424,005	5,452,494	4,930,158	4,018,076	3,664,050
1,005,170	647,705	453,123	272,244	554,757	-
-	-	-	-	-	317,840
95,110	75,716	90,755	-	210,452	50,260
115,999,910	111,298,556	106,168,696	109,418,347	117,310,747	127,166,517
(13,686,857)	345,770	(7,907,025)	(4,124,621)	6,686,065	5,423,894
2,445,564	2,821,163	2,891,043	3,082,708	3,063,312	3,348,050
(2,445,564)	(2,821,163)	(2,891,043)	(3,082,708)	(3,063,312)	(3,348,050)
-	-	-	-	-	-
(13,686,857)	345,770	(7,907,025)	(4,124,621)	6,686,065	5,423,894
68,363,643	54,676,786	55,022,555	47,115,530	42,990,909	49,676,974
$ 54,676,786	**$ 55,022,556**	**$ 47,115,530**	**$ 42,990,909**	**$ 49,676,974**	**$ 55,100,868**

Source: Individual internal fund statements

Components of Fund Balances
For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013
MAJOR FUNDS - Pre GASB 54				
Reserved	$ 70,656			
Unreserved, designated for:				
Contingencies	700,000			
Operating Cash Reserve	2,542,000			
Board and Advocacy	151,573			
Project Specific Carryover Funds	194,065			
Community Design Grantees	1,660,260			
Reserved for GIS receipients	75,451			
Post Retirement Health Benefits	2,785,847			
Total unreserved, designated	8,109,196			
Unreserved, undesignated	42,332,830			
Fund Balance Categories under GASB 54				
Reserved for prepaid items	-	$ 60,877	$ 74,621	$ 97,511
Restricted:				
SECAT Program	-	11,959	-	-
PTMISEA Funds	-	14,151,893	21,528,870	28,952,646
State Transit Assistance Funds	-	113,418	255,441	(72,779)
State of Good Repair Funds	-	-	-	-
Local Transportation Funds - Sacramento County	-	13,017,462	9,397,543	13,270,404
Local Transportation Funds - Yuba County	-	389,688	693,038	761,228
Local Transportation Funds - Sutter County	-	573,654	668,609	537,017
Local Transportation Funds - Yolo County	-	2,154,733	2,191,913	1,741,805
Capitol Valley Regional SAFE	-	3,571,169	4,127,375	4,573,048
Glenn County SAFE	-	104,696	117,439	130,580
Restricted for Transportation Projects	-	-	-	882,560
Committed:				
Board and Advocacy	-	109,539	211,122	233,770
Community Design Grantees (SMF)	-	1,412,071	1,820,244	1,712,060
Office Improvements				
Assigned:				
Legal Defense	-	500,000	500,000	500,000
Self Insurance	-	200,000	200,000	200,000
Project Specific Carryover Funds	-	194,065	193,182	193,182
GIS Receipients	-	62,397	89,897	117,397
Post Employment Benefits (OPEB)	-	2,805,516	2,820,548	3,885,417
Purpose of the Fund	-	-	-	-
Planning and Administration Fund	-	1,042,000	1,042,000	-
Assigned:				
Unassigned Fund Balance	-	12,708,787	11,089,419	10,647,797
Total Fund Balance	**$ 50,512,682**	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**

Format conforms with GASB 54 guidelines.

Source: Agency Annual Reports

Components of Fund Balances
For Ten Fiscal Years Ended June 30

2014	2015	2016	2017	2018	2019
$ 20,472	$ 75,929	$ 84,654	$ 66,217	$ 59,025	$ 108,059
-	-	-	306,460	309,945	492
18,276,282	19,578,874	15,178,617	14,269,401	10,566,038	10,662,059
351,541	915,777	-	144,397	1,229,432	1,517,485
-	-	-	-	816,435	1,600,037
11,856,983	10,998,193	12,228,043	11,492,510	13,547,839	15,248,782
67,647	258,426	79,005	421,767	717,973	895,011
116,659	481,406	277,365	-	481,342	464,542
968,827	(21,478)	116,307	-	1,045,919	3,521,280
4,926,394	5,183,974	4,392,796	3,892,104	3,341,870	2,691,841
137,234	150,910	93,739	126,624	131,394	130,358
917,880	700,946	574,181	473,445	485,831	445,642
166,323	27,063	384	7,985	32,385	28,452
1,256,846	797,670	1,351,093	1,029,814	1,601,425	1,034,226
					1,200,000
500,000	500,000	500,000	500,000	500,000	500,000
200,000	200,000	200,000	260,000	200,000	200,000
193,182	193,182	193,182	193,182	193,182	193,182
139,897	162,397	184,897	209,897	234,897	259,897
3,889,196	3,875,291	3,909,655	3,939,388	3,984,126	-
-	-	-	-	-	2,909,607
-	-	-	-	-	-
10,691,423	10,943,996	7,751,612	5,657,718	10,197,916	11,489,916
$ 54,676,786	**$ 55,022,556**	**$ 47,115,530**	**$ 42,990,909**	**$ 49,676,974**	**$ 55,100,868**

Format conforms with GASB 54 guidelines.

Source: Agency Annual Reports

Total Population by Jurisdiction
For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SACOG Region	**2,316,019**	**2,339,347**	**2,359,779**	**2,378,290**	**2,398,517**	**2,421,244**	**2,446,580**	**2,476,906**	**2,504,901**	**2,532,700**
El Dorado County	**181,058**	**181,654**	**181,777**	**181,253**	**182,419**	**183,513**	**184,770**	**186,403**	**189,592**	**191,848**
Placerville	10,389	10,379	10,437	10,428	10,548	10,559	10,608	10,665	10,784	10,917
South Lake Tahoe	21,403	21,390	21,395	21,276	21,328	21,439	21,456	21,556	22,491	22,800
Unincorporated	149,266	149,885	149,945	149,549	150,543	151,515	152,706	154,182	156,317	158,131
Placer County	**348,432**	**354,359**	**359,790**	**363,618**	**368,141**	**371,326**	**376,443**	**383,719**	**389,480**	**396,691**
Auburn	13,330	13,502	13,683	13,804	13,948	13,979	14,110	14,262	14,291	14,392
Colfax	1,963	1,986	2,014	2,038	2,027	2,026	2,048	2,068	2,071	2,073
Lincoln	42,819	43,530	44,213	44,824	45,586	46,159	46,974	47,433	47,808	48,277
Loomis	6,430	6,510	6,572	6,575	6,628	6,648	6,686	6,803	6,848	6,887
Rocklin	56,974	58,225	58,967	59,300	59,891	60,502	61,595	64,397	66,711	69,249
Roseville	118,788	121,351	123,757	126,068	127,873	129,120	132,000	134,110	136,260	139,643
Unincorporated	108,128	109,255	110,584	111,009	112,188	112,892	113,030	114,646	115,491	116,170
Sacramento County	**1,418,788**	**1,432,359**	**1,444,950**	**1,456,502**	**1,468,877**	**1,484,379**	**1,498,127**	**1,515,015**	**1,530,242**	**1,546,174**
Citrus Heights	83,301	83,895	84,536	85,106	85,485	86,152	86,871	87,435	87,841	88,095
Elk Grove	153,015	154,735	156,735	159,717	161,937	164,369	166,967	170,275	172,347	174,025
Folsom	72,203	72,616	73,190	72,765	74,695	75,687	76,754	77,736	78,533	79,835
Galt	23,647	23,828	24,210	24,252	24,476	24,856	25,165	25,691	26,296	26,489
Isleton	804	810	813	810	817	826	825	843	859	871
Rancho Cordova	64,776	65,653	66,656	68,055	68,817	70,006	71,587	72,294	73,112	74,471
Sacramento	466,488	470,310	473,175	474,949	478,518	483,303	486,154	493,771	500,724	508,172
Unincorporated	554,554	560,512	565,635	570,848	574,132	579,180	583,804	586,970	590,530	594,216
Sutter County	**94,737**	**95,105**	**95,108**	**95,716**	**96,029**	**96,383**	**96,604**	**96,903**	**97,210**	**97,490**
Live Oak	8,392	8,492	8,242	8,279	8,452	8,496	8,512	8,783	8,799	8,840
Yuba City	64,925	65,161	65,435	66,001	66,104	66,982	67,128	67,153	67,354	67,536
Unincorporated	21,420	21,452	21,431	21,436	21,473	20,905	20,964	20,967	21,057	21,114
Yolo County	**200,849**	**203,111**	**205,031**	**207,724**	**209,183**	**211,361**	**215,774**	**218,690**	**221,175**	**222,581**
Davis	65,622	66,089	65,715	66,472	66,574	66,899	67,446	68,330	68,999	69,761
West Sacramento	48,744	49,530	49,801	50,539	50,851	51,435	53,028	53,153	53,693	53,911
Winters	6,624	6,685	6,893	6,930	6,954	7,002	7,010	7,275	7,427	7,417
Woodland	55,468	55,979	56,320	57,130	57,749	58,204	58,936	59,603	60,178	60,292
Unincorporated	24,391	24,828	26,302	26,653	27,055	27,821	29,354	30,329	30,878	31,200
Yuba County	**72,155**	**72,759**	**73,123**	**73,477**	**73,868**	**74,282**	**74,862**	**76,176**	**77,202**	**77,916**
Marysville	12,072	12,171	12,207	12,330	12,215	12,263	12,292	12,389	12,581	12,627
Wheatland	3,456	3,477	3,507	3,553	3,507	3,561	3,602	3,636	3,692	3,703
Unincorporated	56,627	57,111	57,409	57,594	58,146	58,458	58,968	60,151	60,929	61,586

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

NOTE: DOF adjusts their population count each year for back years from the latest decennial Censes. This table has been updates to reflect changes in population estimates by jurisdiction as of the 2018 E-5 series

Total Households by County
For Ten Fiscal Years Ended June 30

	2010		2011		2012		2013		2014	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**932,140**	**89,840**	**934,724**	**89,366**	**937,017**	**87,619**	**940,393**	**82,758**	**944,332**	**85,181**
El Dorado County	88,159	17,936	88,272	17,975	88,300	17,981	88,495	17,924	88,950	18,061
Placer County	152,648	20,021	153,730	20,035	154,525	19,956	155,782	19,608	157,117	20,033
Sacramento County	555,932	41,987	556,973	41,443	558,191	40,012	559,806	36,042	561,460	39,037
Sutter County	33,858	2,421	33,920	2,411	33,935	2,361	33,971	2,207	34,080	2,199
Yolo County	73,908	4,147	74,109	4,169	74,379	4,072	74,589	3,779	74,920	3,340
Yuba County	27,635	3,328	27,720	3,333	27,687	3,237	27,750	3,198	27,805	2,511

	2015		2016		2017		2018		2019	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**948,072**	**87,374**	**952,724**	**83,625**	**959,216**	**92,747**	**966,695**	**96,697**	**974,711**	**97,388**
El Dorado County	89,293	18,156	89,675	18,145	90,353	18,422	91,745	18,852	91,987	18,904
Placer County	158,518	20,297	160,369	20,075	162,489	20,961	164,820	21,415	167,548	21,637
Sacramento County	562,950	40,539	564,517	37,254	567,281	44,636	570,305	47,291	574,449	47,645
Sutter County	34,140	2,239	34,205	2,244	34,339	2,253	34,363	2,243	34,398	2,244
Yolo County	75,231	3,457	75,869	3,247	76,449	3,793	77,138	4,004	77,679	4,031
Yuba County	27,940	2,686	28,089	2,660	28,305	2,682	28,324	2,892	28,650	2,927

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

Labor Force & Unemployment by County

For Ten Fiscal Years Ended June 30

	2009				2010			
	Labor Force	Employment	Unemploy-ment	Rate %	Labor Force	Employment	Unemploy-ment	Rate %
SACOG Region	**1,128,400**	**997,800**	**130,600**	**11.6**	**1,111,000**	**966,700**	**144,500**	**13.0**
El Dorado County	91,800	81,500	10,300	11.3	90,800	79,400	11,500	12.6
Placer County	179,000	160,100	18,900	10.6	177,100	156,800	20,300	11.5
Sacramento County	687,600	609,600	78,000	11.3	674,900	588,600	86,300	12.8
Sutter County	42,100	34,900	7,200	17.0	42,100	33,800	8,300	19.8
Yolo County	99,200	88,000	11,200	11.3	98,000	85,300	12,700	13.0
Yuba County	28,700	23,700	5,000	17.3	28,100	22,800	5,400	19.1

	2011				2012			
	Labor Force	Employment	Unemploy-ment	Rate %	Labor Force	Employment	Unemploy-ment	Rate %
SACOG Region	**1,110,800**	**974,400**	**136,500**	**12.3**	**1,118,600**	**997,100**	**121,500**	**10.9**
El Dorado County	91,000	80,300	10,700	11.8	90,500	81,100	9,400	10.4
Placer County	175,100	156,200	18,900	10.8	178,800	162,000	16,800	9.4
Sacramento County	675,600	594,100	81,500	12.1	680,200	608,400	71,800	10.6
Sutter County	43,300	35,200	8,200	18.8	42,800	35,300	7,500	17.6
Yolo County	97,800	85,700	12,100	12.4	98,500	87,200	11,300	11.5
Yuba County	28,000	22,900	5,100	18.2	27,800	23,100	4,700	16.9

	2013				2014			
	Labor Force	Employment	Unemploy-ment	Rate %	Labor Force	Employment	Unemploy-ment	Rate %
SACOG Region	**1,114,500**	**1,015,100**	**99,200**	**8.9**	**1,122,000**	**1,038,000**	**84,000**	**7.5**
El Dorado County	90,100	82,600	7,500	8.3	88,800	82,600	6,200	7.0
Placer County	178,200	164,800	13,400	7.5	176,500	165,400	11,100	6.3
Sacramento County	678,200	619,100	59,000	8.7	682,200	632,200	50,000	7.3
Sutter County	42,600	36,200	6,400	14.9	44,500	38,800	5,700	12.7
Yolo County	97,900	88,700	9,200	9.4	101,800	94,000	7,800	7.7
Yuba County	27,500	23,700	3,700	13.6	28,200	25,000	3,200	11.2

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

Labor Force & Unemployment by County

For Ten Fiscal Years ended June 30

	2015				2016			
	Labor Force	Employment	Unemploy-ment	Rate %	Labor Force	Employment	Unemploy-ment	Rate %
SACOG Region	**89,100**	**84,100**	**5,100**	**5.7**				
El Dorado County	178,200	169,200	9,000	5.0	**89,700**	**85,200**	**4,500**	**5.1**
Placer County	689,000	647,600	41,400	6.0	179,800	171,800	8,000	4.4
Sacramento County	44,800	40,000	4,800	10.8	697,400	660,100	37,300	5.4
Sutter County	103,900	97,200	6,700	6.4	45,300	41,000	4,300	9.6
Yolo County	28,100	25,500	2,600	9.2	106,300	100,100	6,100	5.8
Yuba County	28,200	25,000	3,200	11.2	28,300	25,900	2,400	8.5

	2017				2018			
	Labor Force	Employment	Unemploy-ment	Rate	Labor Force	Employment	Unemploy-ment	Rate %
SACOG Region								
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

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

Largest Employment Centers by County

For 2017 and 2018

El Dorado County

2017			2018		
Employer	**# of Emps**	**%**	**Employer**	**# of Emps**	**%**
El Dorado County	1,899	3.3%	Marshall Medical Center	1,735	3.1%
Marshall Medical Center	1,573	2.7%	El Dorado County	1,704	3.0%
Blue Shield of California	1,250	2.1%	Blue Shield of California	1,339	2.4%
Red Hawk Casino	1,200	2.1%	Red Hawk Casino	1,300	2.3%
U.S. Government	823	1.4%	U.S. Government	776	1.4%
Barton Health	742	1.3%	El Dorado Union High School District	750	1.3%
State of California	724	1.2%	State of California	714	1.3%
El Dorado Union High School District	650	1.1%	Safeway	650	1.2%
Safeway	636	1.1%	Buckeye Union Elementary School Dis	520	0.9%
Sierra-at-Tahoe Resort LLC	500	0.9%	Sierra-at-Tahoe Resort LLC	500	0.9%
Raleys	464	0.8%	Raleys Inc	476	0.9%
Lake Tahoe Unified School District	407	0.7%	Lake Tahoe Unified School District	440	0.8%
County Employment Estimate	58,300	100.0%	County Employment Estimate	55,900	95.9%

Placer County

2017			2018		
Employer	**# of Emps**	**%**	**Employer**	**# of Emps**	**%**
Sutter Health	5,634	3.4%	Kaiser Permanente	5,835	3.5%
Kaiser Permanente	5,609	3.4%	Sutter Health	3,386	2.0%
Placer County	2,898	1.7%	Squaw Valley Resort	2,600	1.6%
Thunder Valley Casino Resort	2,500	1.5%	Thunder Valley Casino Resort	2,114	1.3%
Hewlett-Packard Co.	2,000	1.2%	Hewlett-Packard Co.	2,000	1.2%
Pride Industries	1,446	0.9%	Pride Industries	1,747	1.0%
Safeway	1,169	0.7%	Roseville City School District	1,486	0.9%
Squaw Valley Resort	1,161	0.7%	City of Roseville	1,148	0.7%
City of Roseville	1,146	0.7%	Safeway	1,137	0.7%
Union Pacific Railroads	1,091	0.7%	Adventist Health	1,008	0.6%
Roseville City School District	1,000	0.6%	Union Pacific Railroad Co Inc	994	0.6%
Raley's Inc	901	0.5%	Raleys Inc	910	0.5%
County Employment Estimate	166,600	100.0%	County Employment Estimate	166,800	100.1%

Sacramento County

2017			2018		
Employer	**# of Emps**	**%**	**Employer**	**# of Emps**	**%**
State of California	76,200	11.6%	State of California	75,801	11.2%
Sacramento County	12,514	1.9%	UC Davis Health System	12,840	1.9%
Kaiser Permanente	10,517	1.6%	Sacramento County	12,208	1.8%
UC Davis Health System	10,467	1.6%	Kaiser Permanente	11,005	1.6%
US Government	10,322	1.6%	US Government	10,325	1.5%
Sutter Health	9,911	1.5%	Sutter Health	8,177	1.2%
Dignity Health	8,039	1.2%	Dignity Health	7,000	1.0%
Intel Corp	6,000	0.9%	Elk Grove Unified School District	6,210	0.9%
Apple Inc.	5,000	0.8%	Intel Corp	6,000	0.9%
Elk Grove Unified School District	4,620	0.7%	Apple Inc	5,000	0.7%
City of Sacramento	4,458	0.7%	City of Sacramento	4,556	0.7%
County Employment Estimate	657,300	100.0%	County Employment Estimate	679,200	100.0%

Information for 2019 is not yet available.

Largest Employment Centers by County

For 2017 and 2018

Sutter County

2017			2018		
Employer	# of Emps	%	Employer	# of Emps	%
Yuba City Unified School District	1,242	4.0%	Yuba City Unified School District	1,355	4.4%
Sutter County	1,001	3.2%	Sutter County	1,040	3.4%
Sunsweet Growers	634	2.0%	Sunsweet Growers	710	2.3%
Sierra Gold Nurseries	550	1.8%	Sierra Gold Nurseries	500	1.6%
Walmart	500	1.6%	Wal-Mart	500	1.6%
Sysco Sacramento	460	1.5%	Sysco Sacramento	450	1.5%
Yuba City	312	1.0%	Yuba City	312	1.0%
Fountain Skilled Nursing	308	1.0%	Home Depot	300	1.0%
Sutter Medical Foundation	300	1.0%	Sutter Health	250	0.8%
County Employment Estimate	31,000	100.0%	County Employment Estimate	30,600	100.0%

Yolo County

2017			2018		
Employer	# of Emps	%	Employer	# of Emps	%
University of California, Davis	30,000	27.7%	University of California, Davis	9,906	9.1%
State of California	3,378	3.1%	State of California	3,298	3.0%
US Government	2,414	2.2%	US Government	2,381	2.2%
Cache Creek Casino Resort	2,150	2.0%	Cache Creek Casino Resort	2,200	2.0%
Yolo County	1,406	1.3%	Yolo County	1,421	1.3%
Woodland Joint Unified School District	1,145	1.1%	Woodland Joint Unified School District	1,229	1.1%
Walgreens	803	0.7%	Raley's Inc	948	0.9%
Woodland Memorial Hospital	737	0.7%	Clark Pacific Corp.	890	0.8%
Raley's Inc.	732	0.7%	Walgreens	721	0.7%
Sutter Health	721	0.7%	Pacific Gas & Electric Co	652	0.6%
Pacific Gas & Electric	645	0.6%	City of West Sacramento	612	0.6%
City of West Sacramento	550	0.5%	Sutter Health	565	0.5%
Clark Pacific Corp.	535	0.5%	Woodland Memorial Hospital	560	0.5%
County Employment Estimate	111,300	100.0%	County Employment Estimate	84,000	100.0%

Yuba County

2017			2018		
Employer	# of Emps	%	Employer	# of Emps	%
Rideout Memorial Hospital	1,475	8.5%	Adventist Health & Rideout	2,100	13.1%
Beale AFB	1,500	8.6%	Beale AFB	1,500	9.4%
Yuba County	904	5.2%	Yuba County	869	5.4%
State of California	957	5.5%	State of California	900	5.6%
Marysville Joint Unified School District	910	5.2%	Marysville Joint Unified School District	896	5.6%
Yuba Community College District	550	3.2%	Yuba Community College District	1,182	7.4%
WalMart	420	2.4%	WalMart	450	2.8%
Yuba county Office of Education	200	1.1%	Yuba county Office of Education	206	1.3%
County Employment Estimate	17,400	100.0%	County Employment Estimate	16,000	100.0%

Information for 2019 is not yet available.

Public School Enrollment by County

For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013	2014
SACOG Region	**398,098**	**399,127**	**400,310**	**401,784**	**402,061**
El Dorado	29,336	29,972	29,781	29,441	27,237
Placer	67,088	68,278	68,815	69,831	70,141
Sacramento	237,722	236,936	237,362	238,290	240,216
Sutter	20,020	20,652	21,110	21,170	21,390
Yolo	29,591	29,366	29,404	29,250	29,185
Yuba	14,341	13,923	13,838	13,802	13,892

	2015	2016	2017	2018	2019
SACOG Region	**403,258**	**406,734**	**411,074**	**416,220**	**419,464**
El Dorado	26,960	26,987	27,021	27,875	28,221
Placer	70,496	71,435	72,769	74,063	74,927
Sacramento	241,022	242,725	244,394	245,906	246,663
Sutter	21,459	21,693	22,633	23,690	24,813
Yolo	29,345	29,681	29,841	30,067	30,085
Yuba	13,976	14,213	14,416	14,619	14,755

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

Total Acreage by County

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

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

Average Weekly & Annual Wages by County

For Ten Fiscal Years Ended June 30

	2009		2010		2011		2012*	
	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Mean Annual Wages[2]
SACOG Region	**$842**	**$43,784**	**$861**	**$44,772**	**$876**	**$45,552**	**$997**	**$51,844**
El Dorado County	$748	$38,896	$736	$38,272	$740	$38,490	$1,005	$52,261
Placer County	$839	$43,628	$861	$44,772	$883	$45,924	$1,005	$52,261
Sacramento County	$875	$45,500	$899	$46,748	$915	$47,557	$1,005	$52,261
Sutter County	$629	$32,708	$628	$32,656	$639	$33,249	$820	$42,633
Yolo County	$777	$40,404	$790	$41,080	$799	$41,534	$1,005	$52,261
Yuba County	$716	$37,232	$750	$39,000	$754	$39,185	$820	$42,633

	2013*		2014		2015		2016	
	Average Weekly Wages	Average Annual Wages[2]	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]
SACOG Region	**$997**	**$51,844**	**$919**	**$47,788**	**$954**	**$49,614**	**$964**	**$50,128**
El Dorado County	$1,005	$52,238	$805	$41,860	$837	$43,524	$871	$45,292
Placer County	$1,005	$52,238	$947	$49,244	$989	$51,428	$1,013	$52,676
Sacramento County	$1,005	$52,238	$948	$49,296	$983	$51,116	$986	$51,272
Sutter County	$821	$42,676	$682	$35,464	$714	$37,128	$727	$37,804
Yolo County	$1,005	$52,238	$847	$44,044	$872	$45,344	$891	$46,332
Yuba County	$821	$42,676	$774	$40,248	$823	$42,796	$835	$43,420

	2017		2018	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Mean Annual Wages
SACOG Region	**$993**	**$51,636**	**$1,149**	**$59,726**
El Dorado County	$899	$46,748	$1,032	$53,664
Placer County	$1,036	$53,872	$1,141	$59,328
Sacramento County	$1,015	$52,780	$1,192	$61,980
Sutter County	$739	$38,428	$828	$43,056
Yolo County	$928	$48,256	$1,032	$53,676
Yuba County	$877	$45,604	$948	$49,296

* Data for 2012 and 2013 were only available at the Metropolitan Statistical Area (MSA) level, individual county level data was not available. This data may not be directly comparable to previous years in this dataset.

Source: California Employment Development Department, Labor Market Information Division

[1]Average Annual Wages based upon Average Weekly Wages

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

Information for 2019 is not yet available.

Transit Providers by County

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

Source: SACOG

Summary of Full-Time Equivalent Employees By Function & Program

For Ten Fiscal Years Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION										
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	-	-	-	-	-	-	-	-	-	2
Chief Operations Officer/General Counsel	-	-	-	1	1	1	1	1	1	1
Administration	8	9	9	8	8	8	9	10	10	7
Finance	4	4	4	4	3	3	4	4	6	7
Research Analysts**	10	12	12	11	11	11	11	11	13	11
Information Technology	2	2	1	1	1	1	1	1	1	0
Planning	19	19	19	23	22	22	21	24	22	19
Public Affairs and Communications	5	5	5	6	5	6	7	7	6	8
Interns	2	2	2	2	2	3	1	5	8	2
Total Approved Full-Time Positions	**51**	**54**	**53**	**57**	**54**	**56**	**56**	**64**	**68**	**58**

*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

	2010	2011	2012	2013	2014	2015
Direct Projects						
Metropolitan Transportation Plan	n/a	12.0	10.8	3.9	4.7	11.1
Sustainable Communities Strategy Implementation Grant from Strategic Growth Council, Round #2	n/a	n/a	n/a	1.0	1.2	2.9
Services to Other Agencies (pass-through)	n/a	0.2	0.3	0.2	0.1	0.7
Misc Other Funding	n/a	n/a	0.2	0.6	0.4	1.1
Government Relations, Public Affairs & Administration	4.5	4.7	4.0	5.6	6.1	5.5
Long-Range Transportation Planning	6.0	3.7	3.5	4.2	3.0	1.7
Short-Range Transportation Planning & Studies	1.1	2.8	1.3	2.3	1.6	2.5
Continuing Transportation Implementation	8.9	6.8	7.8	6.9	8.1	6.7
Land Use & Housing Planning	10.2	4.4	3.5	6.8	8.4	4.2
Public Services	2.7	n/a	n/a	n/a	n/a	n/a
Member & Agency Services	3.7	7.0	8.6	9.6	8.6	5.7
Services to Other Agencies	0.5	0.5	0.4	1.0	0.7	1.6
Board and Advocacy	0.2	0.2	0.2	0.6	0.4	1.3
Subtotal - Direct Projects	37.8	42.3	40.7	42.7	43.4	45.0
Indirect	12.8	11.7	12.3	14.3	10.6	10.6
Total FTEs Based on Total Hours	**50.6**	**54.0**	**53.0**	**57.0**	**54.0**	**55.6**

Source: Individual internal fund statements

Source: Individual internal fund statements

Summary of Full-Time Equivalent Employees By Project

For Ten Fiscal Years Ended June 30

	2016	2017	2018	2019
Direct Projects				
Core and Long-Range Member, Agency, and Transportation Services and Planning Activities	27.3	28.2	34.1	30.4
Discretionary Transportation Planning Grant Activities	2.1	1.6	1.2	0.8
Other Planning Grant and Partnership Projects	7.0	2.8	1.4	0.1
Regional Bikeshare Pilot Project	n/a	2.2	2.1	0.5
Downtown Riverfront Streetcar Project	n/a	1.5	1.3	1.9
Connect Card	n/a	2.5	0.9	0.5
Pass-Through to Other Agencies	0.0	0.0	0.0	0.0
Services to Other Agencies	2.9	1.8	2.7	1.7
Board and Advocacy	1.8	1.3	0.6	0.4
Subtotal - Direct Projects	41.1	42.0	44.3	36.4
Indirect	12.9	22.3	23.7	21.6
Total FTEs Based on Total Hours	**54.0**	**64.2**	**68.0**	**58.0**

Source: Individual internal fund statements

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

	2010	2011	2012	2013
INDIRECT COSTS				
Building Costs	$ 601,854	$ 582,991	$ 575,236	$ 597,186
Career Development Program	42,699	46,247	50,103	50,515
Consultants	100,131	45,655	45,455	38,972
Depreciation	82,426	45,844	44,537	42,462
Insurance	68,251	68,376	67,924	69,721
Legal	242,566	245,404	40,782	78,814
Maintenance	14,590	6,762	3,439	5,366
Meetings	7,269	8,737	8,678	4,798
Memberships	17,246	28,795	11,663	4,818
Miscellaneous	4,664	4,660	5,242	5,960
Mileage	14,171	13,749	13,717	10,548
Office Equipment	2,823	4,520	12,499	14,878
Parking	10,376	10,200	10,650	9,925
Postage	17,998	10,462	8,219	6,954
Printing	(1,931)	(18,297)	(8,146)	(6,204)
Publications	2,264	2,686	1,497	2,589
Salaries and Benefits	1,496,208	1,475,280	1,600,335	1,911,553
Software & Maintenance	62,364	86,315	66,675	63,373
Supplies	70,105	56,512	45,136	49,377
Accounting Services	9,844	12,943	10,189	12,142
Unemployment Costs	-	4,279	1,281	4,619
Telephone/Telcommunications	37,349	40,350	45,640	35,154
Temporary services/Recruitment	384	403	1,623	865
OPEB ARC	405,800	-	-	-
Total Indirect Costs	**$ 3,309,451**	**$ 2,782,873**	**$ 2,662,374**	**$ 3,014,385**

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	2018	2019
$ 602,173	$ 595,752	$ 627,635	$ 662,936	$ 675,365	$ 660,713
58,748	40,713	64,409	75,491	99,761	95,680
91,669	156,099	193,000	153,126	234,109	140,629
47,330	49,658	61,358	62,831	80,237	101,964
76,403	69,777	72,503	72,193	91,079	97,323
67,426	95,132	92,152	111,393	81,456	88,858
8,537	9,377	8,037	6,509	3,294	235
2,052	1,916	1,655	1,628	13,741	21,172
6,412	24,701	43,282	41,012	28,050	34,716
5,972	10,458	8,359	32,803	43,368	48,064
11,392	12,799	14,869	13,345	13,712	13,439
32,878	48,062	43,835	61,122	34,093	98,280
8,300	8,607	7,510	8,070	11,360	10,048
6,739	3,819	5,028	12,473	6,018	1,464
14,266	2,209	22,944	17,250	18,974	20,366
1,885	2,057	2,442	4,222	3,335	1,554
1,560,919	1,683,761	991,498	1,048,707	1,224,653	1,461,019
72,148	120,135	121,058	99,682	171,244	150,991
26,867	39,181	16,154	22,662	41,181	15,374
39,153	12,567	14,481	6,006	870	-
-	4,520	5,333	-	-	-
37,542	25,512	22,940	28,228	28,286	25,362
41,062	20,154	37,880	48,916	92,365	43,595
-	-	-	-	-	-
$ 2,819,873	**$ 3,036,966**	**$ 2,478,361**	**$ 2,590,606**	**$ 2,996,551**	**$ 3,130,844**

Source: Individual internal fund statements

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

	2010	2011	2012	2013
Planning and Administration Fund:				
Furniture/equipment/computers	$ 109,415	$ 80,386	$ 77,873	$ 102,217
Capital Valley Regional SAFE:				
Call boxes	1,139,355	667,898	196,441	-
Glenn County SAFE:				
Call boxes	33,956	20,812	7,668	-
Total	**$ 1,282,726**	**$ 769,096**	**$ 281,982**	**$ 102,217**

Source: Individual internal fund statements

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

2014	2015	2016	2017	2018	2019
$ 148,847	$ 174,906	$ 204,303	$ 209,730	$ 339,945	$ 288,240
-	-	-	-	-	-
-	-	-	-	-	-
$ 148,847	**$ 174,906**	**$ 204,303**	**$ 209,730**	**$ 339,945**	**$ 288,240**

Source: Individual internal fund statements

Miscellaneous Statistics

For Fiscal Year Ended June 30, 2019

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

Source: SACOG

Single Audit Section

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Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Grant Award Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants - Transit Oriented Development Pilot Grant	20.500	CA-2016-122-00	$ 201,651	$ 201,028
Federal Transit Formula Grants - Streetcar	20.507	CA-95-X275-00	416,430	95,145
Federal Transit Formula Grants - Transit Asset Management	20.507	CA-2017-074	70,414	-
Passed through Sacramento Regional Transit				
Federal Transit Formula Grants - Connect Card	20.507	CA-2017-161-00	99,223	-
Subtotal - Federal Transit Formula Grants			586,067	95,145
Subtotal - Federal Transit Cluster			787,718	296,173
Passed through the State of California, Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - Planning	20.205	74A0816	2,883,030	-
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	1,152,792	398,256
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	101,202	-
Highway Planning and Construction - CMAQ - Regional Bike Share	20.205	03-6085F15	316,137	-
Highway Planning and Construction - FHWA Partnership Planning	20.205	74A0816	400,545	-
Highway Planning and Construction - Regional Surface Transportation Program - Regional Bike /Pedestrian Data Collection	20.205	03-6085R	12,234	-
Highway Planning and Construction - Regional Surface Transportation Program - Planning, Programming, and Monitoring	20.205	03-6085F15	209,510	-
Highway Planning and Construction - Regional Surface Transportation Program - Interagency Household Travel Survey	20.205	03-6085F15	279,330	-
Highway Planning and Construction - Regional Surface Transportation Program - ITS Master Plan and Architecture	20.205	03-6085F15	185,390	-
Subtotal - Highway Planning and Construction Cluster:			5,540,170	398,256
Metropolitan Transportation Planning, and State Metropolitan Planning & Research Section 5303 - Metropolitan Transportation Planning	20.505	74A0816	951,104	-
Metropolitan Transportation Planning, and State Metropolitan Planning & Research - Section 5304 - Statewide Transportation Planning	20.505	74A0816	61,017	-
Subtotal - Metropolitan Transportation Planning, and State Metropolitan Planning & Research			1,012,121	-
Total U.S. Department of Transportation			7,340,009	694,429
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 7,340,009**	**$ 694,429**

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2019

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, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SACOG, it is not intended to and does not present the financial position, changes in net position, or cash flows of SACOG.

NOTE #2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

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

NOTE #3 – INDIRECT COST RATE

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

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

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

NOTE #5 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

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

EideBailly

CPAs & BUSINESS ADVISORS

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 then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements and have issued our report thereon dated December 13, 2019. Our report includes a reference to other auditors who audited the fund financial statements of the Local Transportation Funds and the State Transit Assistance and State of Good Repair Fund, as described in our report on SACOG's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Sacramento, California
December 13, 2019

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the Sacramento Area Council of Government's (SACOG) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SACOG's major federal programs for the year ended June 30, 2019. SACOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, SACOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Eide Bailly LLP

Sacramento, California
December 13, 2019

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.500/20.507	Federal Transit Cluster
20.505	Metropolitan Transportation Planning, and State Metropolitan Planning & Research

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

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR FISCAL YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

None reported.

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR FISCAL YEAR ENDED JUNE 30, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2019

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2018-001	Timecard Approvals	N/A	N/A	Implemented

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.

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