


COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SACOG

Sacramento Area Council of Governments

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Sacramento Area Council of Governments

1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Group
Loretta Su, Finance Director

BOARD MEMBERS AND MEMBER JURISDICTIONS

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.

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Sacramento Area Council of Governments

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SACOG
Sacramento Area Council of Governments

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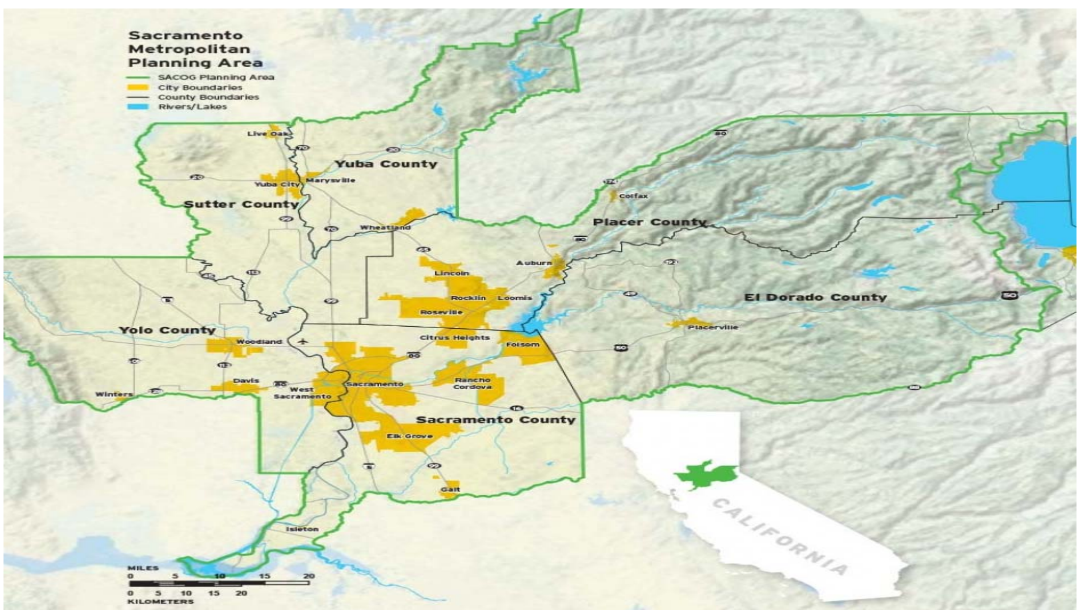
Sacramento Area Council of Governments Board of Directors
Sacramento Area Council of Governments Financing Corporation Board of Directors
Capitol Valley Regional Service Authority for Freeways and Expressways Board of Directors

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.

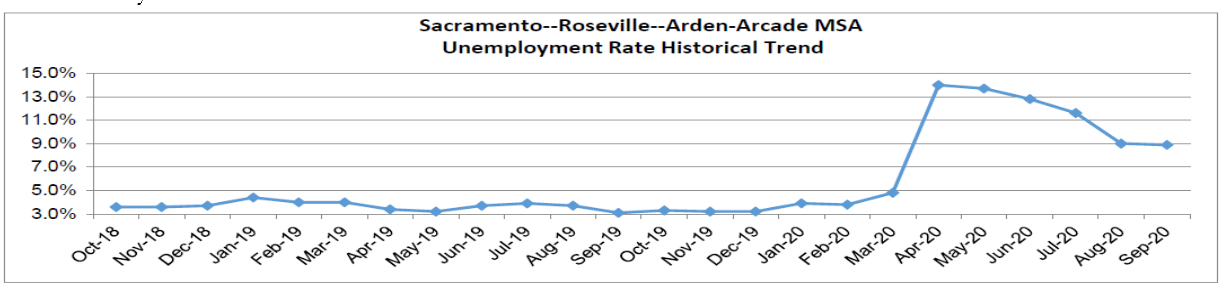
Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Lincoln
Live Oak
Loomis
Marysville
Placer County
Placerville
Rancho Cordova
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Wheatland
Winters
Woodland
Yolo County
Yuba City
Yuba County

Local Economy

Along with the rest of the world, the COVID-19 pandemic has impacted the regional economy in 2020, and the long-term impacts are unknown. While regional job growth is faster here than nation, the Sacramento region is more middling among its peer group of fellow mid-sized regions. Over 40% of regional employment has been in government, healthcare, and education. Government is still the region's largest sector, at 24% of total employment. Education/healthcare is the fastest growing sector, and now is the second largest sector by employment. 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 Sacramento Region's service, hospitality, and government employers.

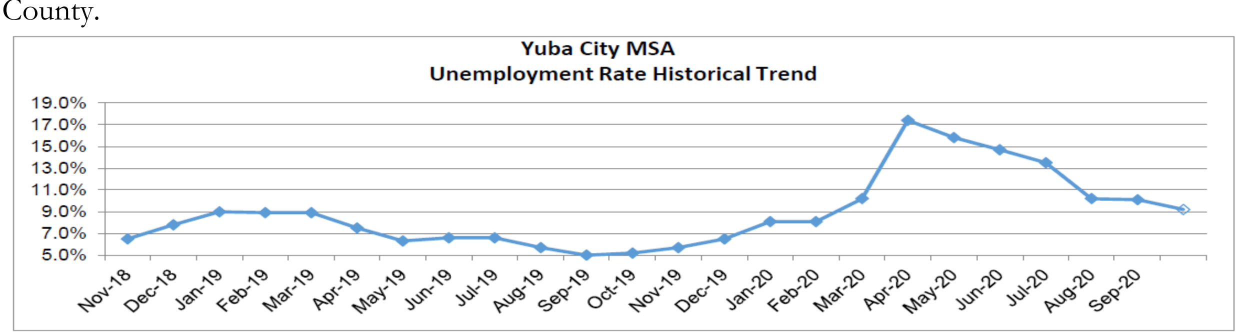
The SACOG region is home to two Metropolitan Statistical Areas (MSAs): Sacramento—Roseville-Arden-Arcade and Yuba City.

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 8.9 percent in September 2020, down from a revised 9.0 percent in August 2020, and above the year-ago estimate of 3.1 percent. This compares with an unadjusted unemployment rate of 10.8 percent for California and 7.7 percent for the nation during the same period. The unemployment rate was 7.5 percent in El Dorado County, 7.1 percent in Placer County, 9.8 percent in Sacramento County, and 7.1 percent in Yolo County.



Data Source: EDD Labor Market Information Division

The unemployment rate in the Yuba City MSA was 10.4 percent in September 2020, up from a revised 10.2 percent in August 2020, and above the year-ago estimate of 5.0 percent. This compares with an unadjusted unemployment rate of 10.8 percent for California and 7.7 percent for the nation during the same period. The unemployment rate was 10.3 percent in Sutter County, and 10.6 percent in Yuba County.



Data source: EDD Labor Market Information Division

Between August 2020 and September 2020, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, increased by 4,600 to total 950,500 jobs.

- Government recorded the largest month-over employment growth with an increase of 3,600 jobs. Gains in local government (up 2,400 jobs), and state government (up 1,700 jobs) offset a loss of 500 jobs in federal government.
- Education and health services reported an addition of 1,600 jobs. Healthcare and social assistance (up 1,400 jobs) accounted for 87.5 percent of the job additions.
- Trade, transportation, and utilities expanded by 900 jobs from August to September. Retail trade (up 1,000 jobs) and transportation, warehousing, and utilities (up 200 jobs) were responsible for the expansion.
- Between August and September, employment in the region declined in farm (down 700 jobs), financial activities (down 500 jobs), other services (down 400 jobs), information (down 100 jobs), and construction (down 100 jobs).

Between September 2019 and September 2020, total jobs in the region decreased by 79,300, or 7.7 percent.

- Leisure and hospitality led the year-over decline for the region, dropping 30,600 jobs. Accommodation and food services (down 22,700 jobs) was responsible for majority of the job losses. Arts, entertainment, and recreation lost 7,900 jobs.
- Trade, transportation, and utilities fell by 12,700 jobs. Retail trade was down 7,700 jobs. Wholesale trade shed 3,500 jobs, and transportation, warehousing, and utilities cut back 1,500 jobs.
- Other services employment declined by 10,300 jobs since last September.
- Financial activities (up 1,200 jobs) were the only major industry to report year-over job growth. Finance and insurance gained 1,000 jobs. Real estate and rental and leasing picked up 200 jobs.
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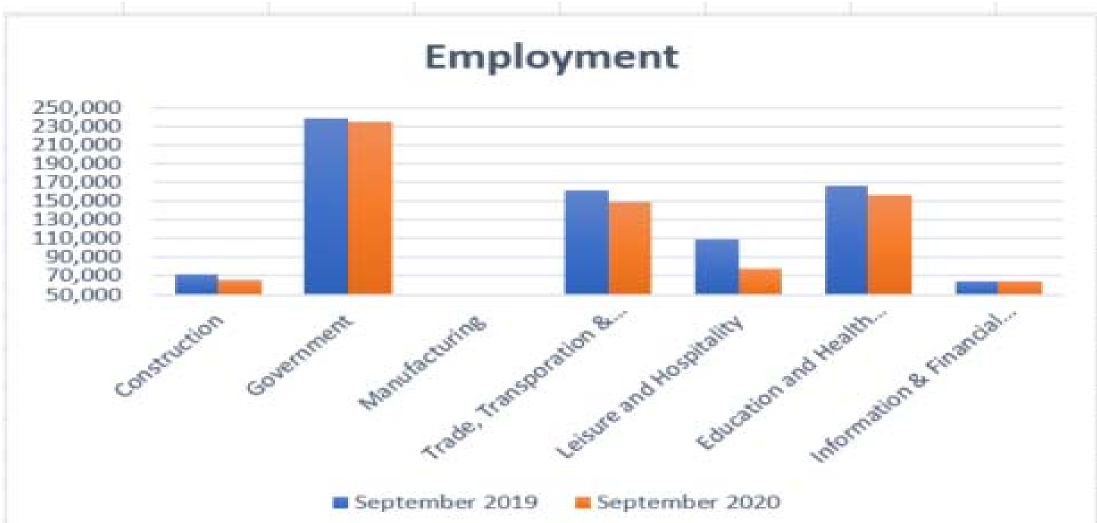


Long-Term Financial Planning

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. In the fall of 2020, Congress passed a one-year extension of the FAST Act that now expires in September 2021. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation**.**

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. 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.

Additionally, the COVID-19 pandemic has resulted in sudden and severely negative economic consequences for businesses and the economy and has impacted the regional economy beyond 2020. The long-term impact of the economy is unknown but it could potentially impact on SACOG's formula revenues, planning grants and service fees from federal, state and local agencies.

Major Initiatives

MTP/SCS: SACOG Board of Directors adopted the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) 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. 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).

<u>Green Means Go:</u> Related to the MTP/SCS update, SACOG continued development of the Green Means Go pilot program to accelerate infill development in Green Zones and help the region achieve the greenhouse gas reduction goals in the SCS. Green Means Go will catalyze infill development projects, which paired with innovative transportation options, will increase housing opportunities, revitalize older commercial corridors, and reduce greenhouse gas emissions. In FY 2019-20, SACOG staff continued advocating for state funding for the program and outreach with its local jurisdiction to identify potential implementation and the identification of Green Zones. Green Zones are infill areas where new growth is planned and is supported by local policies and actions so that the efforts to accelerate infill, travel choice, and electrification all have potential to be complementary strategies.

<u>The Innovative Mobility Program</u> (formerly known as Transportation Demand Management): SACOG continued to work with regional stakeholders to look for modern solutions to increase ridesharing, transit ridership, walking, and biking to reduce the number of single-occupancy vehicle trips in the region. A newly designed Regional Telework Initiative is set to kick off in mid FY 20-21. The goal of this effort is to increase the percentage of workers in the region that substitute their commute for telework and to decrease the average mileage driven on days those workers commute to the office. The program also adapted during COVID-19 by transitioning the annual May is Bike Month campaign to a month filled with virtual activities and challenges; expanded Guaranteed Ride Home program to incorporate more app-based transportation providers; and received 17 applications for new, rapid Civic Lab program that is incorporating COVID-19 and racial equity considerations.

<u>REAP Program:</u> SACOG is also managing a first of its kind funding program to assist local governments with housing planning activities. Assembly Bill 101 established the Local Government Planning Support Grants Program to provide regions and jurisdictions with one-time funding to support housing planning and accelerate housing production. Under this program, the state Housing and Community Development Department (HCD) awards funding to regional agencies through the Regional Early Action Planning program (<u>REAP</u>). SACOG, as the regional council of governments, will received $6,762,880 in REAP funds to address our region's unique housing priorities and planning needs. In March 2020, the board approved of a framework for spending the first 25 percent of these funds, using an early access option provided by the state. In June 2020, the board approved the framework for the remaining 75 percent of funds. This framework includes three primary components: (1) non-competitive grants allocated to each city and county based on their Regional Housing Needs Assessment (RHNA), (2) a competitive grant pilot program to support Green Means Go, and (3) a Civic Lab Housing Series consisting of workshops and technical assistance to support the two grant programs. In FY 2020-21 SACOG will execute these three components. The region, in partnership with local agencies, has until August 2023 to fully spend our REAP funds.

<u>Regional Housing Allocation Needs (RHNA):</u> SACOG has a primary role in the State's RHNA process. Every eight years, the State of California's Housing and Community Development Department (HCD) provides SACOG with a regional determination, which represents the number of housing units the region must plan for. SACOG is responsible for developing a methodology for allocating that number by income category to each city and county in the region. SACOG adopted the final Regional Housing Needs Plan, describing the process and methodology in March 2020 and is now working with local agencies to update their housing elements by May 2021.

The Regional Transit-Oriented Development Action Plan (TOD Plan): The TOD Plan is the result of a strategic effort between the Sacramento Area Council of Governments (SACOG) and the Sacramento Regional Transit District (SacRT), in close partnership with the cities of Sacramento, Rancho Cordova, Elk Grove, and Folsom, and the County of Sacramento. The TOD Plan is designed to help local governments, property owners, developers, and the community prioritize TOD projects that result in inclusive, sustainable, and successful neighborhoods with a variety of amenities for residents, workers, and the broader community. The plan was developed throughout FY 2019-20 and completed in June 2020. In FY 2020-21, SACOG and SacRT will work to raise awareness about the plan and focus on implementation efforts.

Big Data Pilot: SACOG has been actively exploring use of "big data" for monitoring transportation and travel behavior in our region and using that data for transportation planning and project evaluation. The "Big Data for Transportation Planning Pilot" delivered its first in a series of eight detailed, quarterly snapshots of travel behavior in the SACOG region in FY 2019-20. The Big Data Pilot is a partnership with the California Air Resources Board and Caltrans. Application of the Pilot data platform (Replica) for planning and project evaluation has just begun, with evaluation of these applications planned for FY 2020-2021 (Big Data Pilot).

SACOG has also taken another "big data" product (the National Performance Monitoring Research Dataset), which uses Inrix vehicle and device traces to provide granular measures of speed, reliability and leveraged that data for use in developing and monitoring the region's Congestion Monitoring Program, and for use in project performance assessment in the upcoming transportation funding round in FY 2020-21.

Travel Demand Model: 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 second time, SACOG hosted a very successful Users' Conference, as well as a training session and beta-test group for the model (Travel Demand Model).

SB 734 Technical Assistance: Interest in modeling and analysis of vehicle miles traveled (VMT) as a measure of performance has grown in the SACOG region, and in the state more generally. At the federal level, VMT is a key input to the estimation of vehicle emission for implementation of the Clean Air Act. Within the state, VMT has replaced level of service and delay as the measure of transportation impacts for environment analysis of both land development and transportation projects. SACOG has facilitated a regional discussion on the VMT as a transportation measure, and specifically as a measure of impact for environmental analysis, with local agencies and provided technical assistance through an awarded Caltrans Planning Grant. Work on that grant-funded effort concluded in FY 2019-2020, but the coordination with local agencies on VMT impact analysis, and suitable mitigation for VMT impacts, will continue into FY 2020-2021 and beyond. SACOG has also provided technical and modeling support to estimate VMT within the region (SB 734).

The Regional Parks and Trails Strategic Development Plan: SACOG launched this project in Fall 2019 as a multi-year planning effort to work with cities, counties, Caltrans, and other partners to identify a regional trail network and priority projects. The envisioned network will provide benefits ranging from increased health and safety to decreased vehicle miles traveled, while also providing opportunities for recreation and tourism in the region. Throughout FY 2019-20, staff engaged local agencies to identify the existing and planned trail segments from adopted local and regional plans, priority destinations that serve utilitarian and recreational needs, and unifying goals to demonstrate the value of the ultimate trail network. The project will continue in FY 2020-21 and beyond.

The Next Generation Transit: This is a collaborative effort to shape a vision of next generation transit for the region that includes strategies to integrate traditional transit services with new mobility options. Activities involve working cities, counties, and transit operators to identify improvements in service delivery, routing, and transit-oriented development.

Electric-Assist Bike Share System: SACOG is the lead agency responsible for managing the regional bike share system in partnership with Lime (formerly JUMP by Uber), the cities of Davis, Sacramento, West Sacramento, UC Davis, and Sacramento State University. Under this unique partnership, the Sacramento region launched the largest electric-assist bike share system (E-bikes) 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. The e-bikes are similar to regular bikes, but they have pedal assist, allowing speeds up to 15 miles per hour. E-bikes do not operate without pedaling, but the electric assist makes it easier for people to travel longer distances in a shorter amount of time.

Civic Lab: In 2018, SACOG launched the second cohort of Civic Lab with 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 teams to look at low-cost innovative solutions to reduce VMT by creating higher density walkable, bikeable, and transit-oriented corridors. The second cohort concluded in 2019, and SACOG continues to support teams by identifying external funding opportunities to implement their pilot projects. Year 3, pending ongoing COVID-19 impacts will relaunch in 2021.

At the end of 2019, the SACOG Board of Directors (Board) established a Commercial Corridor Task Force comprised of public and private sector members. The task force launched in January 2020 with a goal of developing a toolkit to reduce barriers to infill on commercial corridors. This work supports the implementation of the MTP/SCS and Sacramento Region Blueprint. The Commercial Corridor Task Force continued into FY 2020-2021.

Connect Card Implementation: This project is a continuing project involving the planning, procurement, deployment, and operations 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 and operations. The system has been available to the public since 2017 and the focused efforts have surrounded market penetration and system reliability. As the industry evolves, SACOG has also begun conversations on regional transit agency goals and how that might influence the next iteration of the Connect Card system.

The Downtown Riverfront Streetcar: This project has been a regional priority project for nearly a decade. Under SACOG's leadership, an 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 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. During FY 2018-19, 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.

Smart Region Intelligent Transportation Systems (ITS): With our ongoing regional partnership, SACOG completed the effort in FY 2019-2020. The work involved developing ITS plans for the region, local jurisdictions, and Caltrans District 3, and an updated regional ITS architecture to support new ITS investments.

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

Call Box Project: Another technology project completed by SACOG during FY 2019-2020 was the Phase II of Call Box Modernization/Upgrade/Removal project. The effort 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. The effort included call box removals, cellular technology upgrades, and signage improvements. The project is anticipated to be completed by the end of FY 2019-20.

Other Initiatives: SACOG administers programs that allocate flexible federal funds to regional jurisdictions for capital projects. In FY 19-20, SACOG staff updated policy framework and process for Community Design and Regional Program (Transformative and Maintenance & Modernization categories) with funding award recommendations in Spring of 2021. Disadvantaged Communities Pipeline Projects and Innovative Mobility program will be implemented in FY 2021-2022.

SACOG also manages grants received from Caltrans and administers pass-through grants on behalf of our member jurisdictions and local transit agencies. In FY 2019-20, Caltrans grants were secured for a transit evacuation and resiliency study and to update the housing and land use change data that underpins the region's Blueprint. During the fiscal year, SACOG staff also assisted local agencies with applications for numerous federal and state grant programs to help increase the receipt of transportation funds in the region.

SACOG staff helped the region's transit agencies with meeting new federal requirements for Public Transportation Agency Safety Plan (PTASP) as well as provided grant training to Non-Profit Organizations for Caltrans funding. SACOG staff also provided guidance for all the region's transit agencies on utilization of the Transit Asset Management (TAM) tool (ThingTech) to develop their transit asset inventories, condition assessments, and plan their capital investment needs.

SACOG expanded its Open Data Portal, developing new data and coordinating with other agencies to share access to other data sources (Tool and Data). A growing part of the Open Data Portal development is online tools, such as the Project Performance Assessment tool, which was used for assessment of projects proposed for funding since 2018. The Project Performance Assessment tool was updated to incorporate new data and accessibility tools in FY 2019-20 to support the discussion of project benefits both in regional competitions and through state competitive funding opportunities (Project Performance).

The 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, and national purchasing partnerships.

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 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. 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.

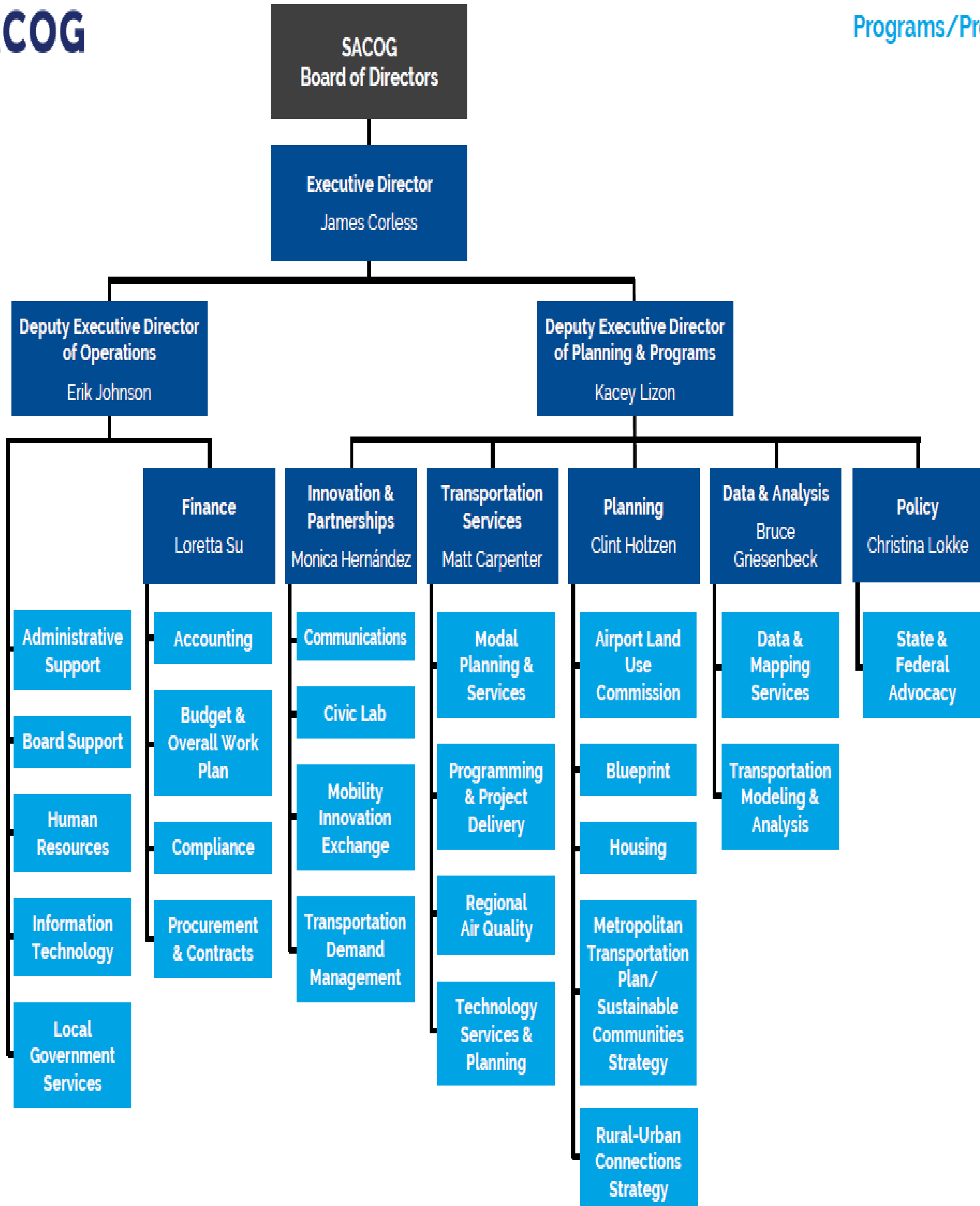
Respectfully submitted,

		Loretta Su
James Corless Executive Director	Erik Johnson Deputy Executive Director of Operations	Loretta Su Finance Director

Organizational Chart

Management

Programs/Projects



Effective: 05/01/2020

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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, 2019

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

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

Report on the 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, 2020, 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 Special Revenue Fund, which are major funds and collectively represent 64 percent, 64 percent, and 87 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 Special Revenue Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2020, 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 2, 2020 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 2, 2020

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Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

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, 2020. 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 (Financing Corp)
- Public Transportation Modernization Improvement & Service Enhancement Account (PTMISEA)
- State Transit Assistance (STA) and State of Good Repair Fund (SGR)
- Local Transportation Funds (LTF)
- Capitol Valley Regional Service Authority for Freeways and Expressways (Capital 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, 2020 are below:

- The assets and deferred outflow of resources of SACOG exceeded liabilities and deferred inflows at the close of fiscal year 2019-2020 by $31.5 million (net position), decreased by $6.8 million during the fiscal year. The net position consisted of net investment in capital assets of $1.0 million, restricted net position of $32.0 million and unrestricted net position deficit of $1.5 million.

- The unrestricted net position (deficit) results from the recording of the net pension liability of $14.0 million and net OPEB liability of $4.5 million. The net pension liability is the difference between the total pension liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). The net Other Postemployment Benefit (OPEB) is the difference between the total OPEB liability (present value of projected benefits) and the Plan's fiduciary net position (the assets set aside to pay current employees, retirees, and beneficiaries). Accordingly, the SACOG does not have sufficient current resources on hand to cover current and long-term liabilities. The long-term portion of the net pension liability and OPEB liability will be funded over time with annual contributions from SACOG.

- As of June 30, 2020, SACOG governmental funds reported combined fund balances of $49.3 million, a decrease of $5.8 million compared to June 30, 2019. Of the total combined fund balances, $12.2 million (25 percent) is available for spending at SACOG's Board discretion (*unassigned fund balance*).

- As of June 30, 2020, SACOG governmental funds reported combined revenues of $128.6 million, a decrease of $4.0 million (3 percent) compared to June 30, 2019. The decrease is primary due to decrease in sales and use taxes and grant revenues associated with the completion and winding down of grant projects in FY 2018-19.

- As of June 30, 2020, SACOG governmental funds reported combined expenditures of $134.4 million, an increase of $7.2 million (5 percent) compared to June 30, 2019. The increase is primary due to increase in transportation claimant's expenditures, partially offset by decreased in expenditures in the Capital Valley SAFE program.

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

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

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found 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 noted earlier, net position over time may serve as a useful indicator of SACOG's financial position. For the fiscal year ended June 30, 2020, SACOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $31.5 million. The following table shows SACOG's condensed government-wide statement of net position for the fiscal years ended June 30, 2020 and June 30, 2019:

CONDENSED STATEMENT OF NET POSITION
As of June 30, 2020, and 2019

	Governmental Activities		
	2020	**2019**	**Increase (Decrease)**
ASSETS			
Current and other assets	$ 94,217,034	$88,560,529	$ 5,656,505
Capital assets	967,986	288,240	679,746
Total assets	95,185,020	88,848,769	6,336,251
DEFERRED OUTFLOWS			
Deferred outflows related to OPEB	778,862	793,956	(15,094)
Deferred outflows related to pensions	3,682,460	3,986,469	(304,009)
Total deferred outflows	4,461,322	4,780,425	(319,103)
LIABILITIES			
Other liabilities	44,351,560	32,477,904	11,873,656
Long term liabilities	21,619,476	20,670,117	949,359
Total liabilities	65,971,036	53,148,021	12,823,015
DEFERRED INFLOWS			
Deferred inflows related to OPEB	725,790	932,730	(206,940)
Deferred inflows related to pensions	1,428,566	1,218,876	209,690
Total deferred inflows	2,154,356	2,151,606	2,750
NET POSITION			
Net Investment in capital assets	967,986	288,240	679,746
Restricted:			
Transportation projects	1,774,167	445,642	1,328,525
Transportation claimants	30,274,437	36,731,395	(6,456,958)
Unrestricted	(1,495,640)	864,290	(2,359,930)
Total net position	$ 31,520,950	$ 38,329,567	$ (6,808,617)

As of June 30, 2020, total assets and deferred outflows of resources were $99.6 million, an increase of $6.0 million over fiscal year ended June 30, 2019. The increase is due to the following key activities in SACOG's major funds:

- Planning and Administration assets increased by $1.6 million primarily due to collection of SACOG Manage Fund loan receivable.
- State Transit Assistance (STA) and State of Good Repair (SGR) fund assets increased by $2.1 million and the combined four LTF funds' assets increased by $6.1 million.
- PTMISEA fund assets decreased by $2.9 million because of program expenses for the fiscal year.
- Capitol Valley SAFE assets decreased by $0.2 million primarily due to the contribution of match and project expenditures for ITS Master Plan.

- Financing Corp assets decreased by $1.1 million, partially offset by increased in Capital Assets by $0.7 million due to office improvements.

- The deferred outflows related to pension and OPEB decreased by $0.3 million due to the decrease in pension outflows.

Total liabilities and deferred inflows of resources were $68.1 million at June 30, 2020, an increase of $12.8 million over fiscal year ended June 30, 2019. The increase is primarily due to STA/SGR and LTF funds owed to transportation claimants as of June 30, 2020.

Total Net Position was $31.5 million at June 30, 2020, an decrease of $6.8 million over fiscal year ended June 30, 2019. The decrease is primarily due to decrease of $3.7 million in PTMISEA fund, decrease of $0.7 million in the STA/SGR fund, decrease of $2.2 million in LTF funds and decrease of $0.4 in Planning and Administration and Financing Corp funds, partially offset by slight increase of $0.2 million in the SAFE fund.

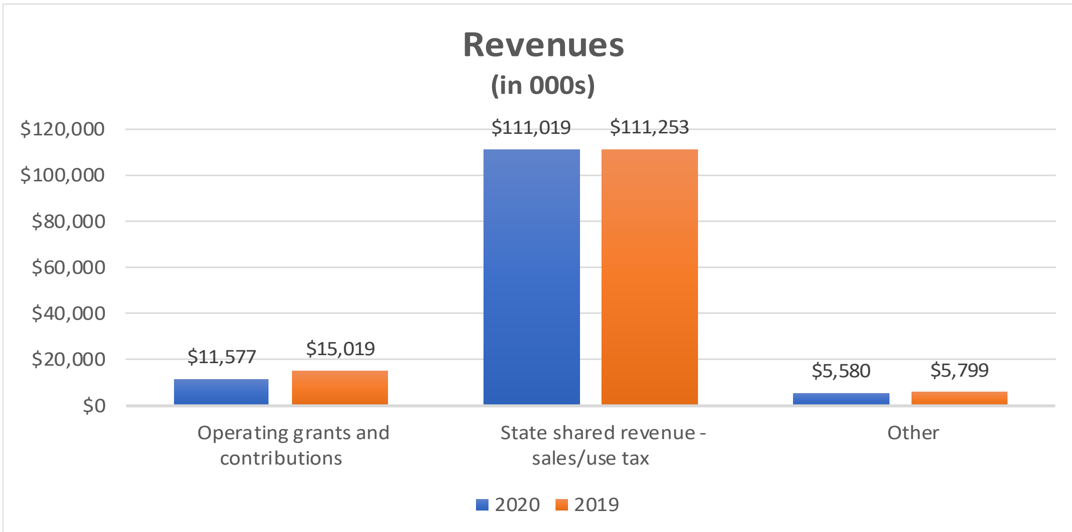
The following table shows SACOG's condensed statement of activities for the fiscal years ended June 30, 2020 and June 30, 2019:

CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2020 and 2019

	Governmental Activities		
	2020	**2019**	**Increase (Decrease)**
Revenues			
Program Revenues:			
Charges for services	$ 3,658,256	$ 3,752,726	$ (94,470)
Operating Grants and contributions	11,576,978	15,018,934	(3,441,956)
General revenues:			
State shared revenue - sales /use tax	111,018,556	111,253,431	(234,875)
Investment earnings	1,737,139	1,886,474	(149,335)
Other and In-Kind	185,393	159,465	25,928
Total Revenues	$ 128,176,322	$ 132,071,030	$ (3,894,708)
Expenses			
Planning and Administration	17,160,749	16,894,265	266,484
Sacramento Emergency Clean Air and Transportation Program	375	317,840	(317,465)
Transportation Claimants	111,388,368	103,433,330	7,955,038
PTMISEA	3,982,780	3,664,050	318,730
Capitol Valley Regional SAFE	2,432,718	3,364,043	(931,325)
Glenn County SAFE	19,949	39,527	(19,578)
Total expenses	134,984,939	127,713,055	7,271,884
Change in Net Position	(6,808,617)	4,357,975	(11,166,592)
Net- Position Beginning	38,329,567	33,971,592	4,357,975
Net - Position Ending	$ 31,520,950	$ 38,329,567	$ (6,808,617)

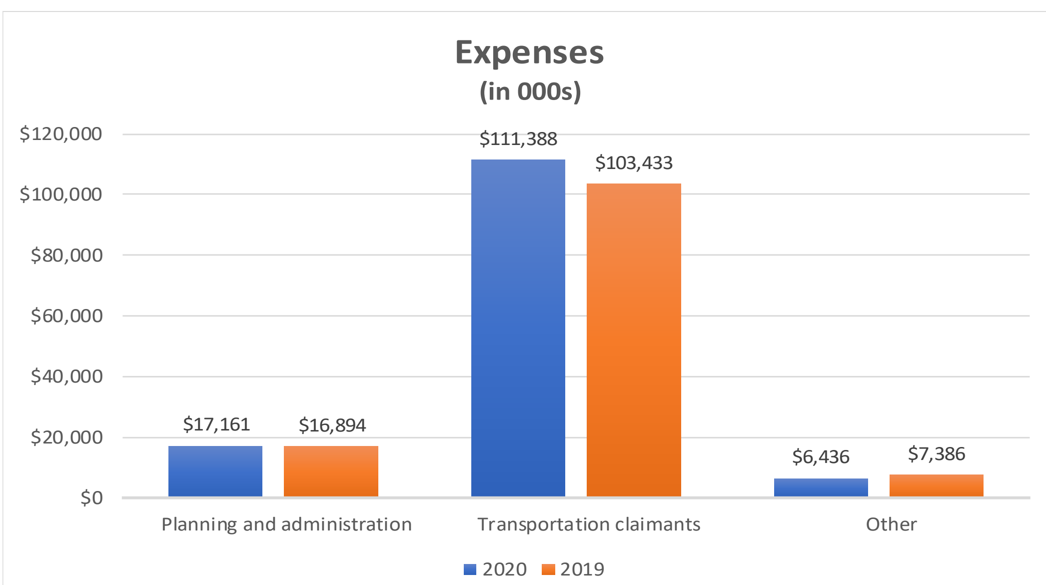
As of June 30, 2020, total revenues were $128.2 million, a decrease of $3.9 million from the fiscal year ended June 30, 2019. The decrease is due to the following key activities:



- Operating Grants and Contributions revenue had an overall net decrease of $3.4 million due to completion and winding down of grant projects in FY 2018-19.

- State Shared Revenue decreaed by $0.2 million due to the LTF funds decreased by $0.4 million, partially offset by increased in STA/SGR funds of $0.2 million over the prior year.

Total expenses were $135.0 million in fiscal year ended June 30, 2020, an increase of $7.3 million over fiscal year ended June 30, 2019. The increase is due to the following key activities during fiscal year 2020.



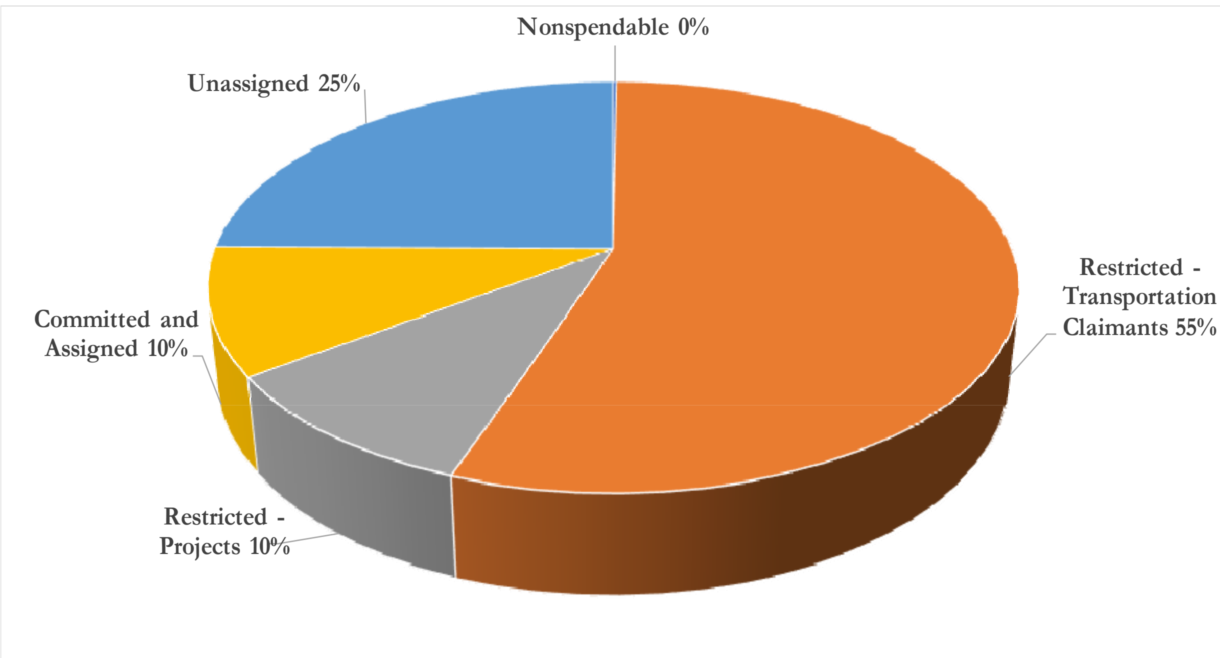
- Transportation claimants' expenses for STA and the four LTF funds increased by $8.0 million. The STA expenses increased by $2.0 million, primarily due to increase in approved SGR projects and expenditures and increase in annual allocations. And the four LTF funds had a net expense increase of $6.0 million due to increase in claims and annual apportionments.

- Planning and Administration expenses increased by $0.3 million due to pension and OPEB expenses, partially offset by decreased costs associated with winding down of grant projects in FY 2018-19.

- Other expenses decreased by $0.9 million due to decrease expenses in Valley Regional SAFE and SECAT, partially offset by increased expenses in PTMISEA.

Fund Financial Statement Analysis

As noted earlier, SACOG uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The graph below depicts the fund balance as of June 30, 2020.



The following table represents the fund balances for the governmental funds for the fiscal years ended June 30, 2020 and June 30, 2019:

	Fund Balance			
	Fiscal Year 2019-2020	**Fiscal Year 2018-2019**	**Change**	**% of Change**
Planning and Administration	$ 15,993,506	$ 14,259,374	$ 1,734,132	12%
SACOG Financing Corp	2,993,725	4,109,607	(1,115,882)	-27%
SECAT	295	492	(197)	-40%
PTMISEA	6,909,745	10,662,059	(3,752,314)	-35%
STA/SGR	2,448,254	3,117,522	(669,268)	-21%
Local Transportation Fund	17,862,156	20,129,615	(2,267,459)	-11%
Capital Valley SAFE	2,907,548	2,691,841	215,707	8%
Glenn County SAFE	146,734	130,358	16,376	13%
Total Fund Balance	**$ 49,261,963**	**$ 55,100,868**	**$ (5,838,905)**	**-11%**

Key elements for SACOG's governmental funds at June 30, 2020 were:

- The Planning and Administration fund balance increased by $1.7 million (12%) primarily due to the increase in SACOG Managed Fund activity.
- SACOG Financing Corp fund balance decreased by $1.1 million (27%) primarily due to use of the fund balance for renovations to SACOG's office space.
- PTMISEA fund balance decreased by $3.8 million (35%) primarily due to payment to transit agencies for capital projects during the fiscal year.
- STA/SGR fund balance decreased by $0.7 million (21%) primarily due to use of fund balance to cover allocated expenditures in fiscal year because of lower collected sale tax revenues due COVID-19 pandemic.
- The LTF fund balance decreased by $2.3 million (11%) primarily due to use of fund balance to cover allocated expenditures in fiscal year because of lower collected sale tax revenues due COVID-19 pandemic.

General Fund Budgetary Highlights

When the original budget is prepared, the exact carry-in balances of continuing projects are unknow and estimates are made. Amendments are made throughout the year to the budget to true-up available grant funds remaining at the end of the prior fiscal year for multi-year grant funded projects, add new projects and adjust existing projects as needed. Difference between the original budget and the final budget for the Planning and Administration fund resulted in approximately a $3.8 million increase in appropriations and were largely related to the following changes:

- The approximate $3.9 million positive variance for intergovernmental revenues were primarily due to the increase in federal funding of $1.7 million for the Connect Card project and Transportation Demand Management program, increase in state funding of $2.5 million for the Housing Planning and Sustainable Communities projects and decrease in local funding of $0.3 million for the Streetcar project.

- The approximate $0.3 million negative variance for charges for services due to adjustment to carried-over amount for the Airport Land Use Commission service.

- The approximate $0.9 million positive variance for other financing uses was due to transfer in from Financing Corp to pay for the innovations of SACOG's office space.

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

	Fiscal Year 2019-2020		Variance with Final	Percentage
	Final Budget	Actual	Budget	Variance
Revenues:				
Intergovernmental	18,809,682	11,983,978	(6,825,704)	-57%
Charges for services	182,262	465,049	282,787	61%
Member assessments	601,293	601,294	1	0%
Other	200,554	477,225	276,671	58%
Total revenues	19,793,791	13,527,546	(6,266,245)	-46%
Expenditures:				
Planning and administration	22,392,333	15,513,013	6,879,320	44%
Payments to SMF grantees	1,000,000	263,527	736,473	279%
Capital outlay	799,431	821,497	(22,066)	-3%
Total expenditures	24,191,764	16,598,037	7,593,727	46%
Other Financing Sources:				
Transfers in	4,703,072	4,804,623	(101,551)	-2%
Total Other Financing Uses	4,703,072	4,804,623	(101,551)	-2%
Net Change in fund balances	$ 305,099	$ 1,734,132	$ 1,225,931	71%

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

- The approximate $6.8 million negative variance for intergovernmental revenues occurred because of delayed projects. As the expenditures did not occur, the reimbursement revenues were not requested. Projects carried-over into the next fiscal year.

- The approximate $0.3 million positve variance for charges for services revenue was for payment received from shared service agreements.

- The approximate $0.3 million positve variance for other revenue was interest income.

- The approximate $6.9 million positive variance for planning and administration expenditures were primarily due to the followings:

  - $3.2 million in consulting and other direct costs because of delayed projects which included the Connect Card, Big Data, Regional Bike/Ped Data Collections and Regional Bikeshare Pilot projects.
  - $2.1 million in pass-through costs due to timing of work from subrecipients on the Transportation Demand Management program.
  - $1.6 million in pass-through funds to local jurisdictions on the Housing Planning program.

- The approximate $0.7 million in payments to SMF grantees because of delayed projects by member jurisdictions.

Capital Assets

Total investment in capital assets at June 30, 2020, net of accumulated depreciation, was $1.0 million, resulting in increase of $0.7 million from last fiscal year as a result of the office renovations.

	Balance as of June 30, 2020	Balance as of June 30, 2019
Computers, Furniture and Equipment, Phones, Software, Leasehold Improvements and Automobiles	$ 1,366,968	$ 1,479,275
Less Accumulated Depreciation	(398,982)	(1,191,035)
Capital Assets, Net	$ 967,986	$ 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

Leading economic indicators remain mixed as the economy continues to slowly recover from COVID-19 pandemic. Uncertainty remains for both federal and state funding impacting the projects SACOG can undertake and the services it is able to provide to is member jurisdictions.

Ongoing challenges are the rising fringe benefit and indirect costs charged to each project as well as finding enough resources to fully fund new goals and initiatives.

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 ¼ cent sales tax collected within each county for transportation (TDA) and vehicle registration fees from SAFE.

In May 2020, the SACOG Board of Directors adopted the FY 2020-21 budget of $28.1 million. This budget projected the use of reserve funds in categories like that of the previous year. Reserve funds planned usage includes $1.0 million for projects for the SACOG Managed Fund, $2.8 million in deferred revenues and carried-over projects and grants and $0.1 million for equipment. The budget includes the Overall Work Program (OWP), which includes expenditures to fund the transportation planning projects for the year, of which a sizable portion includes carried-over grant funding or pass-through to other agencies. These projects focus and align with the agency's resources and the three strategic goals endorsed by the board in 2019. The goals include (1) economic prosperity; (2) connected communities; (3) vibrant places. These goals aligned to the goals, policies and supporting actions of SACOG's adopted Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) and the region's Prosperity Strategy.

SACOG and its component units remain fiscally stable. Management and the Board of Directors remain conservative in their financial policies and have not budgeted for revenues that are not quantified; expenditures are managed carefully, and adjustments made as conditions require. While much of the budget relies on funding from the federal and state governments, there continues to be a steady flow of revenues from other programs funding transportation. As additional funding is received, projects will be assessed to determine whether and how they align with SACOG's three goals noted above, and the availability of staff to work on projects funded by those revenues. SACOG is committed to assisting our member agencies with their land use and transportation planning to create a more livable region.

Requests for Information

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

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Statement of Net Position

June 30, 2020

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	$	64,851,093
Receivables		29,279,415
Other assets		86,526
Total current assets		94,217,034
Non-current assets:		
Capital assets, net		967,986
Total assets		95,185,020
Deferred outflow of resources		
Deferred outflows related to OPEB		778,862
Deferred outflows related to pension		3,682,460
Total deferred outflows of resources		4,461,322
LIABILITIES		
Current liabilities:		
Payables		44,253,452
Compensated absences - due within one year		98,108
Total current liabilities		44,351,560
Non-current Liabilities		
Compensated absences		855,260
Net OPEB liability		4,509,552
Net pension liability		16,254,664
Total non-current liabilities		21,619,476
Total liabilities		65,971,036
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB		725,790
Deferred inflows related to pensions		1,428,566
Total deferred inflows of resources		2,154,356
NET POSITION		
Investment in capital assets		967,986
Restricted for transportation projects		1,774,167
Restricted for transportation claimants		30,274,437
Unrestricted		(1,495,640)
Total net position	$	31,520,950

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

Statement of Activities

For the Fiscal Year Ended June 30, 2020

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	$ 17,160,749	$ 1,066,343	$ 11,576,978	$ (4,517,428)
Sacramento Emergency Clean Air and Transportation Program	375	-	-	(375)
Transportation claimants	111,388,368	-	-	(111,388,368)
PTMISEA	3,982,780	-	-	(3,982,780)
Capitol Valley Regional SAFE	2,432,718	2,559,315	-	126,597
Glenn County SAFE	19,949	32,598	-	12,649
Total governmental activities	$ 134,984,939	$ 3,658,256	$ 11,576,978	(119,749,705)

General revenues:	
State shared revenue - sales and use tax	111,018,556
Unrestricted investment earnings	1,737,139
Other	185,393
Total general revenue	112,941,088
Change in net position	(6,808,617)
Net Position - beginning	38,329,567
Net Position - ending	$ 31,520,950

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

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Balance Sheet – Governmental Funds

June 30, 2020

	Planning and Administration	SACOG Financing Corporation (Special Revenue)	Sacramento Emergency Clean Air and Transportation Program (Special Revenue)	Public Transportation Modernization, Improvement & Service Enhancement Account (Special Revenue)	State Transit Assistance & State of Good Repair Fund (Special Revenue)
Assets					
Cash and investments	$ 12,634,915	$ 2,961,696	$ 108	$ 8,257,965	$ 10,627,167
Accounts receivable	9,125	-	-	-	-
Miscellaneous receivable	11,741	-	-	-	-
Due from other governments	5,345,971	-	-	-	6,215,570
Interest receivable	97,406	32,029	187	85,911	94,080
Prepaid items	86,526	-	-	-	-
Total assets	$ 18,185,684	$ 2,993,725	$ 295	$ 8,343,876	$ 16,936,817
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable	$ 1,423,865	$ -	$ -	$ 1,434,131	$ -
Accrued liabilities	66,694	-	-	-	-
Due to other governments	-	-	-	-	14,488,563
Total liabilities	1,490,559	-	-	1,434,131	14,488,563
Deferred inflows of resources					
Unavailable revenues	701,619	-	-	-	-
Total deferred inflows of resources	701,619	-	-	-	-
Fund Balances:					
Nonspendable:					
Prepaid Items	86,526	-	-	-	-
Restricted:					
SECAT Program	-	-	295	-	-
PTMISEA Funds	-	-	-	6,909,745	-
State Transit Assistance Funds - Regular	-	-	-	-	842,909
State Transit Assistance Funds - State of Good Repair	-	-	-	-	1,605,345
Local Transportation Funds	-	-	-	-	-
Capitol Valley Regional SAFE	-	-	-	-	-
Glenn County SAFE	-	-	-	-	-
Transportation Projects	1,774,167	-	-	-	-
Committed:					
Board & Advocacy	109,919	-	-	-	-
SACOG Managed Fund Grantees	781,510	-	-	-	-
Assigned:					
Legal defense	356,575	-	-	-	-
Self insurance	200,000	-	-	-	-
Project specific carryover funds	193,182	-	-	-	-
GIS Recipients	258,682	-	-	-	-
Purpose of the fund	-	2,993,725	-	-	-
Unassigned:					
Unassigned fund balance	12,232,945	-	-	-	-
Total fund balances	15,993,506	2,993,725	295	6,909,745	2,448,254
Total liabilities, deferred inflows of resources and fund balances	$ 18,185,684	$ 2,993,725	$ 295	$ 8,343,876	$ 16,936,817

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

Balance Sheet – Governmental Funds (Continued)

June 30, 2020

	Special Revenue: Local Transportation Funds	Special Revenue: Capitol Valley Regional SAFE	Special Revenue: Glenn County SAFE	Total Governmental Funds
Assets				
Cash and investments	$ 27,484,991	$ 2,730,927	$ 153,324	$ 64,851,093
Accounts receivable	-	470,066	5,473	484,664
Miscellaneous receivable	-	-	-	11,741
Due from other governments	16,782,796	-	-	28,344,337
Interest receivable	105,245	22,565	1,250	438,673
Prepaid items	-	-	-	86,526
Total assets	$ 44,373,032	$ 3,223,558	$ 160,047	$ 94,217,034
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	$ -	$ 316,010	$ 13,313	$ 3,187,319
Accrued liabilities	-	-	-	66,694
Due to other governments	26,510,876	-	-	40,999,439
Total liabilities	26,510,876	316,010	13,313	44,253,452
Deferred inflows of resources				
Unavailable revenues	-	-	-	701,619
Total deferred inflows of resources	-	-	-	701,619
Fund Balances:				
Nonspendable:				
Prepaid Items	-	-	-	86,526
Restricted:				
SECAT Program	-	-	-	295
PTMISEA Funds	-	-	-	6,909,745
State Transit Assistance Funds - Regular	-	-	-	842,909
State Transit Assistance Funds - State of Good Repair	-	-	-	1,605,345
Local Transportation Funds	17,862,156	-	-	17,862,156
Capitol Valley Regional SAFE	-	2,907,548	-	2,907,548
Glenn County SAFE	-	-	146,734	146,734
Transportation Projects	-	-	-	1,774,167
Committed:				
Board & Advocacy	-	-	-	109,919
SACOG Managed Fund Grantees	-	-	-	781,510
Assigned:				
Legal defense	-	-	-	356,575
Self insurance	-	-	-	200,000
Project specific carryover funds	-	-	-	193,182
GIS Recipients	-	-	-	258,682
Purpose of the fund	-	-	-	2,993,725
Unassigned:				
Unassigned fund balance	-	-	-	12,232,945
Total fund balances	17,862,156	2,907,548	146,734	49,261,963
Total liabilities, deferred inflows of resources and fund balances	$ 44,373,032	$ 3,223,558	$ 160,047	$ 94,217,034

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, 2020

Total Fund Balances on Governmental Funds' Balance Sheet	$	49,261,963
Long-term receivables not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in governmental funds.		701,619
Capital assets used in government activities are not financial resources, and therefore, are not reported as assets in the governmental funds.		967,986
Compensated absences not due and payable in the current period, and therefore, not reported in the governmental funds' Balance Sheet.		(953,368)
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		3,682,460
Net pension liability		(16,254,664)
Deferred inflows related to pension		(1,428,566)
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		778,862
Net OPEB liability		(4,509,552)
Deferred inflows related to OPEB		(725,790)
Net position of governmental activities	$	31,520,950

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, 2020

	Special Revenue			
	Planning and Administration	**SACOG Financing Corporation**	**Sacramento Emergency Clean Air and Transportation Program**	**Public Transportation Modernization, Improvement & Service Enhancement Account**
Revenues:				
Sales and use taxes	$ -	$ -	$ -	$ -
Vehicle registration fees and traffic fines	-	-	-	-
Intergovernmental:				
Federal	6,755,581	-	-	-
State	4,334,061	-	-	-
Local	894,336	-	-	-
Charges for services	465,049	-	-	-
Member assessments	601,294	-	-	-
Investment earnings	315,592	84,118	178	230,466
Other	161,633	-	-	-
Total revenues	13,527,546	84,118	178	230,466
Expenditures:				
Current:				
Transportation Claimants	-	-	-	-
SAFE services	-	-	-	-
Planning and administration	15,513,013	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	-	-	-	3,982,780
Payments to SMF grantees	263,527	-	-	-
SECAT Program	-	-	375	-
Capital outlay	821,497	-	-	-
Total expenditures	16,598,037	-	375	3,982,780
Excess (deficiency) of revenues over (under) expenditures	(3,070,491)	84,118	(197)	(3,752,314)
Other Financing Sources (Uses):				
Transfers in	4,804,623	-	-	-
Transfers out	-	(1,200,000)	-	-
Total other financing sources (uses)	4,804,623	(1,200,000)	-	-
Net change in fund balances	1,734,132	(1,115,882)	(197)	(3,752,314)
Fund balances - beginning	14,259,374	4,109,607	492	10,662,059
Fund balances - ending	$ 15,993,506	$ 2,993,725	$ 295	$ 6,909,745

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, 2020

	Special Revenue				
	State Transit Assistance & State of Good Repair	Local Transportation Funds	Capitol Valley Regional SAFE	Glenn County SAFE	Total Governmental Funds
Revenues:					
Sales and use taxes	$ 25,740,751	$ 85,277,805	$ -	$ -	$ 111,018,556
Vehicle registration fees and traffic fines	-	-	2,559,315	32,598	2,591,913
Intergovernmental:					
Federal	-	-	-	-	6,755,581
State	-	-	-	-	4,334,061
Local	-	-	-	-	894,336
Charges for services	-	-	-	-	465,049
Member assessments	-	-	-	-	601,294
Investment earnings	281,675	756,033	65,350	3,727	1,737,139
Other	-	-	23,760	-	185,393
Total revenues	26,022,426	86,033,838	2,648,425	36,325	128,583,322
Expenditures:					
Current:					
Transportation Claimants	26,691,694	84,696,674	-	-	111,388,368
SAFE services	-	-	2,432,718	19,949	2,452,667
Planning and administration	-	-	-	-	15,513,013
Public Transportation Modernization Improvement & Service Enhancement	-	-	-	-	3,982,780
Payments to SMF grantees	-	-	-	-	263,527
SECAT Program	-	-	-	-	375
Capital outlay	-	-	-	-	821,497
Total expenditures	26,691,694	84,696,674	2,432,718	19,949	134,422,227
Excess (deficiency) of revenues over (under) expenditures	(669,268)	1,337,164	215,707	16,376	(5,838,905)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	4,804,623
Transfers out	-	(3,604,623)	-	-	(4,804,623)
Total other financing sources (uses)	-	(3,604,623)	-	-	-
Net change in fund balances	(669,268)	(2,267,459)	215,707	16,376	(5,838,905)
Fund balances - beginning	3,117,522	20,129,615	2,691,841	130,358	55,100,868
Fund balances - ending	$ 2,448,254	$ 17,862,156	$ 2,907,548	$ 146,734	$ 49,261,963

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

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

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	$ (5,838,905)
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.	679,746
Unavailable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds' statements.	(407,000)
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.	11,902
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).	(2,533)
In the governmental funds, pension costs are based on employer contributions made to the pension plan during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.	(1,536,653)
In the governmental funds, OPEB costs are based on employer contributions made to the OPEB plan during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows and net OPEB liability during the year.	284,826
Change in Net Position of Governmental Activities	$ (6,808,617)

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, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Federal	$ 10,323,746	$ 11,986,650	$ 6,755,581	$ (5,231,069)
State	3,286,236	5,751,412	4,334,061	(1,417,351)
Local	1,320,503	1,071,620	894,336	(177,284)
Charges for services	299,397	182,262	465,049	282,787
Member assessments	601,293	601,293	601,294	1
Investment earnings	-	50,000	315,592	265,592
In-kind	95,760	49,004	-	(49,004)
Other	101,550	101,550	161,633	60,083
Total revenues	16,028,485	19,793,791	13,527,546	(6,266,245)
Expenditures:				
Current:				
Planning and administration	20,141,231	22,392,333	15,513,013	6,879,320
Payments to SMF grantees	1,000,000	1,000,000	263,527	736,473
Capital outlay	200,000	799,431	821,497	(22,066)
Total expenditures	21,341,231	24,191,764	16,598,037	7,593,727
Deficiency of revenues under expenditures	(5,312,746)	(4,397,973)	(3,070,491)	1,327,482
Other Financing Sources:				
Transfers in	3,845,046	4,703,072	4,804,623	101,551
Total other financing sources	3,845,046	4,703,072	4,804,623	101,551
Change in fund balances	$ (1,467,700)	$ 305,099	1,734,132	$ 1,429,033
Fund balance - beginning			14,259,374	
Fund balance - ending			$ 15,993,506	

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, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Vehicle registration fees	$ 2,591,095	$ 2,591,095	$ 2,559,315	$ (31,780)
Investment earnings	4,000	4,000	65,350	61,350
Other	25,000	25,000	23,760	(1,240)
Total revenues	2,620,095	2,620,095	2,648,425	28,330
Expenditures:				
Current:				
SAFE services	3,228,066	3,228,066	2,432,718	795,348
Total expenditures	3,228,066	3,228,066	2,432,718	795,348
Change in fund balance	$ (607,971)	$ (607,971)	215,707	$ 823,678
Fund balance - beginning			2,691,841	
Fund balance - ending			$ 2,907,548	

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

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).

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

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) and Glenn County SAFE are legally constituted public entities 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, Yuba, and Glenn County. Under the Freeway Act, Capitol Valley SAFE and Glenn County SAFE are authorized to impose a fee on vehicles registered in the seven counties for the implementation, maintenance and operation of the motorist aid system of call boxes. Capitol Valley SAFE and Glenn County SAFE are administered by a governing board consisting of members of SACOG's Board of Directors plus one member representing San Joaquin County and one member representing the cities of San Joaquin County. SACOG provides administrative services for Capitol Valley SAFE and Glenn County SAFE. Capitol Valley SAFE and Glen County SAFE are included in SACOG's reporting entity because of the significance of their financial or operational relationship and its mutual governing board.

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

NOTE A — Summary of Significant Accounting Policies, Continued

II. Government-wide Financial Statements

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

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

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

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

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

NOTE A — Summary of Significant Accounting Policies, Continued

SACOG reports the following 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 reports the following Major Special Revenue Funds:

SACOG Financing Corporation Fund
Used to account for the proceeds received from the sale of the Meridian Plaza building and for annual interest 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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

NOTE A — Summary of Significant Accounting Policies, Continued

Capitol Valley Regional SAFE Fund

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

Glenn County SAFE Fund

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

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

Investments/Fair Value Measurement

Investments are recorded at fair value. SACOG categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interest Receivable

Investment income earned but not yet received at June 30, 2020.

Prepaid Items

Payments for services that will benefit periods beyond June 30, 2020. 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.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

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 an expense 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 twelve month availability policy. This separate financial statement element represents an acquisition of fund balance 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*.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

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, 2020, SACOG has $86,526 for prepaid expenditures that are considered nonspendable.

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

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

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

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

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, 2020, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund was $7,767,691. The SACOG Managed Fund cash balance was $8,549,201. Management continues work on developing an official Board policy for these funds.

Pensions

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

SACOG recognizes a net pension liability which represents SACOG's proportional share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of SACOG's prior fiscal year-end. Employer pension contributions made subsequent to the measurement period are recorded as deferred outflows of resources. For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SACOG's pension plan with CalPERS (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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. 95, *Postponement of the Effective Dates of Certain Authority Guidance* - In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately as they delayed the effective dates of several GASB Statements. The effective dates listed in the Future Governmental Accounting Standards Board (GASB) Pronouncement section have been updated to reflect the postponed effective dates.

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.

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 2019-20 the original adopted budget was amended by the Board of Directors. The final budget data contained in the financial statements reflects the effect of all approved budget amendments.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

NOTE B — Budgetary Information (Continued)

No annual adopted budget is prepared for the SACOG Financing Corporation because the only activity is interest income. In March 2019, the Board approved the use of $1.2 million fund balance to pay for the renovations of SACOG's office space. 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.

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

NOTE C — Cash and Investments, Continued

	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 $75 million per account	10%	None

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

No more than 80 percent of the portfolio may be invested in issuers other than United States Treasuries and Government Agencies. No more than 10 percent of the portfolio, except Treasuries and Agencies, Bonds issued by Local Agencies, Notes, and Bank Deposits may be invested in securities of a single issuer including its related entities.

NOTE C — Cash and Investments, Continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. SACOG manages its exposure to interest rate risk by investing a significant portion of its investments in investment pools not subject to such risk and by purchasing investments with maturity dates evenly distributed over time. SACOG's cash and investments at county pools and their respective maturities are as follows:

	Weighted Average Maturity		
	No Maturity	0 - 5 Years	Total Fair Value at June 30, 2020
Petty Cash	$ 300	$ -	$ 300
Deposits in banks	148,592	-	148,592
County of Sacramento investment pool	-	51,295,148	51,295,148
County of Sutter investment pool	-	5,674	5,674
County of Yolo investment pool	-	12,923,814	12,923,814
County of Yuba investment pool	-	477,565	477,565
Total Cash and Investments	$ 148,892	$ 64,702,201	$ 64,851,093

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 $148,592 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, 2020, 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, 2020 of $64,702,201 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.

NOTE D — Receivables

Receivables as of June 30, 2020, for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Miscellaneous A/R	Total
Planning and Administration	$ 9,125	$ 5,345,971	$ 97,406	$ 11,741	$ 5,464,243
SACOG Financing Corporation	-	-	32,029	-	32,029
SECAT	-	-	187	-	187
PTMISEA	-	-	85,911	-	85,911
State Transit Assistance	-	6,215,570	94,080	-	6,309,650
Local Transportation Funds	-	16,782,796	105,245	-	16,888,041
Capitol Valley Regional SAFE	470,066	-	22,565	-	492,631
Glenn County SAFE	5,473	-	1,250	-	6,723
Total Receivables – Governmental Activities	$ 484,664	$ 28,344,337	$ 438,673	$ 11,741	$ 29,279,415

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

NOTE E — Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	June 30, 2019	Additions	Deletions	June 30, 2020
Capital Assets, being depreciated				
Computers	$ 480,709	$ 204,387	$ 207,945	$ 477,151
Furniture and Equipment	691,435	-	630,562	60,873
Phones	57,253	-	-	57,253
Intangible Assets - Software	145,098	-	85,098	60,000
Leasehold Improvements	73,160	617,110	10,200	680,070
Automobiles	31,620	-	-	31,620
Total for SACOG	1,479,275	821,497	933,805	1,366,967
Less Accumulated Depreciation/Amortization for:				
Computers	315,955	73,564	207,945	181,574
Furniture and Equipment	661,662	12,882	630,562	43,982
Phones	32,917	8,913	-	41,830
Intangible Assets - Software	145,098	-	85,098	60,000
Leasehold Improvements	10,634	32,475	2,607	40,502
Automobiles	24,769	6,324	-	31,093
Total for SACOG	1,191,035	134,158	926,212	398,981
Net Book Value of Assets				
Computers	164,754	130,823	-	295,577
Furniture and Equipment	29,773	(12,882)	-	16,891
Phones	24,336	(8,913)	-	15,423
Leasehold Improvements	62,526	584,635	7,593	639,568
Automobiles	6,851	(6,324)	-	527
Total Net Book Value of Capital Assets	$ 288,240	$ 687,339	$ 7,593	$ 967,986

NOTE F — Payables

Payables as of June 30, 2020, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities	Due to Other Governments	Total
Planning and Administration	$ 1,423,865	$ 66,694	$ -	$ 1,490,559
PTMISEA	1,434,131	-	-	1,434,131
State Transit Assistance Fund	-	-	14,488,563	14,488,563
Local Transportation Funds	-	-	26,510,876	26,510,876
Capitol Valley Regional SAFE	316,010	-	-	316,010
Glenn County SAFE	13,313	-	-	13,313
Total Payables – Governmental Activities	$ 3,187,319	$ 66,694	$ 40,999,439	$ 44,253,452

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 and February 20, 2019, where the lease term was extended for an additional ten years through September 30, 2029, with new lease rates.

Rental expenditures for the fiscal year ended June 30, 2020 were $541,480. There were also additional tenant costs of $26,894.

As of June 30, 2020, SACOG minimum lease payments required under the lease are as follows:

Year ending June 30,	
2021	$ 704,037
2022	721,637
2023	739,678
2024	758,170
2025	777,125
Thereafter	3,523,464
Total	$ 7,224,111

NOTE H — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2020, was as follows:

	July 1, 2019	Additions	Deletions	June 30, 2020	Due within One year
Compensated Absences	$ 950,835	$ 796,101	$ 793,568	$ 953,368	$ 98,108

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

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

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

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

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

Commitments for the Planning and Administration Fund totaled $4,944,119 at June 30, 2020. The PTMISEA Fund commitments totaled $7,204,439 at June 30, 2020, and the CVR-SAFE Fund commitments totaled $468,703 at June 30, 2020. 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 was paid off as of June 30, 2020.

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 $121,597 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 $139 per month. Total contributions to this plan as of June 30, 2020, were $49,014.

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 $14,951 for the year plus 7.25% of earnings for the Senior Advisor/General Counsel. The Senior Advisor/General Counsel position was eliminated as of June 30, 2020 after the incumbent retired.

NOTE K — Risk Management

SACOG is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SACOG reports its risk management activities in its Planning and Administration Fund and 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 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, 2020, 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	12.47%	10.58%	7.20%

Contributions

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

SACOG's employer contributions to the Plan for the year ended June 30, 2020 were $1,778,408.

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

As of June 30, 2020, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of $16,254,664.

NOTE L — Pension Plan, Continued

SACOG's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019 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, 2018, and 2019 was as follows:

Proportion - June 30, 2018	0.15807%
Proportion - June 30, 2019	0.15864%
Change - Increase (Decrease)	0.00057%

For the year ended June 30, 2020, SACOG recognized pension expense of $3,315,061. At June 30, 2020, SACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,128,955	$ 87,471
Changes in assumptions	775,097	274,765
Net differences between projected and actual earnings on plan investments	-	284,180
Changes in proportion and differences between employer's contributions and proportionate share of contributions	-	782,150
Pension contributions subsequent to measurement date	1,778,408	-
Total	$ 3,682,460	$ 1,428,566

The $1,778,408 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, 2021. 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	
2021	$ 835,930
2022	(433,735)
2023	15,868
2024	57,423
Total	$ 475,486

NOTE L — Pension Plan, Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.50%
Investment Rate of Return	7.15%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE L — Pension Plan, Continued

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

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

[1] An expected inflation of 2.00% is used for this period
[2] An expected inflation of 2.92% is used for this period

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

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

	1 % Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	$ 24,055,949	$ 16,254,664	$ 9,815,253

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. The benefits below are provided to employees who retired prior to December 31, 2018:

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently $1,998.07 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 $1,536.98 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, 2020, 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

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

- Tier 1: For employees hired prior to July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days would receive the same SACOG contribution towards the medical benefit premium amount as existing employees, with the vesting schedule based on years of service at SACOG if applicable, below. As the employee benefit portion paid by SACOG increases, retirees will see this same increase. SACOG will pay the then-current PEMHCA minimum, which is set by CalPERS. The current rate is $139 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 $139 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, 2020 were $681,500.

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, 2019, 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, 2019
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	Long-Term Expected Real Rate of Return
Global Equity	59%	5.98%
Fixed Income	25%	2.62%
Global Real Estate (REIT)	8%	5.00%
Treasury Inflation Protected Securities	5%	1.46%
Commodities	3%	2.87%
Total	100%	

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

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, 2019 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at June 30, 2019	$ 9,214,866	$ 4,612,334	$ 4,602,532
Changes in the year:			
Service cost	226,320	-	226,320
Interest on total OPEB liability	641,287	-	641,287
Contribution - employer	-	676,609	(676,609)
Net investment income	-	284,966	(284,966)
Benefit payments, including refunds of employee contributions	(559,879)	(559,879)	-
Administrative expenses	-	(988)	988
Net changes	307,728	400,708	(92,980)
Balance at June 30, 2020	$ 9,522,594	$ 5,013,042	$ 4,509,552

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, 2019.

	1% Decrease 6.00%	**Discount Rate 7.00%**	**1% Increase 8.00%**
Net OPEB liability	$ 5,735,454	$ 4,509,552	$ 3,501,125

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	$ 3,415,692	$ 4,509,552	$ 5,949,371

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, 2020, SACOG recognized OPEB expense of $396,674 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	$ 65,421	$ -
Differences between expected and actual experience	31,941	686,481
Net difference between projected and actual earnings on plan investments	-	39,309
OPEB contributions subsequent to measurement date	681,500	-
Total	$ 778,862	$ 725,790

The $681,500 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, 2021. 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
2021	$ (145,007)
2022	(145,006)
2023	(118,881)
2024	(112,011)
2025	(107,523)
	$ (628,428)

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2020

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, 2020, the SACOG PTMISEA's cash balance is $8.3 million and outstanding accounts payable is $1.4 million.

The PTMISEA activity for the fiscal years ended June 30, 2019 and 2020 are as follows:

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
Receipts: Interest		310,336
Disbursements: Paratansit Vehicle Replacments		(2,405,575)
Disbursements: Non-Revenue Vehicles		(517,755)
Disbursements: Maintenace Equpment		(111,574)
Disbursements: Unitrans Davis Community Transit Vehicle		(42,000)
Disbursements: Connect Card		(8,155)
Cash Balance at June 30, 2020	$	8,257,965

NOTE O — New Accounting Pronouncements

In January 2017, GASB issued **Statement No. 84**, *Fiduciary Activities,* effective for fiscal years beginning after December 15, 2019. 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 June 15, 2021. 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, 2020. 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, 2019. 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. The Statement is effective for reporting periods beginning after December 15, 2021. SACOG has not determined the effect, if any, on the financial statements.

NOTE O — New Accounting Pronouncements, Continued

In January 2020, the GASB issued **Statement No. 92**, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021. SACOG has not determined the effect, if any, on the financial statements.

In March 2020, the GASB issued **Statement No. 93**, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021. SACOG has not determined the effect, if any, on the financial statements.

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

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

In June 2020, the GASB issued **Statement No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021. 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, 2020

Last 10 Fiscal Years*

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

Notes to Schedule:

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

Required Supplementary Information
Schedule of Contributions – Retirement Plan
For the Fiscal Year Ended June 30, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 1,778,408	$1,590,293	$ 1,395,452	$ 1,292,761	$ 1,194,202	$ 984,832
Contributions in relation to the actuarially determined contribution	1,778,408	1,590,293	1,395,452	1,292,761	1,194,202	984,832
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,801,807	$5,610,618	$ 5,311,623	$ 5,214,553	$ 5,066,256	$ 5,070,320
Contributions as a percentage of covered payroll	30.65%	28.34%	26.27%	24.79%	23.57%	19.42%

Notes to Schedule

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

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2020
Last 10 Fiscal Years*

	2020	2019	2018
Total OPEB liability			
Service Cost	$ 226,320	$ 232,998	$ 225,664
Interest on the total OPEB liability	641,287	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	(559,879)	(497,096)	(439,248)
Net change in total OPEB liability	307,728	(462,819)	482,519
Total OPEB liability - beginning	9,214,866	9,677,685	9,195,166
Total OPEB liability - ending (a)	$ 9,522,594	$ 9,214,866	$ 9,677,685
Plan fiduciary net position			
Contributions - employer	$ 676,609	$ 653,354	$ 478,305
Net investment income	284,966	328,990	391,353
Benefit payments	(559,879)	(497,096)	(439,248)
Administrative expenses	(988)	(2,203)	(1,986)
Other expenses	-	(5,468)	-
Net change in plan fiduciary net position	400,708	477,577	428,424
Plan fiduciary net position - beginning	4,612,334	4,134,757	3,706,333
Plan fiduciary net position - ending (b)	5,013,042	4,612,334	4,134,757
Net OPEB liability - ending (a)-(b)	$ 4,509,552	$ 4,602,532	$ 5,542,928
Plan fiduciary net position as a percentage of the total OPEB liability	52.64%	50.05%	42.72%
Covered-employee payroll	5,709,367	5,529,653	5,191,432
Net OPEB liability as a percentage of covered-employee payroll	78.99%	83.23%	106.77%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017

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

Required Supplementary Information
Other Postemployment Benefit Plan (OPEB)
Schedule of Contributions
For the Fiscal Year Ended June 30, 2020
Last 10 Fiscal Years*

	2020	2019	2018
Actuarially determined contributions	$ 681,500	$ 676,609	$ 607,178
Contributions in relation to the actuarially determined contribution	681,500	676,609	478,305
Contribution deficiency (excess)	$ -	$ -	$ 128,873
Covered-employee payroll	$ 5,801,807	$ 5,709,367	$ 5,529,653
Contributions as a percentage of covered-employee payroll	11.75%	11.85%	8.65%

Notes to Schedule

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

Schedule of Revenues and Expenditures
Board of Directors and Advocacy
Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget (over) and under budget
Revenues:				
Member assessments	$ 601,293	$ 601,293	$ 601,294	$ 1
Investment earnings	-	50,000	61,894	11,894
Local Partner	-	77,818	76,238	-
Funds from Board and Advocacy Reserve	-	27,610	-	(27,610)
Total revenues	601,293	756,721	739,426	(15,715)
Expenditures:				
Current:				
Meetings/training/travel expenses	66,293	63,903	54,027	9,876
Board reimbursement (per diem & director fees)	60,000	60,000	59,819	181
Consultant	30,000	167,818	166,913	905
Other (printing, supplies, employee travel)	80,000	80,000	30,144	49,856
Memberships	15,000	15,000	20,198	(5,198)
Salaries and benefits	350,000	370,000	370,008	(8)
Total expenditures	601,293	756,721	701,109	55,612
Excess of Expenditures over Revenues	$ -	$ -	$ 38,317	$ 39,897

Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2020

DIRECT COSTS:	
Salaries and benefits	$ 3,491,075
INDIRECT COSTS:	
Allocated Indirect Costs (88.43%):	
Service costs	3,087,158
Actual Indirect Costs:	
Building expenses	568,493
Career development program	56,507
Consultants	124,890
Depreciation	103,864
Insurance	102,348
Legal	107,689
Office equipment	56,020
Office equipment maintenance	1,457
Meetings	10,549
Memberships	45,014
Miscellaneous	65,949
Travel expenses	13,225
Parking	9,237
Postage	1,284
Publications/periodicals	765
Recruitment	319
Salaries	1,596,700
Computer software and maintenance	164,618
Supplies	14,286
Telecommunications	26,329
Staff Training	29,976
Printing costs	12,425
Total indirect costs	3,111,944
Over-absorbed indirect costs	$ (24,786)

Statistical Section

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Statistical Section

For the Fiscal Year Ended June 30, 2020

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.

Index of Tables

Net Position by Component

For Ten Fiscal Years Ended June 30

	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	$ 769,096	$ 281,982	$ 102,217	$ 148,847
Restricted for Transportation Projects	-	-	882,560	917,880
Restricted for Transportation Claimants	34,088,672	38,980,228	49,966,728	36,701,567
Unrestricted	17,851,804	16,669,133	16,183,317	15,798,418
Total governmental activities Net Position	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**	**$ 53,566,712**

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

2015	2016	2017	2018	2019	2020
$ 174,906	$ 204,303	$ 209,730	$ 339,945	$ 288,240	$ 967,986
700,946	574,181	473,445	485,831	445,642	1,774,167
37,546,082	32,365,872	30,653,263	32,188,187	36,731,395	30,274,437
5,215,052	2,952,631	3,657,730	957,629	864,290	(1,495,640)
$ 43,636,986	**$ 36,096,987**	**$ 34,994,168**	**$ 33,971,592**	**$ 38,329,567**	**$ 31,520,950**

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

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Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

	2011**	2012	2013	2014
EXPENSES				
Transportation Claimants	$ 51,508,069	$ 73,899,504	$ 72,395,499	$ 82,519,242
Planning and Administration	20,668,754	16,548,264	18,329,698	23,478,952
Sacramento Emergency Clean Air & Transportation Program	1,313	58,172	-	-
PTMISEA	1,579,144	6,385,003	20,405,161	10,872,693
Capitol Valley SAFE	2,293,278	2,247,338	2,030,134	1,955,345
Glenn County SAFE	16,061	15,851	10,196	23,781
Total Expenses	**$ 76,066,619**	**$ 99,154,132**	**$ 113,170,688**	**$ 118,850,013**
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	17,371,115	11,909,077	15,319,095	22,010,737
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	800,000	13,695,246	27,710,682	170,197
Charges for Services:				
Planning and Administration	581,041	481,980	561,106	424,844
Capitol Valley SAFE	2,081,247	2,261,157	2,189,461	2,269,183
Glenn County SAFE	28,722	30,763	29,655	30,303
Total Program Revenues	20,862,125	28,378,223	45,809,999	24,905,264
Net Expense	**$ (55,204,494)**	**$ (70,775,909)**	**$ (67,360,689)**	**$ (93,944,749)**
General Revenues and Other Changes in Net Assets				
State Shared Revenue - Sales and Use Taxes	$ 55,894,683	$ 73,300,929	$ 77,777,632	$ 79,607,818
Investment Earnings	261,290	249,031	336,414	81,680
In-Kind Revenue	649,531	293,611	320,458	582,399
Other	346,387	154,109	129,664	104,742
Total General Revenues	**$ 57,151,891**	**$ 73,997,680**	**$ 78,564,168**	**$ 80,376,639**
Change in Net Position	1,947,397	3,221,771	11,203,479	(13,568,110)
Net Position - Beginning	50,762,175	52,709,572	55,931,343	67,134,822
Prior Period Adjustment Pension Liability GASB 68	-	-	-	-
Prior Period Adjustment Pension Liability GASB 75	-	-	-	-
Net Position - Ending	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**	**$ 53,566,712**

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

Source: Individual internal fund statements

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

2015***	2016	2017***	2018	2019	2020
$ 80,040,856	$ 81,636,347	$ 79,530,309	$ 90,155,212	$ 103,433,330	$ 111,388,368
19,462,387	16,149,917	22,248,042	21,322,636	16,894,265	17,160,749
-	-	-	-	317,840	375
9,424,005	5,452,494	4,930,158	4,018,076	3,664,050	3,982,780
2,091,288	2,472,852	2,961,035	3,177,595	3,364,043	2,432,718
16,712	90,061	889	29,140	39,527	19,949
$ 111,035,248	**$ 105,801,671**	**$ 109,670,433**	**$ 118,702,659**	**$ 127,713,055**	**$ 134,984,939**
15,820,697	11,371,902	17,663,047	18,072,722	11,671,349	11,576,978
-	-	303,776	-	-	-
10,780,660	887,174	3,902,487	149,858	3,347,585	-
586,896	851,521	577,946	1,035,151	1,149,781	1,066,343
2,326,565	2,521,364	2,487,681	2,490,482	2,569,529	2,559,315
30,790	31,453	32,667	32,551	33,416	32,598
29,545,608	15,663,414	24,967,604	21,780,764	18,771,660	15,235,234
$ (81,489,640)	**$ (90,138,257)**	**$ (84,702,829)**	**$ (96,921,895)**	**$ (108,941,395)**	**$ (119,749,705)**
$ 82,089,764	$ 82,144,492	$ 83,067,575	$ 99,868,505	$ 111,253,431	$ 111,018,556
(49,608)	407,335	421,368	547,564	1,886,474	1,737,139
-	-	-	-	-	-
58,562	46,431	111,067	154,091	159,465	185,393
$ 82,098,718	**$ 82,598,258**	**$ 83,600,010**	**$ 100,570,160**	**$ 113,299,370**	**$ 112,941,088**
609,078	(7,539,999)	(1,102,819)	3,648,265	4,357,975	(6,808,617)
53,566,712	43,636,986	36,096,987	30,323,327	33,971,592	38,329,567
(10,538,804)	-	-	-	-	-
-	-	(4,670,841)	-	-	-
$ 43,636,986	**$ 36,096,987**	**$ 30,323,327**	**$ 33,971,592**	**$ 38,329,567**	**$ 31,520,950**

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

Source: Individual internal fund statements

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

	2011**	2012	2013	2014
REVENUES				
Federal	$ 13,637,674	$ 8,678,720	$ 9,533,766	$ 12,847,391
State	3,088,223	2,676,805	4,654,503	4,783,759
Local	645,220	553,552	1,130,826	1,410,738
Charges for Services	296,771	197,710	277,719	140,574
Member Assessments	284,270	284,270	284,270	284,270
Investment Earnings	56,532	50,047	75,288	11,847
In-Kind	649,531	293,611	320,458	582,399
Other	288,978	66,295	79,108	69,354
Total Revenues	18,947,199	12,801,010	16,355,938	20,130,332
EXPENDITURES				
Planning and Administration	20,022,388	15,857,825	18,182,940	22,331,342
Community Design Grants	390,310	-	-	-
Payments to SMF agencies	-	517,451	146,758	1,005,170
Capital Outlay	16,816	42,023	66,086	95,110
Total Expenditures	20,429,514	16,417,299	18,395,784	23,431,622
Deficiency of Revenues under Expenditures	(1,482,315)	(3,616,289)	(2,039,846)	(3,301,290)
OTHER FINANCING SOURCES				
Transfers in	2,124,575	2,547,066	2,445,564	2,802,773
Change in Fund Balance	642,260	(1,069,223)	405,718	(498,517)
Fund Balance - Beginning	14,603,324	15,245,584	14,176,361	14,582,079
Fund Balance - Ending	$ 15,245,584	$ 14,176,361	$ 14,582,079	$ 14,083,562
Fund Balance				
Nonspendable - prepaid Items	58,725	72,497	95,313	18,011
Restricted:				
Restricted for Transportation Projects	-	-	882,560	917,880
Committed:				
Board and Advocacy	109,539	211,122	233,770	166,323
Community Design Grantees	1,412,071	1,820,244	1,712,060	1,256,846
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000	200,000
Project Specific Carryover Funds	194,065	193,182	193,182	193,182
GIS Receipients	62,397	89,897	117,397	139,897
Unassigned:				
Unassigned Fund Balance	12,708,787	11,089,419	10,647,797	10,691,423
Total Ending Fund Balance	**$ 15,245,584**	**$ 14,176,361**	**$ 14,582,079**	**$ 14,083,562**

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

Source: Individual internal fund statements

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

2015	2016	2017	2018	2019	2020
$ 10,476,372	$ 7,560,062	$ 12,059,126	$ 12,710,609	$ 7,340,007	$ 6,755,581
3,923,625	2,726,891	904,757	3,386,211	2,740,627	4,334,061
1,420,700	1,084,949	1,425,276	3,621,790	2,110,096	894,336
302,626	475,533	153,416	595,289	686,918	465,049
284,270	375,988	424,530	439,862	462,863	601,294
(22,172)	54,698	71,896	92,779	301,556	315,592
-	-	-	-	-	-
36,732	46,431	111,067	122,115	112,323	161,633
16,422,153	12,324,552	15,150,068	20,968,655	13,754,390	13,527,546
19,002,274	15,106,301	21,655,454	19,165,515	15,981,412	15,513,013
-	-	-	-	-	-
647,705	453,123	272,244	554,757	316,055	263,527
75,716	90,755	68,258	210,452	50,260	821,497
19,725,695	15,650,179	21,995,956	19,930,724	16,347,727	16,598,037
(3,303,542)	(3,325,627)	(6,845,888)	1,037,931	(2,593,337)	(3,070,491)
2,821,163	2,891,043	3,082,708	3,063,312	3,348,050	4,804,623
(482,379)	(434,584)	(3,763,180)	4,101,243	754,713	1,734,132
14,083,562	13,601,182	13,166,598	9,403,418	13,504,661	14,259,374
$ 13,601,182	$ 13,166,598	$ 9,403,418	$ 13,504,661	$ 14,259,374	$ 15,993,506
75,929	81,339	66,217	59,025	108,059	86,526
583,947	574,181	473,445	485,831	445,642	1,774,167
37,999	384	7,985	32,385	28,452	109,919
797,670	1,351,093	1,029,814	1,601,425	2,290,899	781,510
500,000	500,000	500,000	500,000	500,000	356,575
200,000	200,000	200,000	200,000	200,000	200,000
193,182	193,182	193,182	193,182	193,182	193,182
162,397	184,897	209,897	234,897	259,897	258,682
11,050,059	10,081,522	6,722,878	10,197,916	10,233,243	12,232,945
$ 13,601,183	**$ 13,166,598**	**$ 9,403,418**	**$ 13,504,661**	**$ 14,259,374**	**$ 15,993,506**

**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

	2011	2012	2013	2014
REVENUES				
Sales and Use Taxes	$ 56,694,683	$ 86,996,175	$ 105,488,314	$ 79,778,015
Vehicle registration fees and traffic fines	2,109,969	2,291,919	2,219,115	2,299,485
Intergovernmental:				
Federal	13,637,674	8,678,720	9,533,766	12,847,391
State	3,088,223	2,676,805	4,654,503	4,783,759
Local	645,220	553,552	1,130,826	1,410,738
Charges for services	296,771	197,710	277,719	140,574
Member assessments	284,270	284,270	284,270	284,270
Investment earnings	261,290	249,031	336,414	81,680
In-Kind	649,531	293,611	320,458	582,399
Other	346,387	154,109	129,664	104,742
Total Revenues	**78,014,018**	**102,375,902**	**124,375,049**	**102,313,053**
EXPENDITURES				
City of Elk Grove	3,855,576	5,708,010	5,784,892	6,359,521
City of Citrus Heights	2,387,142	3,376,119	3,016,818	3,368,745
City of Davis	2,054,718	3,074,492	3,522,718	3,643,141
City of Folsom	1,936,048	2,788,369	2,667,342	2,965,270
City of Galt	657,899	929,674	857,479	966,917
City of Isleton	22,299	31,494	29,151	32,531
City of Live Oak	464,676	333,610	319,649	336,684
City of Marysville	-	-	-	77,028
City of Sacramento	270,420	331,851	295,055	339,472
City of West Sacramento	1,487,468	2,132,866	2,514,725	2,651,674
City of Rancho Cordova	34,747	42,932	41,159	47,641
City of Wheatland	45,266	62,663	55,756	85,968
City of Winters	219,278	312,839	338,503	367,905
City of Woodland	1,755,475	2,523,464	2,840,885	2,993,489
City of Yuba City	2,787,330	1,345,087	1,464,744	1,696,190
County of Sacramento	1,051,691	1,365,862	1,579,742	1,681,590
County of Sutter	1,232,138	715,189	679,161	756,226
County of Yolo	735,302	1,042,866	1,258,760	1,366,234
County of Yuba	374,072	352,238	410,109	883,272
Sacramento Regional Transit District	27,382,646	43,151,709	40,062,709	44,128,867
Yolo County Transportation District	-	201,715	2,807,839	2,872,942
Yuba-Sutter Transit Authority	1,264,700	2,251,612	214,427	213,026
Paratransit, Inc	1,489,178	1,824,843	1,633,876	1,882,136
SAFE services	384,153	360,441	436,837	367,588
Freeway service patrol	834,494	851,210	848,418	831,623
Equipment and maintenance	450,983	459,685	455,440	656,886
Insurance and DMV fees	21,255	19,780	20,393	11,291
Planning and Administration	20,156,239	15,945,296	18,258,075	22,443,080
SACOG Managed Fund	-	517,451	-	-
Transportation Claimants	-	-	-	-
Public Transportation Moderization Improvement & Service Enhancement	1,579,144	6,385,003	20,405,161	10,872,693
Community Design Grants	390,310	-	146,758	1,005,170
SECAT grants or refunds	1,313	58,172	-	-
Capital outlay	16,816	42,023	66,086	95,110
Total Expenditures	75,342,776	98,538,565	113,032,667	115,999,910
Excess of Revenues over Expenditures	2,671,242	3,837,337	11,342,382	(13,686,857)
OTHER FINANCING USES				
Transfers in	2,124,575	2,547,066	2,445,564	2,445,564
Transfers out	(2,124,575)	(2,547,066)	(2,445,564)	(2,445,564)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	2,671,242	3,837,337	11,342,382	(13,686,857)
Fund Balance - Beginning	50,512,682	53,183,924	57,021,261	68,363,643
Fund Balance - Ending	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**	**$ 54,676,786**

Source: Individual internal fund statements

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

2015	2016	2017	2018	2019	2020
$ 92,870,424	$ 83,031,666	$ 86,970,062	$ 100,018,363	$ 114,601,016	$ 111,018,556
2,357,355	2,552,816	2,520,348	2,523,033	2,602,945	2,591,913
10,476,372	7,560,062	12,059,126	12,710,609	7,340,007	6,755,581
3,923,625	2,726,891	1,208,533	3,386,211	2,740,627	4,334,061
1,420,700	1,084,949	1,425,276	3,621,790	2,110,096	894,336
302,626	475,533	153,416	595,289	686,918	465,049
284,270	375,988	424,530	439,862	462,863	601,294
(49,608)	407,335	421,368	547,564	1,886,474	1,737,139
-	-	-	-	-	-
58,562	46,431	111,067	154,091	159,465	185,393
111,644,326	**98,261,671**	**105,293,726**	**123,996,812**	**132,590,411**	**128,583,322**
6,640,834	6,782,505	6,744,562	7,620,753	-	-
3,464,765	3,509,808	3,503,965	3,910,696	-	-
3,773,822	3,518,718	3,489,076	3,365,531	-	-
2,994,838	3,094,786	3,095,668	3,616,313	-	-
993,483	1,008,347	1,012,626	1,144,221	-	-
33,478	33,835	33,744	38,353	-	-
293,500	366,996	401,570	292,369	-	-
-	-	-	-	-	-
353,082	357,147	382,018	393,501	-	-
2,757,538	2,574,828	2,620,351	2,455,887	-	-
49,906	50,994	54,992	57,925	-	-
51,472	63,164	45,132	54,850	-	-
381,115	353,484	355,397	339,376	-	-
3,109,907	2,898,327	2,939,922	2,718,286	-	-
1,289,439	1,540,935	1,647,686	957,774	-	-
1,667,857	1,693,570	1,724,568	1,934,991	-	-
641,138	774,868	813,077	573,460	-	-
1,381,364	1,255,389	1,379,008	1,282,356	-	-
359,374	395,445	83,965	177,955	-	-
44,967,604	45,903,513	43,985,229	52,973,969	-	-
2,732,566	203,485	121,910	3,599,419	-	-
140,588	3,268,262	2,967,874	451,737	-	-
1,963,186	1,987,941	2,127,969	2,195,490	-	-
364,335	814,681	742,901	1,126,665	3,403,570	2,452,667
857,834	886,303	924,423	1,083,741	-	
584,818	414,471	920,121	487,710	-	
21,462	22,293	22,907	26,129	-	
19,281,825	15,531,462	22,075,284	19,648,005	15,981,412	15,513,013
-	-	-	-	316,055	263,527
-	-	-	-	103,433,330	111,388,368
9,424,005	5,452,494	4,930,158	4,018,076	3,664,050	3,982,780
647,705	453,123	272,244	554,757	-	-
-	-	-	-	317,840	375
75,716	90,755	-	210,452	50,260	821,497
111,298,556	106,168,696	109,418,347	117,310,747	127,166,517	134,422,227
345,770	(7,907,025)	(4,124,621)	6,686,065	5,423,894	(5,838,905)
2,821,163	2,891,043	3,082,708	3,063,312	3,348,050	4,804,623
(2,821,163)	(2,891,043)	(3,082,708)	(3,063,312)	(3,348,050)	(4,804,623)
-	-	-	-	-	-
345,770	(7,907,025)	(4,124,621)	6,686,065	5,423,894	(5,838,905)
54,676,786	55,022,555	47,115,530	42,990,909	49,676,974	55,100,868
$ 55,022,556	**$ 47,115,530**	**$ 42,990,909**	**$ 49,676,974**	**$ 55,100,868**	**$ 49,261,963**

Source: Individual internal fund statements

Components of Fund Balances

For Ten Fiscal Years Ended June 30

	2011	2012	2013	2014
Fund Balance Categories under GASB 54				
Reserved for prepaid items	$ 60,877	$ 74,621	$ 97,511	$ 20,472
Restricted:				
SECAT Program	11,959	-	-	-
PTMISEA Funds	14,151,893	21,528,870	28,952,646	18,276,282
State Transit Assistance Funds	113,418	255,441	(72,779)	351,541
State of Good Repair Funds	-	-	-	-
Local Transportation Funds - Sacramento County	13,017,462	9,397,543	13,270,404	11,856,983
Local Transportation Funds - Yuba County	389,688	693,038	761,228	67,647
Local Transportation Funds - Sutter County	573,654	668,609	537,017	116,659
Local Transportation Funds - Yolo County	2,154,733	2,191,913	1,741,805	968,827
Local Transportation Funds	-	-	-	-
Capitol Valley Regional SAFE	3,571,169	4,127,375	4,573,048	4,926,394
Glenn County SAFE	104,696	117,439	130,580	137,234
Restricted for Transportation Projects	-	-	882,560	917,880
Committed:				
Board and Advocacy	109,539	211,122	233,770	166,323
Community Design Grantees (SMF)	1,412,071	1,820,244	1,712,060	1,256,846
Office Improvements	-	-	-	-
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000	200,000
Project Specific Carryover Funds	194,065	193,182	193,182	193,182
GIS Receipients	62,397	89,897	117,397	139,897
Post Employment Benefits (OPEB)	2,805,516	2,820,548	3,885,417	3,889,196
Purpose of the Fund	-	-	-	-
Planning and Administration Fund	1,042,000	1,042,000	-	-
Unassigned:				
Unassigned Fund Balance	12,708,787	11,089,419	10,647,797	10,691,423
Total Fund Balance	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**	**$ 54,676,786**

Format conforms with GASB 54 guidelines.

Source: Agency Annual Reports

Components of Fund Balances

For Ten Fiscal Years Ended June 30

2015	2016	2017	2018	2019	2020
$ 75,929	$ 84,654	$ 66,217	$ 59,025	$ 108,059	$ 86,526
-	-	306,460	309,945	492	295
19,578,874	15,178,617	14,269,401	10,566,038	10,662,059	6,909,745
915,777	-	144,397	1,229,432	1,517,485	842,909
-	-	-	816,435	1,600,037	1,605,345
10,998,193	12,228,043	11,492,510	13,547,839		
258,426	79,005	421,767	717,973		
481,406	277,365	-	481,342		
(21,478)	116,307	-	1,045,919		
-	-	-	-	20,129,615	17,862,156
5,183,974	4,392,796	3,892,104	3,341,870	2,691,841	2,907,548
150,910	93,739	126,624	131,394	130,358	146,734
700,946	574,181	473,445	485,831	445,642	1,774,167
27,063	384	7,985	32,385	28,452	109,919
797,670	1,351,093	1,029,814	1,601,425	1,034,226	781,510
-	-	-	-	1,200,000	-
500,000	500,000	500,000	500,000	500,000	356,575
200,000	200,000	260,000	200,000	200,000	200,000
193,182	193,182	193,182	193,182	193,182	193,182
162,397	184,897	209,897	234,897	259,897	258,682
3,875,291	3,909,655	3,939,388	3,984,126	-	-
-	-	-	-	2,909,607	2,993,725
-	-	-	-	-	-
10,943,996	7,751,612	5,657,718	10,197,916	11,489,916	12,232,945
$ 55,022,556	**$ 47,115,530**	**$ 42,990,909**	**$ 49,676,974**	**$ 55,100,868**	**$ 49,261,963**

Source: Agency Annual Reports

Total Population by Jurisdiction

For Ten Fiscal Years Ended June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019*	2020*
SACOG 6-County Region	**2,335,533**	**2,355,877**	**2,374,438**	**2,393,622**	**2,416,505**	**2,443,181**	**2,474,083**	**2,502,061**	**2,528,449**	**2,553,645**
El Dorado County	**181,187**	**180,717**	**180,599**	**181,408**	**182,540**	**183,684**	**185,147**	**188,185**	**190,018**	**193,227**
Placerville	10,340	10,343	10,382	10,485	10,504	10,555	10,658	10,748	10,836	10,980
South Lake Tahoe	21,394	21,263	21,268	21,201	21,289	21,346	21,346	22,116	22,304	22,525
Unincorporated	149,453	149,111	148,949	149,722	150,747	151,783	153,143	155,321	156,878	159,722
Placer County	**354,198**	**359,648**	**363,837**	**368,059**	**371,264**	**376,508**	**383,598**	**389,387**	**395,978**	**403,711**
Auburn	13,486	13,655	13,787	14,000	14,025	14,135	14,223	14,342	14,440	14,594
Colfax	1,983	2,011	2,049	2,060	2,059	2,083	2,098	2,113	2,121	2,152
Lincoln	43,487	44,131	44,714	45,576	46,224	46,962	47,736	48,264	48,679	49,317
Loomis	6,510	6,577	6,599	6,631	6,646	6,697	6,775	6,803	6,828	6,888
Rocklin	58,213	58,986	59,448	59,897	60,475	61,646	64,205	66,410	68,806	70,350
Roseville	121,272	123,681	126,297	128,311	129,723	132,676	135,398	137,983	141,299	145,163
Unincorporated	109,247	110,607	110,943	111,584	112,112	112,309	113,163	113,472	113,805	115,247
Sacramento County	**1,430,031**	**1,442,546**	**1,453,969**	**1,466,176**	**1,481,751**	**1,496,385**	**1,512,721**	**1,527,132**	**1,541,301**	**1,555,365**
Citrus Heights	83,776	84,417	84,540	84,972	85,668	86,453	87,106	87,550	87,731	87,811
Elk Grove	154,660	156,678	160,355	162,313	164,648	167,395	170,103	171,774	173,170	176,154
Folsom	72,529	73,059	72,752	74,596	75,560	76,562	77,398	78,019	79,171	81,610
Galt	23,802	24,152	24,163	24,270	24,602	24,841	25,153	25,562	25,655	25,849
Isleton	809	813	814	808	812	814	817	825	827	828
Rancho Cordova	65,566	66,549	68,436	69,689	71,118	72,749	74,492	75,937	77,438	78,381
Sacramento	469,441	472,509	476,794	479,424	483,830	487,455	492,858	498,563	505,230	510,931
Unincorporated	559,448	564,369	566,115	570,104	575,513	580,116	584,794	588,902	592,079	593,801
Sutter County	**94,720**	**94,950**	**94,861**	**95,600**	**96,056**	**96,868**	**98,607**	**100,634**	**102,914**	**100,750**
Live Oak	8,456	8,215	8,247	8,439	8,451	8,459	8,850	8,973	9,164	9,200
Yuba City	64,870	65,310	65,368	65,868	66,916	67,669	68,753	70,336	72,005	70,458
Unincorporated	21,394	21,425	21,246	21,293	20,689	20,740	21,004	21,325	21,745	21,092
Yolo County	**202,778**	**204,987**	**207,801**	**208,637**	**210,801**	**215,016**	**218,039**	**219,990**	**220,896**	**221,705**
Davis	65,975	65,688	66,454	66,498	66,809	67,270	68,141	68,596	69,179	69,183
West Sacramento	49,475	49,819	50,630	50,929	51,540	53,089	53,384	53,876	53,995	54,328
Winters	6,669	6,904	6,945	6,929	6,951	6,990	7,130	7,204	7,169	7,279
Woodland	55,847	56,247	57,056	57,569	58,058	58,681	59,568	60,079	60,068	60,742
Unincorporated	24,812	26,329	26,716	26,712	27,443	28,986	29,816	30,235	30,485	30,173
Yuba County	**72,619**	**73,029**	**73,371**	**73,742**	**74,093**	**74,720**	**75,971**	**76,733**	**77,342**	**78,887**
Marysville	12,147	12,116	12,246	12,274	12,265	12,294	12,336	12,323	12,333	12,424
Wheatland	3,472	3,478	3,527	3,485	3,533	3,568	3,591	3,613	3,620	3,641
Unincorporated	57,000	57,435	57,598	57,983	58,295	58,858	60,044	60,797	61,389	62,822

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

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

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

Total Households by County

For Ten Fiscal Years Ended June 30

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

	2013		2014		2015		2016	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**940,393**	**82,758**	**944,332**	**85,181**	**948,072**	**87,374**	**952,724**	**83,625**
El Dorado County	88,495	17,924	88,950	18,061	89,293	18,156	89,675	18,145
Placer County	155,782	19,608	157,117	20,033	158,518	20,297	160,369	20,075
Sacramento County	559,806	36,042	561,460	39,037	562,950	40,539	564,517	37,254
Sutter County	33,971	2,207	34,080	2,199	34,140	2,239	34,205	2,244
Yolo County	74,589	3,779	74,920	3,340	75,231	3,457	75,869	3,247
Yuba County	27,750	3,198	27,805	2,511	27,940	2,686	28,089	2,660

	2017		2018		2019		2020	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**959,216**	**92,747**	**966,695**	**96,697**	**974,711**	**97,388**	**983,083**	**76,301**
El Dorado County	90,353	18,422	91,745	18,852	91,987	18,904	92,508	17,125
Placer County	162,489	20,961	164,820	21,415	167,548	21,637	169,526	20,666
Sacramento County	567,281	44,636	570,305	47,291	574,449	47,645	579,115	31,018
Sutter County	34,339	2,253	34,363	2,243	34,398	2,244	34,498	2,320
Yolo County	76,449	3,793	77,138	4,004	77,679	4,031	78,377	2,958
Yuba County	28,305	2,682	28,324	2,892	28,650	2,927	29,059	2,214

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

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

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

Labor Force & Unemployment by County

For Ten Fiscal Years Ended June 30

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

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

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

	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

	2019			
	Labor Force	Employment	Unemploy-ment	Rate
SACOG Region				
El Dorado County	92,000	88,800	3,200	3.5
Placer County	187,900	182,100	5,800	3.1
Sacramento County	712,400	686,300	26,100	3.7
Sutter County	458,700	42,400	3,400	7.3
Yolo County	108,700	104,200	4,400	4.1
Yuba County	30,000	28,200	1,800	6.0

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 2018 and 2019

El Dorado County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps	%
Marshall Medical Center	1,735	3.1%	El Dorado County	1,963	3.3%
El Dorado County	1,704	3.0%	Marshall Medical Center	1,640	2.7%
Blue Shield of California	1,339	2.4%	Blue Shield of California	1,411	2.4%
Red Hawk Casino	1,300	2.3%	Red Hawk Casino	1,300	2.2%
U.S. Government	776	1.4%	Barton Health	900	1.5%
El Dorado Union High School District	750	1.3%	Safeway	834	1.4%
State of California	714	1.3%	US Government	737	1.2%
Safeway	650	1.2%	EL Dorado Union High School district	660	1.1%
Buckeye Union Elementary School District	520	0.9%	State of California	643	1.1%
Sierra-at-Tahoe Resort LLC	500	0.9%	Buckeye Union Elementary School District	525	0.9%
Raleys Inc	476	0.9%	Raley's	505	0.8%
Lake Tahoe Unified School District	440	0.8%	Lake Tahoe Unified School District	427	0.7%
			El Dorado Irrigation District	228	0.4%
County Employment Estimate	55,900	95.9%	County Employment Estimate	60,000	100.0%

Placer County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps	%
Kaiser Permanente	5,835	3.5%	Kaiser Permanente	7,735	4.4%
Sutter Health	3,386	2.0%	Sutter Health	7,242	4.1%
Squaw Valley Resort	2,600	1.6%	Sierra Joint Community College District	2,100	1.2%
Thunder Valley Casino Resort	2,114	1.3%	Adventist Health System/West	1,810	1.0%
Hewlett-Packard Co.	2,000	1.2%	Safeway	1,336	0.8%
Pride Industries	1,747	1.0%	PRIDE Industries	1,248	0.7%
Roseville City School District	1,486	0.9%	Hewlett Packard Enterprise Co	1,200	0.7%
City of Roseville	1,148	0.7%	City of Roseville	1,150	0.7%
Safeway	1,137	0.7%	Roseville City School District	1,102	0.6%
Adventist Health	1,008	0.6%	Pacific Gas and Electric Co	1,048	0.6%
Union Pacific Railroad Co Inc	994	0.6%	Raley's	960	0.5%
Raleys Inc	910	0.5%	State of California	905	0.5%
County Employment Estimate	166,800	100.1%	County Employment Estimate	176,000	100.0%

Sacramento County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps	%
State of California	75,801	11.2%	State of California	77,172	11.3%
UC Davis Health System	12,840	1.9%	Kaiser Permanente	15,585	2.3%
Sacramento County	12,208	1.8%	UC Davis Health	14,510	2.1%
Kaiser Permanente	11,005	1.6%	Sacramento County	12,360	1.8%
US Government	10,325	1.5%	Sutter Health	10,764	1.6%
Sutter Health	8,177	1.2%	US Government	10,559	1.5%
Dignity Health	7,000	1.0%	Dignity Health	7,871	1.2%
Elk Grove Unified School District	6,210	0.9%	Intel Corp	6,200	0.9%
Intel Corp	6,000	0.9%	Elk Grove Unified School District	6,164	0.9%
Apple Inc	5,000	0.7%	San Juan Unified School District	5,350	0.8%
City of Sacramento	4,556	0.7%	Sacramento City Unified School District	5,000	0.7%
			City of Sacramento	4,777	0.7%
County Employment Estimate	679,200	100.0%	County Employment Estimate	684,100	100.0%

Information for 2020 is not yet available.

Largest Employment Centers by County

For Last Two Fiscal Years

Sutter County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps*	%
Yuba City Unified School District	1,355	4.4%	Sunsweet Growers	800	2.6%
Sutter County	1,040	3.4%	Sierra Gold Nurseries	750	2.4%
Sunsweet Growers	710	2.3%	Sysco	400	1.3%
Sierra Gold Nurseries	500	1.6%	Walmart	400	1.3%
Wal-Mart	500	1.6%	Sutter County	400	1.3%
Sysco Sacramento	450	1.5%	Home Depot	350	1.1%
Yuba City	312	1.0%			
Home Depot	300	1.0%			
Sutter Health	250	0.8%			
Fountains Skilled Nursing	249	0.8%			
County Employment Estimate	30,600	100.0%	County Employment Estimate	31,200	100.0%
			* Estimated total employment		

Yolo County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps	%
University of California, Davis	9,906	9.1%	University of California, Davis	10,309	9.5%
State of California	3,298	3.0%	State of California	3,546	3.3%
US Government	2,381	2.2%	US Government	2,334	2.2%
Cache Creek Casino Resort	2,200	2.0%	Cache Creek Casino Resort	2,300	2.1%
Yolo County	1,421	1.3%	Yolo County	1,490	1.4%
Woodland Joint Unified School District	1,229	1.1%	Woodland Joint Unified School District	1,105	1.0%
Raley's Inc	948	0.9%	Dignity Health	995	0.9%
Clark Pacific Corp.	890	0.8%	Raley's	950	0.9%
Walgreens	721	0.7%	Sutter Health	928	0.9%
Pacific Gas & Electric Co	652	0.6%	Clark Pacific	843	0.8%
City of West Sacramento	612	0.6%	Walgreens	719	0.7%
Sutter Health	565	0.5%	Pacific Gas and Electric Co	714	0.7%
Woodland Memorial Hospital	560	0.5%	Nugget Market Inc	500	0.5%
County Employment Estimate	84,000	100.0%	County Employment Estimate	117,700	100.0%

Yuba County

2018			2019		
Employer	# of Emps	%	Employer	# of Emps*	%
Adventist Health & Rideout	2,100	13.1%	Rideout Memorial Hospital	2,000	9.2%
Beale AFB	1,500	9.4%	Beale AFB	1,000	4.6%
Yuba County	869	5.4%	Yuba Community College	500	2.3%
State of California	900	5.6%	Wal-Mart	500	2.3%
Marysville Joint Unified School District	896	5.6%	Baldwin Contracting Co	450	2.1%
Yuba Community College District	1,182	7.4%	Yuba County	650	3.0%
WalMart	450	2.8%	Sierra Kiwi Inc	300	1.4%
Yuba county Office of Education	206	1.3%	Bishop's Pumpkin Farm	300	1.4%
County Employment Estimate	16,000	100.0%	County Employment Estimate	21,700	100.0%
			* Estimated total employment		

Information for 2020 is not yet available.

Public School Enrollment by County

For Ten Fiscal Years Ended June 30

	2011	2012	2013	2014	2015
SACOG Region	**399,127**	**400,310**	**401,784**	**402,061**	**403,258**
El Dorado	29,972	29,781	29,441	27,237	26,960
Placer	68,278	68,815	69,831	70,141	70,496
Sacramento	236,936	237,362	238,290	240,216	241,022
Sutter	20,652	21,110	21,170	21,390	21,459
Yolo	29,366	29,404	29,250	29,185	29,345
Yuba	13,923	13,838	13,802	13,892	13,976

	2016	2017	2018	2019	2020
SACOG Region	**406,734**	**411,074**	**416,220**	**419,464**	**424,666**
El Dorado	26,987	27,021	27,875	28,221	31,126
Placer	71,435	72,769	74,063	74,927	75,208
Sacramento	242,725	244,394	245,906	246,663	249,540
Sutter	21,693	22,633	23,690	24,813	23,308
Yolo	29,681	29,841	30,067	30,085	30,569
Yuba	14,213	14,416	14,619	14,755	14,915

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

	2010		2011		2012	
	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages
SACOG Region	**$861**	**$44,772**	**$876**	**$45,552**	**$899**	**$46,748**
El Dorado County	$736	$38,272	$740	$38,490	$766	$39,850
Placer County	$861	$44,772	$883	$45,924	$912	$47,416
Sacramento County	$899	$46,748	$915	$47,557	$934	$48,586
Sutter County	$628	$32,656	$639	$33,249	$654	$33,986
Yolo County	$790	$41,080	$799	$41,534	$827	$42,987
Yuba County	$750	$39,000	$754	$39,185	$757	$39,341

	2013		2014		2015	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages[1]
SACOG Region	**$903**	**$46,956**	**$919**	**$47,788**	**$954**	**$49,614**
El Dorado County	$789	$41,044	$805	$41,860	$837	$43,524
Placer County	$916	$47,633	$947	$49,244	$989	$51,428
Sacramento County	$936	$48,687	$948	$49,296	$983	$51,116
Sutter County	$659	$34,251	$682	$35,464	$714	$37,128
Yolo County	$832	$43,241	$847	$44,044	$872	$45,344
Yuba County	$755	$39,285	$774	$40,248	$823	$42,796

	2016		2017		2018	
	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Mean Annual Wages
SACOG Region	**$964**	**$50,128**	**$993**	**$51,636**	**$1,149**	**$59,726**
El Dorado County	$871	$45,292	$899	$46,748	$1,032	$53,664
Placer County	$1,013	$52,676	$1,036	$53,872	$1,141	$59,328
Sacramento County	$986	$51,272	$1,015	$52,780	$1,192	$61,980
Sutter County	$727	$37,804	$739	$38,428	$828	$43,056
Yolo County	$891	$46,332	$928	$48,256	$1,032	$53,676
Yuba County	$835	$43,420	$877	$45,604	$948	$49,296

	2019	
	Average Weekly Wages	Average Annual Wages
SACOG Region	**$1,172**	**$60,965**
El Dorado County	$1,019	$52,992
Placer County	$1,164	$60,504
Sacramento County	$1,222	$63,552
Sutter County	$833	$43,308
Yolo County	$1,030	$53,580
Yuba County	$1,017	$52,872

Source: California Employment Development Department, Labor Market Information Division
labormarketinfo.edd.ca.gov/qcew/cew-select.asp -- is no longer a viable link and only available data is at MSA level

[1]Average Annual Wages based upon Average Weekly Wages

[2] LED Extraction Tool - Quarterly Workforce Indicators (QWI) by County for Quarter 1 of 2018
https://ledextract.ces.census.gov/static/data.html

Note: 2020 Data 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FUNCTION										
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	-	-	-	-	-	-	-	-	2	2
Chief Operations Officer/ General Counsel	-	-	1	1	1	1	1	1	1	0
Administration	9	9	8	8	8	9	10	10	7	7
Finance	4	4	4	3	3	4	4	6	7	7
Research Analysts**	12	12	11	11	11	11	11	13	11	12
Information Technology	2	1	1	1	1	1	1	1	0	0
Planning	19	19	23	22	22	21	24	22	19	18
Public Affairs and Communications	5	5	6	5	6	7	7	6	8	8
Interns	2	2	2	2	3	1	5	8	2	1
Total Approved Full-Time Positions	**54**	**53**	**57**	**54**	**56**	**56**	**64**	**68**	**58**	**56**

*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

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

Source: Individual internal fund statements

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

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

Source: Individual internal fund statements

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

	2011	2012	2013	2014
INDIRECT COSTS				
Building Costs	$ 582,991	$ 575,236	$ 597,186	$ 602,173
Career Development Program	46,247	50,103	50,515	58,748
Consultants	45,655	45,455	38,972	91,669
Depreciation	45,844	44,537	42,462	47,330
Insurance	68,376	67,924	69,721	76,403
Legal	245,404	40,782	78,814	67,426
Maintenance	6,762	3,439	5,366	8,537
Meetings	8,737	8,678	4,798	2,052
Memberships	28,795	11,663	4,818	6,412
Miscellaneous	4,660	5,242	5,960	5,972
Office Equipment	4,520	12,499	14,878	32,878
Parking	10,200	10,650	9,925	8,300
Postage	10,462	8,219	6,954	6,739
Printing	(18,297)	(8,146)	(6,204)	14,266
Publications	2,686	1,497	2,589	1,885
Salaries and Benefits	1,475,280	1,600,335	1,911,553	1,560,919
Software & Maintenance	86,315	66,675	63,373	72,148
Supplies	56,512	45,136	49,377	26,867
Travel Expense	13,749	13,717	10,548	11,392
Accounting Services	12,943	10,189	12,142	39,153
Unemployment Costs	4,279	1,281	4,619	-
Telephone/Telcommunications	40,350	45,640	35,154	37,542
Temporary services/Recruitment	403	1,623	865	41,062
Staff Training	-	-	-	-
Total Indirect Costs	**$ 2,782,873**	**$ 2,662,374**	**$ 3,014,385**	**$ 2,819,873**

Source: Individual internal fund statements

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

2015	2016	2017	2018	2019	2020
$ 595,752	$ 627,635	$ 662,936	$ 675,365	$ 660,713	$ 568,493
40,713	64,409	75,491	99,761	95,680	56,507
156,099	193,000	153,126	234,109	140,629	124,890
49,658	61,358	62,831	80,237	101,964	103,864
69,777	72,503	72,193	91,079	97,323	102,348
95,132	92,152	111,393	81,456	88,858	107,689
9,377	8,037	6,509	3,294	235	1,457
1,916	1,655	1,628	13,741	21,172	10,549
24,701	43,282	41,012	28,050	34,716	45,014
10,458	8,359	32,803	43,368	48,064	65,949
48,062	43,835	61,122	34,093	98,280	56,020
8,607	7,510	8,070	11,360	10,048	9,237
3,819	5,028	12,473	6,018	1,464	1,284
2,209	22,944	17,250	18,974	20,366	12,425
2,057	2,442	4,222	3,335	1,554	765
1,683,761	991,498	1,048,707	1,224,653	1,461,019	1,596,700
120,135	121,058	99,682	171,244	150,991	164,618
39,181	16,154	22,662	41,181	15,374	14,286
12,799	14,869	13,345	13,712	13,439	13,225
12,567	14,481	6,006	870	-	-
4,520	5,333	-	-	-	-
25,512	22,940	28,228	28,286	25,362	26,329
20,154	37,880	48,916	92,365	43,595	319
-	-	-	-	-	29,976
$ 3,036,966	**$ 2,478,361**	**$ 2,590,606**	**$ 2,996,551**	**$ 3,130,844**	**$ 3,111,944**

Source: Individual internal fund statements

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

	2011	2012	2013	2014
Planning and Administration Fund:				
Furniture/equipment/computers	$ 80,386	$ 77,873	$ 102,217	$ 148,847
Capital Valley Regional SAFE:				
Call boxes	667,898	196,441	-	-
Glenn County SAFE:				
Call boxes	20,812	7,668	-	-
Total	**$ 769,096**	**$ 281,982**	**$ 102,217**	**$ 148,847**

Source: Individual internal fund statements

Capital Assets – by Fund

For Ten Fiscal Years Ended June 30

2015	2016	2017	2018	2019	2020
$ 174,906	$ 204,303	$ 209,730	$ 339,945	$ 288,240	$ 967,986
-	-	-	-	-	-
-	-	-	-	-	-
$ 174,906	**$ 204,303**	**$ 209,730**	**$ 339,945**	**$ 288,240**	**$ 967,986**

Source: Individual internal fund statements

Miscellaneous Statistics
For Fiscal Year Ended June 30, 2020

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, 2020

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 Formula Grants - Transit Asset Management	20.507	CA-2017-074	$ 53,640	$ -
Federal Transit Formula Grants - Connect Card	20.507	CA-2020-226-00	14,271	-
Passed through Sacramento Regional Transit				
Federal Transit Formula Grants - Connect Card	20.507	CA-2017-161-00	70,382	-
Subtotal - Federal Transit Formula Grants			138,293	-
Subtotal - Federal Transit Cluster			138,293	-
Passed through the State of California, Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - Planning	20.205	74A0816	3,034,249	-
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	1,655,277	636,239
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	72,517	-
Highway Planning and Construction - CMAQ - Regionl Bike Share	20.205	03-6085F15	134,999	-
Highway Planning and Construction - FHWA Partnership Planning	20.205	74A0816	259,028	-
Highway Planning and Construction - Regional Surface Transportation Program - Regional Bike/Pedestrian Data Collection	20.205	03-6085R	90,956	-
Highway Planning and Construction - Regional Surface Transportation Program - Planning, Programming, and Monitoring	20.205	03-6085F15	215,787	-
Highway Planning and Construction - Regional Surface Transportation Program - ITS Master Plan and Architecture	20.205	03-6085F15	3,372	-
Subtotal - Highway Planning and Construction Cluster:			5,466,185	636,239
Metropolitan Transportation Planning, and State Metropolitan Planning & Research Section 5303 - Metropolitan Transportation Planning	20.505	74A0816	1,151,102	-
Total U.S. Department of Transportation			6,755,580	636,239
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 6,755,580**	**$ 636,239**

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2020

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, 2020. 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.

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, 2020, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements and have issued our report thereon dated December 2, 2020. Our report includes a reference to other auditors who audited the fund financial statements of the Local Transportation Funds and the State Transit Assistance Special Revenue Fund, as described in our report on SACOG's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Eide Bailly LLP

Sacramento, California
December 2, 2020

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, 2020. 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, 2020.

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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 2, 2020

Sacramento Area Council of Governments

Schedule of Findings and Questioned Costs
for Fiscal Year Ended June 30, 2020

I. Summary of Auditors' Results

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

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

Schedule of Findings and Questioned Costs (Continued)
for Fiscal Year Ended June 30, 2020

II. Financial Statement Findings

None reported.

Schedule of Findings and Questioned Costs (Continued)
for Fiscal Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs

None reported.

Summary Schedule of Prior Audit Findings
for Fiscal Year Ended June 30, 2020

None reported.

WHAT WE DO

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

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

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

EXECUTIVE STAFF

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Executive Director

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Deputy Executive Director of Operations

Kacey Lizon
Deputy Executive Director of Planning & Programs

PROJECT STAFF

Loretta Su
Finance Director

Jeri Krajewski
Senior Accountant

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Accountant

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