COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR 2013–14

SACOG

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SACOG MISSION

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

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

SACOG

Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Department
Stacy Niccum, Finance Manager

Sacramento Area Council of Governments

Table of Contents

For the Fiscal Year Ended June 30, 2014

Introductory Section

Financial Section

Table of Contents

For the Fiscal Year Ended June 30, 2014

(Continued)

Statistical Section

Single Audit Section

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SACOG

January 28, 2015

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

At the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and Government Auditing Standards by a firm of licensed certified public accountants is required. Pursuant to that requirement, we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Sacramento Area Council of Governments (SACOG) for the fiscal year ended June 30, 2014.

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

The firm of Vavrinek, Trine, Day & Co., LLP, a licensed certified public accounting firm, has audited the basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of SACOG for the fiscal year ended June 30, 2014, are free of

Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Live Oak
Lincoln
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

material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Vavrinek, Trine, Day & Co., LLP issued their unmodified (clean) opinion that the basic financial statements of SACOG for the fiscal year ended June 30, 2014, are fairly presented in accordance with GAAP. Their report is presented as the first component of the financial section of this CAFR.

Profile of SACOG

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

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

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

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

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

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

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

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which SACOG operates.

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

The federal transportation reauthorization bill, Moving Ahead for Progress in the 21st Century (MAP-21), has been extended once, to May 2015. MAP-21 consolidated several funding programs that SACOG relies on, but kept overall funding constant or slightly increased. Funds from federal agencies are primarily determined by formula and subject to Congressional appropriation.

Notwithstanding the overall positive fiscal health of the State of California, the state's budget pressures may continue to threaten revenues that would normally pass to cities and counties.

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

The Center for Strategic Research's October 2014 Quarterly Economic Report noted that California saw a net annual gain of around 312,000 jobs in September 2014, or 2.1 percent annual job growth, which places it just above the national average, but 1.2 percentage points below the same point in the previous year. California ranked 14th among all states based on the preliminary September 2014 annual job growth data.

Annual job growth at the national level has been fairly flat for the past few years, but the nation showed a slightly higher rate from the previous year, posting 2.0 percent annual job growth in September 2014, an increase of nearly 2.7 million jobs over the past 12 months. The San Francisco Bay Area posted relatively strong annual job growth in September 2014, at 3.1 percent, reflecting an employment increase of over 95,000. The Stockton market's job growth slowed further to 1.3 percent in September 2014 with a 2,600-job increase, placing it far below both the statewide and national averages. The Solano market posted 2.1 percent annual job growth in September 2014, with the addition of 2,700 jobs on payrolls. This is a marked improvement over recent years. The Sacramento region posted job gains in seven of its eleven major sectors between September 2013 and 2014. This employment level is similar to what the region saw in the year 2005, although it is about 72,000 jobs above the low point in the recession, and is 45,500 below the year 2007 peak months.

The number of jobs on payrolls in the six-county Sacramento region increased by 2.0 percent between September 2013 and 2014, equating to a nearly 18,000-job annual increase, according to preliminary data. Both the core four-county Sacramento metropolitan statistical area and the Yuba-Sutter area added jobs in the past 12 months. The entire Sacramento region's September 2014 job growth shows a decline since the first month of the quarter, and is much lower than the same point in the previous year, now tracking at the same level as the national average and slightly below the statewide average. Although most of the region's sectors are still adding jobs, the overall downward trend in regional job growth over the past 12 months is due to slowing growth in four of the region's five largest sectors. Leisure and hospitality's slowing growth rates pushed it into negative territory, showing -1.7 percent annual job growth in September 2014. All segments of this sector declined, particularly the segment that includes restaurants and bars. The educational and health services sector posted 4.9 annual job growth, down from 6.6 percent in September 2013 due to continued growth in health care activities, but almost no growth in the private educational services component. The region's trade, transportation, and utilities, and government sectors showed drops in annual job growth rates since the beginning of the third quarter of 2014 after a period of relatively flat growth, posting respective annual job growth rates of 0.6 percent and 0.8 percent in September 2014. The retail trade component of the trade, transportation, and utilities sector demonstrated a slowdown in job growth, although still positive, in recent months. Growth in Sacramento's largest sector, government, is still exclusively due to gains in state government activities—federal and local government activities are losing jobs on an annual basis in the

Sacramento region. At 4.9 percent in September 2014, professional and business services posted higher annual growth rates than the 3.1 percent growth at the same point in the previous year, but lower than rates posted in the beginning of the third quarter of 2014 due to much slower growth in this sector's administrative and support services segment.

Major Initiatives during the Year

There were a number of focus areas for SACOG during the fiscal year.

SACOG worked on implementation of the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) for 2035, which was adopted in April 2012. An MTP is a required project for Metropolitan Planning Organizations (MPOs) every four years. SACOG also began work for the next MTP, which is projected to be adopted in early 2016.

The MTP/SCS is an important document that, among other things, outlines the region's transportation needs, sets principles and policies, proposes specific strategies to coordinate and manage future transportation improvements in the region, considers resource areas and farmland in the region, identifies areas in the region to house the projected population of the region in light of state housing goals, and, to the extent feasible, forecasts a development pattern for the region that will meet the regional target for greenhouse gas emission reductions. Staff continued work on the Rural-Urban Connections Strategy (RUCS). RUCS is designed to study the challenges and opportunities in the rural areas, with an eye toward the economic sustainability of rural areas, as well as the transportation needs in rural areas, where agricultural vehicles often compete with commuters who bypass congested main roads for rural roads. SACOG has received two grants from the California Strategic Growth Council, a partnership between state agencies, to advance the RUCS project.

Connect Card implementation is a continuing project involving the planning, procurement, and deployment of a regional electronic transit fare system. The new system is expected to simplify and integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase transit ridership. The primary activities this year were system testing and software development. A pilot test was conducted in the spring on hardware installed in the field. Subsequently, various corrective actions were taken by the vendor as well as additional development for website and customer hardware. The year ended with a full system integration test. A second pilot and full deployment is anticipated for the spring of 2015.

The 511/STARNET Capital Improvement project is progressing towards contract closeout, which will occur before June 30, 2015. As the project deliverables continue to gain regional interest and provide services, it will need to become more focused on operations and maintenance. The project provides real-time sharing of data and video feeds, and has facilitated the refinement of joint procedures for operations of roadways and public transportation safety activities. The project is providing timely and accurate multi-modal information for travelers via the region's 511 website, smart phone apps, and interactive phone services. Customization of routes, which when completed on the website, allows users to control information provided by the telephone system.

The SACOG Board of Directors adopted the regional PEV Readiness and Infrastructure plan in December 2013. Since then, staff has been working on implementing the infrastructure plan. This has included work on siting PEV charging equipment, purchasing and installing chargers through a California Energy Commission grant, and updating the TakeChargeSac.org website.

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

SACOG also administers programs that allocate flexible federal funds to regional jurisdictions for capital projects. These projects are anticipated to be under construction between 2012 and 2017. Local governments obtain their federal funds by seeking reimbursement directly from Caltrans. SACOG also administers many pass-through grants on behalf our member jurisdictions and local transit agencies.

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

Financial Information

The Planning and Administration Fund is where the majority of SACOG's operational activities are recorded. The original combined budgets of the Planning and Administration Fund, Board and Advocacy Fund, and SACOG Managed Fund projected a $1,630,376 use of fund balance for the year. This was followed by a mid-year budget adjustment to a $1,802,580 use of fund balance. The total actual change in the calculation of the combined balance was a decrease of $498,517 for the year, per the Statement of Revenues, Expenditures, and Changes in Fund Balance–Budget to Actual on page A-30.

The decrease of $498,517 is a combination of four activities:

- The SACOG Managed fund decreased by a net difference of $995,766. Planned expenditures to grant recipients amounted to $1,005,170. Interest income for the fund was $9,404.

- The Board and Advocacy fund balance decreased by $67,448, as expenditures exceeded the annual member assessments.

- The Planning and Administration fund increased by $542,197, because SACOG staff was able to work on specific grant funded projects; so SACOG did not need to use all of its annual TDA planning funds.

- The GIS fund balance increased by $22,500 as additional revenues were received during the year and there were no GIS expenditures.

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

The SACOG Financing Corporation had a small increase due to interest income, so it increased slightly. The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Special Revenue Fund only received $170,000 compared to $27.7 million last year and expenditures to grantees were $10.9 million compared to $10.3 million last year. The annual PTMISEA funding is volatile and depends on different factors. The STA revenue decreased slightly by $222,000 (2 percent). Three of the four Local Transportation Funds (LTFs) had increased sales tax revenue as compared to last year. Payments to jurisdictions were higher also, as more funds were available for distribution.

The Sacramento Emergency Clean Air and Transportation Program (SECAT) Special Revenue Fund, supported by TCRP funding, was designed to fund inefficient engine replacements in order to reduce the nitrogen oxide emissions in the area. Program funds are essentially exhausted; however, refunds of prior expenditures continue to come to SACOG, and Caltrans has requested that the refunds be returned to them directly.

Increases in fund balance for the Capitol Valley Service Authority for Freeways and Expressways (Capitol Valley SAFE) and Glenn County Service Authority for Freeways and Expressways (Glenn County SAFE) reflect normal operations. The original Capitol Valley SAFE budget had projected excess revenues over expenditures, but some expenses did not occur as planned. As a result, fund balance increased by $353,609

Other Information

INDEPENDENT AUDIT

SACOG is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* The Schedule of Expenditures of Federal Awards can be found in the Single Audit section, along with the auditors' reports on Internal Controls and Compliance. The reports of Vavrinek, Trine, Day & Co., LLP, are included in this report.

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

A C K N O W L E D G E M E N T S

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

Respectfully submitted,

MIKE McKEEVER
Chief Executive Officer

STACY NICCUM
Finance Manager

Special acknowledgement goes to:

Kirk Trost, Chief Operating Officer & General Counsel
Matt Carpenter, Director of Transportation Services
Erik Johnson, Manager of Policy & Administration
Jeri Krajewski, Accountant III
Erik Johnson, Manager of Policy & Administration
Debra Overton, Accountant I
Scott Overton, Administrative Clerk III

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Mike McKeever
Rebecca Sloan
Kirk Trost

Internal Operations
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Erik Johnson
Kirk Trost

Board & External Affairs
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Erik Johnson
Mike McKeever
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Kirk Trost

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Airport Land Use Commission
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Climate and Energy
Raef Porter

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Metropolitan Transportation Plan/ Sustainable Communities Strategy
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Performance Monitoring
Joe Concannon

Planning Tools
Raef Porter

Programming and Project Delivery
Renée DeVere-Oki

Regional Air Quality Planning
Renée DeVere-Oki

Road/Highway/Bridge Planning
Sam Shelton

Rural-Urban Connections Strategy (RUCS)
David Shabazian

Service Authority for Freeways and Expressways (SAFE)
Mark Heiman

Short Range Transit Plans
Sharon Sprowls

Transportation Development Act (TDA)
Gary Taylor

Transportation Demand Management
AJ Tendick

Transit Environmental Justice/Lifeline
Sharon Sprowls

Transit Planning and Funding
Azadeh Doherty

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, which are major funds and collectively represent 39 percent, 25 percent, and 71 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the Planning and Administrative General Fund and Capitol Valley Regional SAFE Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SACOG's basic financial statements. The introductory section, supplementary information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015, on our consideration of SACOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SACOG's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 28, 2015

Management's Discussion and Analysis

This section of the annual financial report presents a discussion of the financial position and changes in financial position for the Sacramento Area Council of Governments (SACOG) and its related component units for the fiscal year ended June 30, 2014. This discussion and analysis is intended to be used in conjunction with the financial statements and the notes to the financial statements, which follow this section.

Overview

The implementation of the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) for 2035, which was adopted in April 2012, was a major focus of the year. This plan covers the six-county region.

Metropolitan Planning Organizations (MPOs) are required to prepare a new MTP every four years. The Board of Directors adopted the last MTP in April 2012, and work began in this fiscal year to develop the next MTP/SCS, which is projected to be adopted in early 2016. In 2008, California enacted the Sustainable Communities and Climate Protection Act, also known as Senate Bill 375, which requires MPOs to include a Sustainable Communities Strategy (SCS) element in their MTP updates to further integrate transportation planning, land use planning, state affordable housing processes, streamlined environmental review under CEQA, and greenhouse gas emission reductions. With respect to the latter, the MTP/SCS forecasts greenhouse gas emission reductions of 10 percent by 2020 and 16 percent by 2035, if the MTP/SCS is implemented.

SACOG engages in extensive public outreach and education to coincide with the technical research and planning. The MTP/SCS 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.

SACOG continued work on the Regional Plan for Sustainable Development project, funded by the U.S. Department of Housing and Urban Development. This work was completed in this fiscal year. This project helped support the new Sacramento Regional Consortium, which was made up of regional partners and stakeholders charged with promoting infrastructure and development near transit stations. The Consortium's task was to improve quality of life by creating more complete communities and reducing overall costs of living. The work complements the MTP/SCS and supports the environmental review work that will benefit transit priority areas under SB 375.

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

The Connect Card implementation continues, with full system application expected in 2015. The new system is expected to simplify and integrate transit operations, improve system connectivity, contribute to regional air quality goals, and increase the attractiveness of transit to new patrons. The project involves the implementation planning, procurement, and deployment of a regional universal transit fare card system.

The 511/STARNET Capital Improvement project also is moving forward and it is expected that by June 30, 2015, work will conclude, and the project will become more focused on operations and maintenance. The project will enable real-time sharing of data and live video, and the refinement of joint procedures for operations of roadways and public transportation safety activities. The project also will provide more timely and accurate information for travelers via the region's 511 website and interactive phone services.

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

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

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

Financial Highlights

The overall net position of SACOG is $53,566,712, which is a decrease of $13,568,110. The decrease is primarily attributable to at $10.7 million decrease in PTMISEA, and $3.3 million decrease for the four County LTF Funds.

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) fund accounts for the activities related the bond proceeds from the State of California's Proposition 1B to fund transportation/transit projects. This is the sixth year of operations. The PTMISEA fund balance decreased $10.7 million from last year. The PTMISEA fund received $170,000 compared to $27.7 million last year and payments to grantees were $10.9 million compared to $10.3 million last year. The annual funding is volatile and depends on different factors.

The combined four LTFs fund balance decreased by $3.3 million. Three of the four counties had increased sales tax revenue again, over the prior year. Payments to jurisdictions also were higher, as more funds were available for distribution. Sacramento County's fund balance decreased by $1.4 million, Yolo County decreased by $773,000, Yuba County decreased by $693,000, and Sutter County declined by $420,000. Fund balance changes can fluctuate from year to year depending on actual sales tax revenues received and how much of the previous fund balance was included in the annual apportionment (distribution). What each county planned to pay out of the previous year's fund balance is often time less than originally planned due to the higher sales tax received during the year.

The STA fund balance increased by $424,320 to $351,541, even though actual revenue was less than last year. Payments out to jurisdictions were about $1 million lower than last year because of less revenue and less allocated out for the year.

The combination of the SACOG Planning Fund, Board and Advocacy, and SACOG Managed funds decreased $498,517 for the year. The decrease is a combination of four operational activities. The SACOG Managed fund decreased by a net difference of $995,766. Planned expenditures to grant recipients amounted to $1,005,170. Interest income for the fund was $9,404. The Board and Advocacy fund balance decreased by $67,448, as expenditures exceeded the annual member assessments. The Planning and Administration fund increased by $542,197, which is because SACOG staff was able to work on specific grant funded projects; so SACOG did not need to use all of its annual TDA planning funds. The GIS fund balance increased by $22,500 as additional revenues were received during the year.

The SACOG Financing Corporation increased its fund balance by $3,779 due to investment earnings in the Sacramento County investment pool. The cash and investments in the fund are the result of two building sales transactions in prior years.

The Capitol Valley SAFE fund continues to be fiscally strong, with a reliable stream of vehicle registration revenue. The budget projected a $200,743 increase in fund balance, but the actual fund balance increased by $353,609. The difference was attributed to higher revenues approximating $88,000 and lower than expected expenditures approximating $64,000.

Overview of the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of 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 paid time off).

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages A-31 through A-64 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator or a government's financial position. In the case of SACOG, assets exceeded liabilities by $53,566,712, at the close of the most recent fiscal year.

CONDENSED STATEMENT OF NET POSITION
As of June 30, 2014 and 2013

	Governmental Activities				Increase	
	2014		2013		(Decrease)	
ASSETS						
Current and other assets	$	78,792,375	$	98,243,177	$	(19,450,802)
Capital Assets		148,847		102,217		46,630
Total Assets	$	78,941,222	$	98,345,394	$	(19,404,172)
LIABILITIES						
Other Liabilities	$	24,177,543	$	29,941,489	$	(5,763,946)
Long Term Liabiliities		1,196,967		1,269,084		(72,117)
Total Liabilities	$	25,374,510	$	31,210,573	$	(5,836,063)
NET POSITION						
Investment in Capital Assets	$	148,847	$	102,217	$	46,630
Restricted:						
Transportation Projects		917,880		882,560		35,320
Transportation Claimaints		36,701,567		49,893,949		(13,192,382)
Unrestricted		15,798,418		16,256,096		(457,678)
Total Net Position	$	53,566,712	$	67,134,822	$	(13,568,110)

Total current, other assets, and capital assets decreased by $19.4 million as a result of the following significant activity that occurred in each of SACOG's major funds:

The PTMISEA fund assets decreased by $21.3 million to $20.5 million at year-end. New revenue for the year was only $170,000. Actual payments (effecting cash flow) to grantees were $20.3 million for the year. The previous year's cash balance of $40.5 million declined to $19.2 million. The revenue was $27.5 million less than the previous year. The annual revenue can fluctuate widely.

The combined assets of the four LTFs, decreased by $1.01 million for the year. Balances can fluctuate, depending on when reimbursement claims are submitted and paid. Yuba County had the largest decrease at $567,000, followed by Sacramento County's decrease of $403,000. Sutter County and Yolo County had minor decreases.

The STA fund assets increased by $671,000. The STA revenues were lower by $222,000, and correspondingly, the annual allocation (promise to pay to grantees) was also lower for two reasons: 1) less revenue to be received, and 2) a portion of this year's revenue was not allocated because it needed take into the account the negative fund balance from last year that would be paid through the current years allocation.

The SACOG Planning and Administration assets increased by $1,816,140, primarily because due from other governments was higher than last year at this time.

Capitol Valley SAFE's assets were higher by $412,000, as the original budget projected a budget surplus of $200,743, and actual expenses ended up lower by $64,000. Actual revenues were higher by $88,000.

Total capital assets increased by $46,630 due to additions of $93,960 and deletions of $48,946. Depreciation expense was $47,330 for the year.

Total liabilities decreased by $5.8 million due to the following significant activity:

PTMISEA fund liabilities decreased by $9.5 million to total $2.2 million at year-end. Last year's balance was $11.7 million. This year, the fund received almost no funding and had significant payout of funds to grantee transit claimants. The fund liability balance can fluctuate year-to-year, based on transit claimant invoices still outstanding at year-end and when claims are submitted for approval.

Liabilities for the combined four LTFs increased by $2.3 million for the year. The largest increase in liability was for Sacramento County by $1.1 million, Yolo County liability increased by $739,000, Sutter County at $414,000 and Yuba by $126,000. Liabilities can fluctuate if jurisdictions do not file timely claims to receive their LTF monies.

Liabilities for the STA fund were $6.3 million, which was an increase of $246,000 over last year. This balance typically varies from year to year depending on when claim requests are submitted.

Net Position decreased by $13.6 million as result of:

Restricted Transportation Claimants net position decreased by $13.2 million. The PTMISEA restricted fund balance decreased by $10.7 million due to minimal funding and same expenditure levels as last year. Sacramento County LTF restricted fund balance decreased by $1.4 million, due to a significantly higher apportionment this year that dipped into the fund balance.

Restricted fund balance for Planning and Administration increased by $35,320 as certain significant restricted specific grant revenues received during the year were recognized as revenue; however no offsetting costs were incurred this year. As a result, the balance is shown as restricted net position, to be used to fund future expenditures for these specific grants.

Unrestricted net position decreased by $457,678. This balance declined due to payments to SACOG Managed Fund (SMF) project claimants for approved expenditures and changes to project amounts using these funds. Net impact of SACOG Managed Fund transactions (expenditures versus interest income on the SMF cash balance) was a net outflow of approximating $1 million. This was partially offset, as SACOG operations did not use all of its TDA funds this year, which means that unassigned fund balance, related to SACOG operations, increased by $542,197.

CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2014 and 2013

	Governmental Activities		
	2014	2013	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	$ 2,724,330	$ 2,780,222	$ (55,892)
Operating Grants and contributions	22,180,934	43,029,777	(20,848,843)
General revenues:			
State shared revenue - sales /use tax	79,607,818	77,777,632	1,830,186
Investment earnings	81,680	336,414	(254,734)
Other and In-Kind	687,141	450,122	237,019
Total Revenues	105,281,903	124,374,167	(19,092,264)
Expenses			
Planning and Administration	23,478,952	18,329,698	5,149,254
Transportation Claimants	82,519,242	72,395,499	10,123,743
PTMISEA	10,872,693	20,405,161	(9,532,468)
Capitol Valley Regional SAFE	1,955,345	2,030,134	(74,789)
Glenn County SAFE	23,781	10,196	13,585
Total expenses	118,850,013	113,170,688	5,679,325
Change in Net Position	(13,568,110)	11,203,479	(24,771,589)
Net- Position Beginning	67,134,822	55,931,343	11,203,479
Net - Position Ending	$ 53,566,712	$ 67,134,822	$ (13,568,110)

Total revenue decreased by $19.1 million as a result of the following significant activity:

- Operating Grants and Contributions revenue reflects a net decrease of $20.8 million, primarily due to PTMISEA revenue decreasing by $27.5 million over last year. PTMISEA funding this year was $170,197 million compared to $27.7 million last year. PTMISEA funding can vary significantly, and is dependent on state bond sales, which can vary from year to year, depending on the state's financial circumstances.

- Operating Grants and Contributions Revenue for the Planning and Administrative Fund increased by $6.7 million as a result of increased activity requiring revenue reimbursements. SACOG operations are typically reimbursement based , but revenues and expenditures can fluctuate from year to year, depending on what projects are completed by staff, and the dollar amount of pass-through project activity that SACOG manages/oversees for the year

  State Shared Revenue – Sales and Use Tax (which includes STA and the four LTF Funds) increased by $1.8 million. All LTF funds and STA had higher sales tax revenues over the prior year, except for Yuba County. The Sacramento County LTF sales tax revenue increased by $1.6 million (3.4 percent), Yolo County LTF sales tax revenue increased by $336,109 (3.7 percent), Sutter County LTF sales tax revenue increased by $121,344 (3.4 percent), and Yuba County LTF sales tax revenue decreased by $77,909 (6.1 percent). This is the fourth in a row for the majority of the four LTFs to have sales tax revenue increases. STA sales tax revenues decreased by $221,873 (1.5 percent).

  Total expenses increased by $5.8 million based on the following significant activity:

- Transportation claimants' expenditures for STA and the four LTF funds increased by $10.1 million. This is primarily due to a $8.8 million increase in Sacramento County LTF expenditures, as the final apportionment was 20% higher than last year. There were two revisions to increase the FY 2013-14 apportionment, which caused it be higher.

  The remaining three LTF funds had higher apportionment expenses that ranged from $732,000 for Yuba County and $1,051,000 for Yolo County. STA expenses were lower by $987,000 as the allocation was lower.

- Planning and Administration expenditures increased by $5.1 million over last year. Expenditures can fluctuate from year to year depending on the Overall Work program goals and the amount of consultant and pass-through costs that SACOG incurs in carrying out program activities.

- PTMISEA expenses decreased by $9.5 million as a result of lower reimbursement requests and the fact that the program only received minimal new funds in the current year. Both revenue and expenses can fluctuate from year to year, depending on the State of California's ability to sell bonds, and the grantees' ability to complete their approved projects and request reimbursement.

Fund Financial Statement Analysis

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

PLANNING AND ADMINISTRATION

The Planning and Administration Fund's fund balance decreased by $498,517 for the year. The decrease is a combination of six component activities within the four sections of the fund: (Restricted, Committed, Assigned, and Unassigned)

Restricted Fund balance increased by $35,320 because certain grant revenues are included in total revenue without any corresponding grant expenses to offset the revenues. Fund balance will decrease in future years when the corresponding grant expenditures occur.

Committed Fund balance decreased by $67,448 for use of Board and Advocacy reserve during the year. It also decreased because of SACOG Managed Fund activity. The net decrease is $455,214, which is a combination of two actions: During the year actual SACOG Managed Fund expenditures to grantees was $1,005,170 causing committed fund balance to decrease. Additional commitments to projects (which increases committed fund balance) were $549,956, netting to the $455,124 number. This is for the commitments to SMF grantees only. This activity does not take into account the temporary year-end loan from the SACOG Managed Fund to the Planning and Administration fund of $1,750,000.

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

Unassigned Fund balance decreased by a net total of $43,626. This occurred primarily because $549,956 was transferred out of Unassigned to Committed – SACOG Managed Fund Grantees line item for new commitments and was offset by the fact that SACOG operations generated a positive gain for the year to Unassigned fund balance.

SACOG's operations are primarily reimbursement based due to its funding structure. Typically, expenditures drive the offsetting revenues, which in most cases results in a net zero effect. However, the final year end results can be impacted by the accounting requirement to sometimes recognize certain specific grant revenues even there may not be offsetting grant expenditures in the current year. This was the case last year with the inclusion of $882,560 of grant revenues, causing fund balance to increase, accordingly. In future years, the expenditures for those grants will cause fund balance to decrease.

Changes in fund balance can also depend on whether SACOG's annual source of local funds (TDA funds for planning and administration) is fully utilized, either as a match for federal grants and/or used to overmatch project costs, if deemed necessary to meet the project deliverables. The use of Unassigned fund balance can occur when SACOG uses more than its annual stream of TDA funding and dips into its cash reserves to cover operating costs. SACOG also tracks other

Committed and Assigned reserve activities, which typically don't have a budget, like the SACOG Managed Fund and the GIS Recipient's reserve.

The final approved combined budgets for the Planning and Administration Fund and the Board and Advocacy Fund projected a use of reserves in the amount of $1,802,580, for the six activities within the fund structure. Actual fund balance decreased by $498,517 as explained in the bullet points above.

SACOG FINANCING CORPORATION

The SACOG Financing Corporation, a legally-separate entity, was created to purchase the Meridian Plaza complex with a local developer. During 2004-05, the Meridian Plaza complex was sold, resulting in a net gain to the Financing Corporation of $1.2 million for the initial investment of $2 million. Since then, the proceeds have been invested in the Sacramento County investment pool and have accumulated interest earnings, bringing the total cash and investments in the fund to $3,889,196. The only activity for the year was investment earnings of $3,779.

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

SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION PROGRAM (SECAT)

SECAT is in its fourteenth year of operation as a separate special revenue fund. The fund was originally advance-funded $66 million from the California Governor's Traffic Congestion Relief Program (TCRP). The goal of the program was to reduce nitrogen oxide (NOx) emissions in the region. SACOG had planned to close this fund in FY 2012-13; however, it continues to receive refunds from monies not fully utilized by the engine owners. Caltrans has directed SACOG to return these refunds to Caltrans as the administrator of the original TCRP program. SACOG is complying with the request. During the year, $221,396 in refunds and interest were received by SACOG, and $189,580 was paid to Caltrans. The cash balance was $31,941 at year-end. Those funds will be paid to Caltrans.

PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT & SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

The amount awarded to the PTMISEA program, now in its sixth year, was $170,197. Last year the program was awarded $27.7 million, which was more than twice as much as last year before that at $13.7 million. The amount awarded can fluctuate dramatically from year to year. Amounts awarded are impacted by the State of California's ability to sell bonds for this program.

Current year expenditures were $10.9 million, which was $9.5 million less than last year, which was $20.4 million.

Actual cash payments to approved grantees this year were $21.6 million and $10.3 million for last year. Cash balance at year-end is $19.2 million versus $40.6 million last year.

Payments out were for Sacramento Regional Transit SouthLine Overcrossing and Parking Structure, Connect Card Implementation, Commuter Bus Fleet Replacements, Transit Facility Improvements, and Automated Fare Box Improvements. More detail on this can be found in the Note O section of the Notes to Basic Financial Statements. The SACOG Board of Directors approves all projects that receive PTMISEA funds.

STATE TRANSIT ASSISTANCE FUNDS (STA)

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

Sales and use tax revenues decreased by $221,873 (2 percent) to total $14,365,413 for the year. Last year SACOG received $14.6 million. The FY 2013-14 expenditure allocations was $13,943,806 which was a $987,235 (7 percent) decrease over the previous year.

Fund Balance, which usually represents cumulated unapportioned amounts, ended up at $351,541 positive this year. Last year's ending balance was a negative balance of ($72,779), which does not usually happen. This can occur when the State estimates of STA related revenue are overstated. Funds received for FY 2013-14 were used to cover the negative balance at June 30, 2013.

LOCAL TRANSPORTATION FUNDS (LTF)

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

COUNTY OF SACRAMENTO LOCAL TRANSPORTATION FUND

Sales tax revenues continue to increase for the fifth year in row. This year's sales tax revenues increased by $1,672,515 (3 percent) to $50.9 million for the year. The previous year increase was $2,993,889 (6 percent), totaling $49.2 million. The projected sales tax estimate for the apportionment was $47,600,000. The difference between the actual sales tax revenue and the projection was $3.3 million (7 percent) higher than planned.

Apportionment expenditures are usually expected to increase as sales tax revenue increases. The final apportionment amount (which includes transfers) for FY 2013-14 was $52.3 million, which was $6.9 million higher than last year's final apportionment. The original apportionment for 2013-14 was for $49,000,000; however, this was amended in December 2013 to $50,729,857, and then amended again in May 2014 to $52,329,280. Each amendment increase was for the further use of prior year fund balance, not an increase in the projected sales tax revenue. The projected sales tax revenue remained at $47,600,000.

Fund Balance, which represents cumulated unapportioned amounts, ended up at $11.9 million, which was $1.4 million lower than last year. This decrease is attributed to the using up of prior year unobligated funds; however, not as much was used as planned due to the additional sales tax revenues. The total expected fund balance to be used was $4.7 million. However, that was partially offset by the additional sales tax revenue of $3.3 million; therefore, fund balance only decreased by $1,421,811. The new ending fund balance represents about 2.8 months of receivables, based upon the Due from other Governments balance at June 30, 2014 ($8.3 million for May and June 2014).

The apportionment for the FY 2014-15 year estimates $49,778,673 in sales tax revenue and $2,000,000 use of fund balance reserve. The sales tax estimate for FY 2014-15 is almost in line with actual sales tax revenues for 2013-14, but lower by approximately $1 million.

COUNTY OF YUBA LOCAL TRANSPORTATION FUND

Sales tax revenues decreased this year by $77,909 (6%), compared to last year, and ended at $1.19 million. This was the first decrease in five years. The sales tax was lower by $188,900 than what was estimated in the in the findings of apportionment. Typically, Yuba County under estimates its sales tax; however, that did not happen this year.

Apportionment expenditures were estimated at $1.9 million compared to $1.2 last year, which is a $700,000 increase. It was higher because the county had projected a higher sales tax number from last year and had also planned to use $500,000 from the fund balance reserve.

Fund Balance, which represents cumulated unapportioned amounts, ended up at $67,647, an overall decrease of $693,581. The decrease was expected but ended being higher than anticipated because the actual sales tax was $188,620 lower.

The apportionment for the FY 2014-15 year estimates $1,215,417 in sales tax revenues and the use of none of the fund balance reserve.

COUNTY OF SUTTER LOCAL TRANSPORTATION FUND

Sales tax revenues increased for the sixth year in a row. This year's sales tax revenues increased by $121,344 (3 percent) to $3.7 million for the year. The previous year increase was $160,746 (5 percent). The sales tax estimate in the findings of apportionment was $3,619,100, and the actual sales revenues ended up $65,903 (2 percent) higher than the estimate.

The FY 2013-14 apportionment expenditure was based on a sales tax estimate of $3,619,000 and the use of $495,436 of fund balance, totaling $4.1 million. The previous year's apportionment amount was $3.7 million.

Fund Balance, which represents cumulated unapportioned amounts, ended up at $116,659, a decrease of $420.358 from last year, primarily because the increased sales tax of $65,903 partially offset the $495,436 the County planned to use to pay apportionments.

The apportionment for the FY 2014-15 year estimates $3,583,122 in sales tax revenue, and a $64,262 use of the fund balance reserve. The sales tax estimate for FY 2014-15 is reasonable based on the actual sales tax revenues for FY 2013-14.

COUNTY OF YOLO LOCAL TRANSPORTATION FUND

Sales tax revenues have increased steadily for each of the last five years. This year's sales tax revenue increased by $336,109 (4 percent) to $9.5 million for the year. The previous year increase was $898,119 (11 percent) for a total of $9.1 million.

Apportionment expenditures increased by $0.6 million (7 percent) over last year, to $10.2 million. The apportionment amount was based on a sales tax estimate of $8.7 million and the use of accumulated fund balance of $1.5 million totaling $10.2 million. As it turns out, the actual sales tax revenue was $9.4 million, which was $700,000 higher than projected.

Fund Balance, which represents cumulated unapportioned amounts, ended up at $968,827, a decrease of $772,978 from last year. Yolo County projected a use of $1.5 million of fund balance; however the need for the full amount was partially negated by the additional sales tax that was received over what was planned through the apportionment process.

The apportionment for the FY2014-15 year estimates $9,690,101 in sales tax revenue and the use of $996,343 use of fund balance reserve.

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

The Capitol Valley SAFE remains a fiscally strong fund with a reliable stream of revenue. The original and final budgets projected a $200,743 increase in fund balance. The actual fund balance increased by $353,609 for the year. The actual to budget difference was attributed to higher revenues of $88,490 and lower than expected expenditures of $64,376. Actual Vehicle registration revenues were higher by $79,722 (3.6%) compared to last year.

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

GLENN COUNTY SAFE

The Glenn County SAFE fund balance increased by $6,684compared to last year. The previous year's fund balance increase was $13,141. Vehicle registration fee revenues increased slightly by $648 this year and expenses were higher by $6,525. For the four years ending June 30, 2013 the annual revenues averaged $10,000 to $13,000 higher than the annual expenses. This year the difference was $6,684.

Budget

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

The second phase of the budget process is the adoption of the operating budget for SACOG. This includes the administrative budget related to the OWP, office equipment expenditures, the

Board of Directors and Advocacy Budget, and other related functions not associated with the OWP. This second phase is adopted no later than June for the following fiscal year.

SACOG's Planning and Administration fund original budget included the use of beginning fund balance of $1,630,376, which is a combination of the four items below:

- Use of funds from the SACOG Managed Fund of $1,797,000.
- Use of funds from the Project Specific Carryover fund (for Paratransit, Inc.) of $53,789.
- Use of funds from the Board and Advocacy Fund of $29,797.
- Source of funds from the SACOG Planning and Administration fund of $250,210.

The total budgeted use of total fund balance was later amended upward by $172,204 to $1,802,580, mainly due to a decrease in the SACOG Planning and Administration fund amount.

The actual change in fund balance in the Planning and Administration Fund was a decrease of $498,517. More information about this is on page A-10 and in Schedule B of the Notes to the Financial Statements

Actual revenues totaled $20,130,332 while the final budget revenue estimate was $47,927,058, leaving a difference of $27,796,726. Actual expenditures totaled $23,431,622 compared to the final budget estimate of $51,679,220, causing a difference of $28,247,598. Both revenue and expenditures reflect an approximate corresponding (offsetting) difference approximating $28 million, as the majority of SACOG revenues and expenditures are reimbursement based.

Approximately $21 million of the $28 million difference is attributed to Federal Funding, and of this amount $7.5 million is attributed to a budget line item (for both revenue and expense) that is really an annual memo entry only, for a federal project that has to be included in our federal Overall Work Program (OWP). Also, $9.5 million of the difference is attributed to two projects that fall within the Congestion Mitigation and Air Quality (CMAQ) category (SECAT project and Connect Card), both of which are ongoing.

Approximately $5.2 million of the $28 million difference is attributed to the various 15 State funded projects. The largest of which was PTMISEA funding of the Connect Card project, which ended up $2.1 less than was budgeted for the year.

Capital Assets

Total investment in capital assets at June 30, 2014, net of accumulated depreciation, was $148,847, a increase of $46,630 from the prior year. The primary reason for the decrease was depreciation expense. Capital additions were $93,960 for the year. Planning and Administration assets are primarily computers and other office equipment. SAFE assets are fixed call box capital costs.

	Planning and Administration	Capitol Valley Regional SAFE	Glenn County SAFE	Total - Gorvernmental Activities
Equipment, Furniture, Phones, computers, and software	$ 1,210,271	$ -	-	$ 1,210,271
SAFE Equipment		5,202,240	195,659	5,397,899
Less Accumulated Depreciation	(1,061,424)	(5,202,240)	(195,659)	(6,459,323)
Capital Assets, Net	$ 148,847	$ -	$ -	$ 148,847

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

Economic Factors and Next Year's Budget

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

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

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

In the long term, we expect funding levels to continue increase as the economy improves. The number of discretionary grants which SACOG typically receives each year for various transportation and transit planning functions is subject to change, but the state financial outlook is improved with a significant increase in capital gains income in calendar year 2014. While the federal outlook has been positive for fiscal years 2013-14 with the reliability of a federal transportation reauthorization bill, that bill expires May 2015. It is highly unlikely that a new authorization bill will be passed in 2015, so at best, revenues will be constant in the remaining period of fiscal year 2014-15. SACOG is actively monitoring the federal transportation funding outlook and will remain focused on continuing advocacy efforts for stable federal transportation funding in the coming fiscal year. Federal funds flowing through the state are secure from the state budget annual challenges, as they are segregated from other state funding sources. However, the release of those funds to SACOG can be delayed if the state budget is not approved in a timely manner. Since state budget reform was enacted in 2012 that allows for a simple majority of the Legislature to pass the budget, there have been no budget delays

In May 2014, the SACOG Board of Directors adopted a final FY 2014-15 budget of $40,310.039. This budget projects the use of reserve funds in categories similar to that of the previous year. Reserve funds planned usage includes $1.7 million is for projects for the SACOG Managed Fund, $118,000 for the Board of Director's and Advocacy Fund, and $83,000 for equipment. The budget includes the Overall Work Program (OWP), of which includes expenditures to fund the transportation planning projects for the year, of which a significant portion was for rollover grant funding or pass-through to other agencies. The OWP continues a focus on the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), with particular emphasis on implementation now that the MTP/SCS 2035 was approved in April 2012. This focus will include strategies to fund early year plan priorities and support local jurisdictions interested in pursuing SB375 CEQA benefits that became available with the adoption of the MTP/SCS. SACOG will also continue to complete work related to the RUCS project as part of, and in concert, with implementation of the MTP/SCS. Continuing projects include the next phase implementation of the Connect Card and the Intelligent Transportation Systems' STARNET project, and the Plug-In Electric Vehicle work.

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

Requests for Information

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

Sacramento Area Council of Governments

Statement of Net Position

June 30, 2014

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	$	54,063,085
Receivables		24,708,818
Other assets		20,472
Non-current assets:		
Capital assets, net		148,847
Total Assets		78,941,222
LIABILITIES		
Current liabilities:		
Payables		24,115,589
Long term liabilities - Due within one year		12,984
Compensated absences - Due within one year		46,013
Subtotal		24,174,586
Non-current Liabilities		
Long term liabilities		63,839
Compensated absences		874,252
Net other post employment liability		261,833
Subtotal		1,199,924
Total Liabilities		25,374,510
NET POSITION		
Investment in Capital Assets		148,847
Restricted for Transportation Projects		917,880
Restricted for Transportation Claimants		36,701,567
Unrestricted		15,798,418
Total Net Position	$	53,566,712

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

Sacramento Area Council of Governments

Statement of Activities

For the Fiscal Year Ended June 30, 2014

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	$ 23,478,952	$ 424,844	$ 22,010,737	$ (1,043,371)
Transportation claimants	82,519,242	-	-	(82,519,242)
PTMISEA	10,872,693	-	170,197	(10,702,496)
Capitol Valley Regional SAFE	1,955,345	2,269,183	-	313,838
Glenn County SAFE	23,781	30,303	-	6,522
Total Governmental Activities	$ 118,850,013	$ 2,724,330	$ 22,180,934	$ (93,944,749)

General revenues:	
State shared revenue - sales and use tax	79,607,818
Investment earnings	81,680
In-kind Revenue	582,399
Other	104,742
Total General Revenue	80,376,639
Change in net position	(13,568,110)
Net Position - Beginning	67,134,822
Net Position - Ending	$ 53,566,712

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

Sacramento Area Council of Governments

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2014

	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 (Special Revenue)
Assets					
Cash and investments	$ 9,504,306	$ 3,885,417	$ 31,941	$ 19,220,954	$ 2,576,140
Accounts receivable	-	-	-	-	-
Miscellaneous receivable	442	-	-	-	-
Due from other governments	9,291,908	-	-	-	4,106,660
Due from other funds	-	-	-	1,209,177	-
Interest receivable	11,847	3,779	44	26,132	2,713
Prepaid items	18,011	-	-	-	-
Total assets	$ 18,826,514	$ 3,889,196	$ 31,985	$ 20,456,263	$ 6,685,513
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 3,338,165	$ -	$ -	$ -	$ -
Accrued liabilities	149,470	-	-	-	-
Due to other governments	46,140	-	31,985	2,179,981	6,333,972
Due to other funds	1,209,177	-	-	-	-
Total liabilities	4,742,952	-	31,985	2,179,981	6,333,972
Fund Balances:					
Nonspendable:					
Prepaid Items	18,011	-	-	-	-
Restricted:					
PTMISEA Funds	-	-	-	18,276,282	-
State Transit Assistance Funds	-	-	-	-	351,541
Local Transportation Funds - Sacramento County	-	-	-	-	-
Local Transportation Funds - Yuba County	-	-	-	-	-
Local Transportation Funds - Sutter County	-	-	-	-	-
Local Transportation Funds - Yolo County	-	-	-	-	-
Capitol Valley Regional SAFE	-	-	-	-	-
Glenn County SAFE	-	-	-	-	-
Restricted for Transportation Projects	917,880				
Committed:					
Board & Advocacy	166,323	-	-	-	-
SACOG Managed Fund Grantees	1,256,846	-	-	-	-
Assigned:					
Legal Defense	500,000	-	-	-	-
Self Insurance	200,000	-	-	-	-
Project Specific Carryover Funds	193,182	-	-	-	-
GIS Recipients	139,897	-	-	-	-
Post Employment Benefits (OPEB)	-	3,889,196	-	-	-
Unassigned:					
Unasigned Fund Balance	10,691,423		-	-	-
Total fund balances	14,083,562	3,889,196	-	18,276,282	351,541
Total liabilities and fund balances	$ 18,826,514	$ 3,889,196	$ 31,985	$ 20,456,263	$ 6,685,513

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

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2014

Special Revenue						
Local Transportation Funds						
Sacramento County	Yuba County	Sutter County	Yolo County	Capitol Valley Regional SAFE	Glenn County SAFE	Total Governmental Funds
$ 8,120,012	$ -	$ 547,826	$ 5,272,790	$ 4,763,010	$ 140,689	$ 54,063,085
-	-	-	-	408,618	5,113	413,731
-	-	-	-	-	-	442
8,348,600	193,600	656,800	1,637,000	-	-	24,234,568
-	-	-	-	-	-	1,209,177
8,390	213	2,443	-	4,384	132	60,077
-	-	-	-	2,461	-	20,472
$ 16,477,002	$ 193,813	$ 1,207,069	$ 6,909,790	$ 5,178,473	$ 145,934	$ 80,001,552
$ -	$ -	$ -	$ -	$ 249,618	$ 8,700	$ 3,596,483
-	-	-	-	-	-	149,470
4,620,019	126,166	1,090,410	5,940,963	-	-	20,369,636
-	-	-	-	-	-	1,209,177
4,620,019	126,166	1,090,410	5,940,963	249,618	8,700	25,324,766
-	-	-	-	2,461	-	20,472
-	-	-	-	-	-	18,276,282
-	-	-	-	-	-	351,541
11,856,983	-	-	-	-	-	11,856,983
-	67,647	-	-	-	-	67,647
-	-	116,659	-	-	-	116,659
-	-	-	968,827	-	-	968,827
-	-	-	-	4,926,394	-	4,926,394
-	-	-	-	-	137,234	137,234
						917,880
						-
-	-	-	-	-	-	166,323
-	-	-	-	-	-	1,256,846
						-
-	-	-	-	-	-	500,000
-	-	-	-	-	-	200,000
-	-	-	-	-	-	193,182
-	-	-	-	-	-	139,897
-	-	-	-	-	-	3,889,196
-	-	-	-	-	-	10,691,423
11,856,983	67,647	116,659	968,827	4,928,855	137,234	54,676,786
$ 16,477,002	$ 193,813	$ 1,207,069	$ 6,909,790	$ 5,178,473	$ 145,934	$ 80,001,552

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

Fund balances - total governmental funds	$ 54,676,786
Amounts reported for governmental activities in the statement of net position are different because:	
Net OPEB Obligation.	(261,833)
Long term liability, not due in the current period, therefore, not reported in the funds.	(76,823)
Capital assets used in government activities are not financial resources, and are not reported in the funds.	148,847
Compensated absences not due and payable in the current period, and not reported in the funds.	(920,265)
Net position of governmental activities	$ 53,566,712

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

Sacramento Area Council of Governments

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

For the Fiscal Year Ended June 30, 2014

		Special Revenue			
	Planning and Administration	SACOG Financing Corporation	Sacramento Emergency Clean Air and Transportation Program	Public Transportation Modernization, Improvement & Service Enhancement Account	State Transit Assistance
Revenues:					
Sales and use taxes	$ -	$ -	$ -	$ 170,197	$ 14,365,413
Vehicle registration fees and traffic fines	-	-	-	-	-
Intergovernmental:					
Federal	12,847,391	-	-	-	-
State	4,783,759	-			-
Local	1,410,738	-	-	-	-
Charges for services	140,574	-	-	-	-
Member assessments	284,270	-	-	-	-
Investment earnings	11,847	3,779	-	26,132	2,713
In-kind	582,399	-	-	-	-
Other	69,354	-	-	-	-
Total revenues	20,130,332	3,779	-	196,329	14,368,126
Expenditures:					
Current:					
Transportation Claimaints					
City of Elk Grove	-	-	-	-	908,044
City of Citrus Heights	-	-	-	-	436,309
City of Davis	-	-	-	-	482,024
City of Folsom	-	-	-	-	422,842
City of Galt	-	-	-	-	125,232
City of Isleton	-	-	-	-	4,213
City of Live Oak	-	-	-	-	-
City of Marysville	-	-	-	-	-
City of Sacramento	-	-	-	-	-
City of West Sacramento	-	-	-	-	256,394
City of Rancho Cordova	-	-	-	-	-
City of Wheatland	-	-	-	-	-
City of Winters	-	-	-	-	35,573
City of Woodland	-	-	-	-	289,444
City of Yuba City	-	-	-	-	-
County of Sacramento	-	-	-	-	166,233
County of Sutter	-	-	-	-	-
County of Yolo	-	-	-	-	131,619
County of Yuba	-	-	-	-	-
Sacramento Regional Transit District	-	-	-	-	9,520,611
Yuba-Sutter Transit Authority	-	-	-	-	952,242
Yolo County Transportation District	-	-	-	-	213,026
Paratransit, Inc	-	-	-	-	-
SAFE services	-	-	-	-	-
Freeway service patrol	-	-	-	-	-
Equipment and maintenance	-	-	-	-	-
Insurance and DMV fees	-	-	-	-	-
Planning and administration	22,331,342	-	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	-	-	-	10,872,693	-
Payments to SMF grantees	1,005,170	-	-	-	-
Capital outlay	95,110	-	-	-	-
Total expenditures	23,431,622	-	-	10,872,693	13,943,806
Excess (deficiency) of revenues over (under) expenditures	(3,301,290)	3,779	-	(10,676,364)	424,320
Other Financing Sources (Uses):					
Transfers in	2,802,773	-	-	-	-
Transfers out	-	-		-	-
Total other financing sources (uses)	2,802,773	-	-	-	-
Net change in fund balances	(498,517)	3,779	-	(10,676,364)	424,320
Fund balances - beginning	14,582,079	3,885,417	-	28,952,646	(72,779)
Fund balances - ending	$ 14,083,562	$ 3,889,196	$ -	$ 18,276,282	$ 351,541

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

Sacramento Area Council of Governments

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

For the Fiscal Year Ended June 30, 2014

Special Revenue						
Local Transportation Funds				Capitol Valley Regional SAFE	Glenn County SAFE	Total Governmental Funds
Sacramento County	Yuba County	Sutter County	Yolo County			
$ 50,907,469	$ 1,188,280	$ 3,685,003	$ 9,461,653	$ -	$ -	$ 79,778,015
-	-	-	-	2,269,182	30,303	2,299,485
-	-	-	-	-	-	12,847,391
-	-	-	-	-	-	4,783,759
-	-	-	-	-	-	1,410,738
-	-	-	-	-	-	140,574
-	-	-	-	-	-	284,270
8,390	4,198	9,175	10,930	4,384	132	81,680
-	-	-	-	-	-	582,399
-	-	-	-	35,388	-	104,742
50,915,859	1,192,478	3,694,178	9,472,583	2,308,954	30,435	102,313,053
5,451,477	-	-	-	-	-	6,359,521
2,932,436	-	-	-	-	-	3,368,745
-	-	-	3,161,117	-	-	3,643,141
2,542,428	-	-	-	-	-	2,965,270
841,685	-	-	-	-	-	966,917
28,318	-	-	-	-	-	32,531
-	-	336,684	-	-	-	336,684
-	77,028	-	-	-	-	77,028
339,472	-	-	-	-	-	339,472
-	-	-	2,395,280	-	-	2,651,674
47,641	-	-	-	-	-	47,641
-	85,968	-	-	-	-	85,968
-	-	-	332,332	-	-	367,905
-	-	-	2,704,045	-	-	2,993,489
-	-	1,696,190	-	-	-	1,696,190
1,515,357	-	-	-	-	-	1,681,590
-	-	756,226	-	-	-	756,226
-	-	-	1,234,615	-	-	1,366,234
-	883,272	-	-	-	-	883,272
34,608,256	-	-	-	-	-	44,128,867
-	763,178	1,157,522	-	-	-	2,872,942
-	-	-	-	-	-	213,026
1,882,136	-	-	-	-	-	1,882,136
-	-	-	-	345,767	21,821	367,588
-	-	-	-	831,623		831,623
-	-	-	-	656,886	-	656,886
-	-	-	-	11,143	148	11,291
-	-	-	-	109,926	1,812	22,443,080
-	-	-	-	-	-	10,872,693
-	-	-	-	-	-	1,005,170
-	-	-	-	-		95,110
50,189,206	1,809,446	3,946,622	9,827,389	1,955,345	23,781	115,999,910
726,653	(616,968)	(252,444)	(354,806)	353,609	6,654	(13,686,857)
-	-	-	-	-	-	2,802,773
(2,140,074)	(76,613)	(167,914)	(418,172)	-	-	(2,802,773)
(2,140,074)	(76,613)	(167,914)	(418,172)	-	-	-
(1,413,421)	(693,581)	(420,358)	(772,978)	353,609	6,654	(13,686,857)
13,270,404	761,228	537,017	1,741,805	4,575,246	130,580	68,363,643
$ 11,856,983	$ 67,647	$ 116,659	$ 968,827	$ 4,928,855	$ 137,234	$ 54,676,786

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

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

For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds (page A-26)	$ (13,686,857)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay for Planning and Adminstrative Fund	95,110
Depreciation expense for Planning & Administrative Fund	(47,330)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Debt for OPEB Liability	12,984
Compensated absences for Planning & Adminstrative Fund	57,983
Change in net position of governmental activities (page A-23)	$ (13,568,110)

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Intergovernmental:				
Federal	$ 35,141,927	$ 33,824,562	$ 12,847,391	$ (20,977,171)
State	7,453,410	10,000,074	4,783,759	(5,216,315)
Local	1,548,100	2,165,449	1,410,738	(754,711)
Charges for services	239,950	207,211	140,574	(66,637)
Member assessments	284,270	284,270	284,270	-
Investment earnings	10,000	10,000	11,847	1,847
In-kind	1,510,506	1,435,492	582,399	(853,093)
Other	-	-	69,354	69,354
Total revenues	46,188,163	47,927,058	20,130,332	(27,796,726)
Expenditures:				
Current:				
Planning and administration	50,411,454	51,609,220	23,336,512	28,272,708
Capital outlay	70,000	70,000	95,110	(25,110)
Total expenditures	50,481,454	51,679,220	23,431,622	28,247,598
Deficiency of revenues under expenditures	(4,293,291)	(3,752,162)	(3,301,290)	450,872
Other Financing Sources:				
Transfers in	2,662,915	1,949,582	2,802,773	853,191
Total Other Financing Uses	$ 2,662,915	$ 1,949,582	$ 2,802,773	$ 853,191
Change in fund balances	$ (1,630,376)	$ (1,802,580)	(498,517)	$ 1,304,063
Fund balance - beginning			14,582,079	
Fund balance - ending			$ 14,083,562	

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

Sacramento Area Council of Governments

Statement of Revenues, Expenditures, and Changes in Fund Balances

BUDGET AND ACTUAL – CAPITOL VALLEY REGIONAL SAFE SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget Postive (Negative)
Revenues:				
Vehicle registration fees	$ 2,178,964	$ 2,178,964	$ 2,269,182	$ 90,218
Investment earnings	10,000	10,000	4,384	(5,616)
Other	31,500	31,500	35,388	3,888
Total revenues	2,220,464	2,220,464	2,308,954	88,490
Expenditures:				
Current:				
SAFE services	436,361	436,361	345,767	90,594
Freeway Service Patrol	891,116	891,116	831,623	59,493
Equipment and maintenance	469,373	469,373	656,886	(187,513)
Insurance and DMV fees	21,000	21,000	11,143	9,857
Planning and administration	201,871	201,871	109,926	91,945
Total expenditures	2,019,721	2,019,721	1,955,345	64,376
Change in fund balance	$ 200,743	$ 200,743	353,609	$ 152,866
Fund balance - beginning			4,575,246	
Fund balance - ending			$ 4,928,855	

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. Title 26 of the Internal Revenue Code, Section 115, states that income derived from a governmental function is tax exempt. Since SACOG's members are all governmental entities and SACOG exercises the common powers of its members, SACOG exercises governmental functions. Therefore, SACOG's income is exempt from federal taxation.

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

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

SACOG's various designations and certifications include:

Designations as:

- Regional Transportation Planning Agency for Sacramento, Sutter, Yolo, and Yuba counties by the California State Secretary of Business, Transportation and Housing Agency.
- Metropolitan Planning Organization (MPO) by the Governor and the U.S. Department of Transportation for the Sacramento, Yuba City, and Davis Urbanized Areas.
- Metropolitan Planning Organization in the Sacramento Metropolitan Planning Area (MPA) by the California State Secretary of Business, Transportation and Housing Agency.
- Airport Land Use Commission for Sacramento, Sutter, Yolo and Yuba counties.
- Service Authority for Freeway and Expressways for Sacramento, San Joaquin, Yolo, Yuba, Sutter, and El Dorado counties.
- Area Wide Clearinghouse for the counties of Sacramento, Sutter, Yolo, and Yuba and the cities of Lincoln, Rocklin, and Roseville by the State of California Procedures of Intergovernmental Review of Federal Financial Assistance and Direct Development Activities.
- Designated recipient for the Sacramento large urbanized area for FTA Section 5316 Job Access Reverse Commute (JARC) and FTA Section 5317 New Freedom Programs.

NOTE A, Continued

Joint Certification as:

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

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

Blended Component Units:

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

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

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

NOTE A, Continued

II. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

III. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

NOTE A, Continued

SACOG Reports the Following General Fund:

Planning and Administration Fund

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

The current cash balance in the SACOG Managed Fund is $7,630,295 at year-end. As of June 30, 2014, the SACOG Managed fund temporarily loaned the SACOG Planning and Administrative Fund $1,750,000 to aid with SECAT cash flow payments. This loan was paid back in July 2014. At year-end there was$1,256,846 of project commitments against the cash balance amount via the previous funding rounds. The SACOG Managed Fund's unassigned fund balance approximates $8.1 million. Management continues to work on a board policy for the use of those funds.

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 earned on the funds. The Financing Corporation is a blended component unit and its general fund is reported as a special revenue fund of SACOG.

Sacramento Emergency Clean Air and Transportation Program Fund (SECAT)

Accounts for the revenues and expenditures restricted for SACOG's administration of the Traffic Congestion Relief Program (TCRP), funded by the State of California.

Public Transportation, Modernization, Improvement & Service Enhancement Account

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

State Transit Assistance Fund

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

Local Transportation Funds

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

NOTE A, Continued

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

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 AND NET POSITION OR FUND BALANCE

Investments

Investments are recorded at fair value, which is the quoted market price.

Accounts Receivable/Payable

These amounts represent receivables/payables with other agencies, vendors, employees and other miscellaneous transactions due at June 30, 2014.

Due from/to Other Funds

These amounts represent receivables/payables with other funds that that are presented in these financial statements. Interfund balances are expected to be repaid within one year from the date of the financial statements. These Interfund balances are eliminated on the government-wide financial statements.

Due from/to Other Governments

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

Interest Receivable

Investment income available but not yet received at June 30, 2014.

Prepaid Items

Payments for services that will benefit periods beyond June 30, 2014.

NOTE A, Continued

Capital Assets (including Intangible Assets)

Capital and intangible assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the Sacramento Area Council of Governments date 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 in excess of two years. Capital and intangible assets used in operations are depreciated/ amortized using the straight-line method over their estimated useful lives in the government-wide statements of net position. The estimated useful lives for furniture and equipment are 3 to 15 years.

Compensated Absences

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

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

Interfund Transfers (Transfers in and Transfers out)

Interfund transfers typically report the amounts provided to SACOG for planning and administrative services performed by the four Local Transportation Funds. Transfers in are the funds SACOG receives from the four LTF funds. Transfers out are the funds each county sends to SACOG. The balances will zero out on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

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

NOTE A, Continued

accurately categorize fund balance as per Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*

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

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

Fund Balance

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

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

For June 30, 2014, there is a new fund balance category called Restricted for Transportation Projects. This 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 needs to be restricted for the expenditures for these project activities, as they are expected to occur in future years.

NOTE A, Continued

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

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

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

Assigned – This category represents amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision-making or by an official designated for that purpose. The SACOG Board of Directors has designated the Chief Executive Officer 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 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, 2014 the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund is $8.1 million. Management continues work on developing an official Board policy for these funds.

New Accounting Pronouncements Adopted in Current Year

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards that may have a significant impact on SACOG's financial reporting process. The following pronouncements were implemented for the year ended June 30, 2014:

NOTE A, Continued

GASB Statement No. 65 Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, *Elements of Financial Statements,* introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 66 Technical Corrections—2012—An Amendment of GASB Statements No. 10 and No. 62. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.*

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs

NOTE A, Continued

significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* respectively.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Governmental Accounting Standards Board No. 70

In April 2013, GASB issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued its guaranteed liabilities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

NOTE B — Budgetary Information

The Board adopts an annual budget for the SACOG Planning and Administration and Capitol Valley SAFE Special Revenue funds based on anticipated projects at the beginning of the year.

SACOG reports its primary activities through the Planning and Administrative General Fund. The budget is approved in two phases. One phase is the Overall Work Program (OWP) budget which is the plan for transportation related projects which is a major portion of the Planning and Administration fund budget, 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, 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 on the modified accrual basis of accounting. Within the OWP budget, the level of budgetary control is at the element level. Board approval is needed if costs are expected to exceed the element total, or if new projects are added to the element.

No annual adopted budget is prepared for the remaining special revenue funds as they are special purpose funds whose ending fund balance at June 30 becomes the amount available for the next fiscal year.

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.

NOTE B, Continued

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.

The table on the next page is not a required document for the financial statements. However, management believes that it provides more detail that will be helpful the readers of these financial statements to understand the various funds (their original and final budgets and actual amounts) that operate under the umbrella of the SACOG Planning and Administration Fund. As you will see below, the primary reason that SACOG reflects an original Budget deficit of $1,630, 376 is because of the expenditures related to the SACOG Managed Fund, not the SACOG Planning Administration Fund itself, which shows a $250,210 (positive) original budget number.

The summary amounts are found on page A-29 Statement of Revenues, Expenditures, and Changes in Fund Balances. The actual fund balance decreased by $498,517 for the year.

Planning and Administration Fund

	Original Budget	*Final Budget*	*Actual Amounts*	*Final Budget Positive (Negative) Difference*
SACOG Planning and Administration Fund	*$ 250,210*	*$ 78,706*	*$ 542,197*	*$ 463,491*
Use of SACOG Managed Fund loan for year-end To SACOG Planning and Administration Fund			*1,750,000*	*1,750,000*
Subtotal for SACOG Planning and Administration Fund	*250,210*	*78,706*	*2,292,197*	*2,213,491*
Use of SACOG Managed Fund	*(1,797,000*	*(1,797,000*	*(1,005,170)*	*791,830*
Interest for SACOG Managed Fund			*9,404*	*9,404*
Loan from SACOG Managed Fund to SACOG for Year-end			*(1,750,000)*	*(1,750,000)*
Subtotal Use of SACOG Managed Fund	*(1,797,000)*	*(1,797,000)*	*(2,745,766)*	*(948,766)*
Paratransit, Inc. Four Party Agreement Funds	*(53,789)*	*(53,789)*	*-*	*$53,789*
GIS Recipients Fund			*22,500*	*22,500*
Board and Advocacy Fund	*(29,797)*	*(29,797)*	*(67,448)*	*(37,651)*
Totals	*$(1,630,376*	*$(1,802,580)*	*$ (498,517)*	*$1,182,695*

NOTE C — Cash and Investments

AUTHORIZED INVESTMENTS

The table on the next page identifies the investments types that are authorized by the California Government Code Section 53601 et seq. and 53635 et seq. This 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 Board of Supervisors, and independent special districts (SACOG being a JPA) who's "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 List 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, 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
Bonds Issued by Local Agencies	5 years	80%	--	SP-1/MIGI
Registered State Warrants and Municipal Notes	5 years	80%	--	None
Bankers' Acceptances	180 days	40%	10%	A-1
Commercial Paper	270 days	40%	10%	A1/P1
Negotiable Certificates of Deposit	180 days	30%	10%	A-1
CRA Bank Deposits/Certificates of Deposit	1 Year	30%	--	A-2/P-2
Repurchase Agreements	1 year	30%	10%	None
Reverse Repurchase Agreements	92 days	20%	10%	None
Medium Term Corporate Notes	180 days	30%	10%	A-1
Shares of Money Market Mutual fund	SEC regs	20%	10%	None
Collateralized Mortgage Obligations	180 days	20%	10%	None
Local Agency Investment Fund (LAIF)	---	$50 million per account	10%	None

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

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

INTEREST RATE RISK

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

NOTE C, Continued

	Maturity		
	No Maturity	0-5 Years	Total Fair Values Balance at June 30, 2014
Petty cash	$ 300	$ -	$ 300
Deposits in banks	230,848	-	230,848
County of Sacramento investment pool	-	48,011,321	48,011,321
County of Sutter investment pool	-	547,826	547,826
County of Yolo investment pool	-	5,272,790	5,272,790
Total cash and investments	$231,148	$53,831,937	$54,063,085

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 $230,848 which was fully insured and collateralized.

NOTE D — Receivables

Receivables as of June 30, 2014 for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Misc. A/R	Total
Planning and Administration	$ -	$ 9,291,908	$ 11,847	442	$ 9,304,197
SACOG Financing Corporation	-	-	3,779	-	3,779
SECAT	-	-	44	-	44
PTMISEA	-	-	26,132	-	26,132
State Transit Assistance	-	4,106,660	2,713	-	4,109,373
Sacramento County Local Transportation Fund	-	8,348,600	8,390	-	8,356,990
Yuba County Local Transportation Fund	-	193,600	213	-	193,813
Sutter County Local Transportation Fund	-	656,800	2,443	-	659,243
Yolo County Local Transportation Fund	-	1,637,000	-	-	1,637,000
Capitol Valley Regional SAFE	408,618	-	4,384	-	413,002
Glenn County SAFE	5,113	-	2,461	-	7,564
Total Receivables – Governmental Activities	**$ 413,731**	**$ 24,234,568,**	**$ 62,406**	**$ 442**	**$ 24,711,137**

NOTE E — Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014
SACOG				
Computers	$ 246,865	$ 25,285	$ 35,943	$ 236,208
Furniture and Equipment	683,109	31,537	13,003	701,643
Phones	35,360	22,204	-	57,564
Intangible Assets - Software	199,921	14,934	-	214,855
Total for SACOG	1,165,256	93,960	48,946	1,210,271
Capitol Valley SAFE				
SAFE Equipment	5,202,240	-	-	5,202,240
Total for Capitol Valley SAFE	5,202,240	-	-	5,202,240
Glenn County SAFE - SAFE Equipment	195,659	-	-	195,659
Total Capital Assets	6,563,155	93,960	48,946	6,608,170
Less Accumulated Depreciation/Amortization for:				
SACOG				
Computers	221,402	23,601	35,942	209,061
Furniture and Equipment	659,356	9,262	13,003	655,615
Phones	35,360	-	-	35,360
Intangible Assets - Software	146,921	14,468	-	161,389
Total for SACOG	1,063,039	47,330	48,945	1,061,424
Capitol Valley SAFE				
SAFE Equipment	5,202,240	-	-	5,202,240
Total for Capitol Valley SAFE	5,202,240	-	-	5,202,240
Glenn County SAFE - SAFE Equipment	195,659	-	-	195,659
Total Accumulated Depreciation/Amortization	6,460,938	47,330	48,945	6,459,324
Net Book Value of Assets				
SACOG				
Computers	25,463	1,685	-	27,147
Furniture and Equipment	23,754	22,275	-	46,029
Phones	-	22,204	-	22,204
Intangible Assets - Software	53,000	466	-	53,466
Total for SACOG	102,217	46,630	-	148,847
Capitol Valley SAFE				
SAFE Equipment	-	-	-	-
Total for Capitol Valley SAFE	-	-	-	-
Glenn County SAFE - SAFE Equipment	-	-	-	-
Total Net Book Value of Capital Assets	$ 102,217	$ 46,630	$ -	$ 148,847

NOTE E, Continued

Depreciation expense was charged to the governmental activities as follows:

Planning and Administration	$ 47,330
Total depreciation expense	**$ 47,330**

NOTE F - Payables

Payables as of June 30, 2014, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities and Deferred Revenue	Due to Other Governments	Total
Planning and Administration	$ 3,338,165	$ 149,470	$ 46,140	$ 3,533,775
Sacramento Emergency Clean Air and Transportation Program	-	-	31,985	31,985
PTMISEA	-	-	2,179,981	2,179,981
State Transit Assistance Fund	-	-	6,333,972	6,333,972
Sacramento County Local Transportation Fund	-	-	4,620,019	4,620,019
Sutter County Local Transportation Fund	-	-	1,090,410	1,090,410
Yolo County Local Transportation Fund	-	-	5,940,963	5,940,963
Capitol Valley Regional SAFE	249,618	-	-	249,618
Glenn County SAFE	8,700	-	-	8,700
Total Payables – Governmental Activities	$3,596,483	$ 149,470	$ 20,243,470	$23,989,423

NOTE G — Operating Lease

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

Rental expenditures for the fiscal year ended June 30, 2014 were $597,373. Common Area Maintenance (CAM) costs were $4,800.

As of June 30, 2014, SACOG minimum lease payments required under the lease are as follows:

Year ending June 30	
2015	$ 614,943
2016	620,800
2017	638,369
2018	644,226
2019	661,796
Thereafter	166,913
Total	$ 3,347,047

NOTE H — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Deletions	June 30, 2014	Due within One year
Compensated absences	$979,398	$ 772,078	$ (831,211)	$ 920,265	$ 46,013

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 grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, SACOG believes such disallowance, if any, will be immaterial.

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

Commitments (purchase orders) for the Planning and Administration Fund are $6,805,645 at June 30, 2014. The PTMISEA Fund commitments (purchase orders) totaled $29,721,220 at June 30, 2014. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

In 2010, SACOG incurred a long-term severance liability (in lieu of an OPEB benefit) of $129,814 (that is separate from the OPEB CERBT information found in Note N) as a result of an agreement with an employee who retired from SACOG. Payments approximate $13,000 per year, over 10 years. The balance of this liability is $76,823 at June 30, 2014.

NOTE J — 401(a)/Special Pay Plans

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

The first plan is the FICA-Alternative Plan. This plan is for temporary employees and interns. These employees are exempt from the Old Age and Survivors Disability portion of Social Security and employees contribute 7.5 percent of their gross pay to the plan. These funds are fully vested to the employee. Under this program, neither SACOG nor the employee contributes to Social Security.

The second plan is for year-end PTO hours and employees who terminate employment. Effective July 1, 2006, the negotiated agreement with the SACOG Employee Association effected an amendment to the contract provisions such that the cash value of Paid Time Off (PTO) leave in excess of 592 hours for those employees over age 50 is deposited to the Special Pay Plan. In addition, any employee who separates from SACOG employment will have the cash value of accumulated PTO hours over 80 hours deposited to the Special Pay Plan, subject to IRS limitation. In May 2010, the plan was amended to include contract employees age 35 and older that have a leave balance over 592 hours. Total contributions to this plan were $128,840 for the year.

The third plan is a voluntary 401(a) money purchase program for employees.

NOTE K — Risk Management

SACOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SACOG reports its risk management activities in its Planning and Administration Fund and Capitol Valley Regional SAFE Special Revenue Fund. In this fiscal year, SACOG purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by SACOG from insurance companies.

SACOG's deductibles and maximum coverage are as follows:

Coverage	Deductible	Maximum per Occurrence
General liability, bodily injury and property damage liability	$ 5,000	$ 5,000,000
Personal injury	5,000	5,000,000
Non-owned and hired automobile liability	5,000	5,000,000
Owned automobile liability	5,000	5,000,000
Public official errors and omissions	5,000	5,000,000
Fire damage	5,000	1,000,000
Uninsured motorist	5,000	1,000,000
Employment practice liability	10,000	2,000,000
Crime policy	2,500-25,000	1,000,000
Products and Completed Operations	5,000	5,000,000
Policy Property Limit	1,000	350,000
Insured Property Limit	1,000	1,689746
Maximum per occurrence, for all coverages combined		5,000,000

Until June 30, 2014, SACOG obtained insurance coverage relating to workers' compensation claims through Employers Compensation Insurance Company. SACOG made one annual payment toward the premium. There was no deductible paid by SACOG regarding workers' compensation. The Planning and Administration Fund is used to record any worker's compensation claims.

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

On or after July 1, 2014, SACOG will start receiving workers' compensation, general, property, and other special insurance through the Golden State Risk Management Authority, a pooled risk Joint Powers Authority.

NOTE L — Employee Retirement Plan

PLAN DESCRIPTION

SACOG contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 Q Street, Sacramento, California 95814.

FUNDING POLICY

The contribution requirements of plan members and SACOG are established and may be amended by CalPERS. SACOG's employer rate is based on a CalPERS actuarially-determined rate and was 19.983 percent of covered payroll cost in fiscal year 2013-14. There are three tiers of employees, based on hire date and prior status for another CalPERS agency: Tier 1, Tier 2 and PEPRA Tier.

Tier I: Employees hired before May 2011 have a retirement formula of 2.5% at 55. Tier II: New employees hired after May 2011, except those who fall under the PEPRA Tier, have a retirement formula of 2% at 55. PEPRA Tier: The Public Employees' Pension Reform Act of 2013 (PEPRA) requires SACOG as an employer to change its CalPERS retirement benefit offerings to employees that are new to CalPERS after January 1, 2013. Based on PEPRA, new SACOG employees who have not worked for a CalPERS-member agency in the past six months are considered PEPRA Tier and have a retirement formula of 2% at age 62.

The required member contribution is 8 percent of the employee's annual covered salary for Tier I employees and is determined by state statute. The Tier II rate is 11.21 percent and the required member contribution is 7%. The PEPRA rate is 6.7% and the required member contribution is 6.5%.

Miscellaneous Plan
Employer Portion

Fiscal Year Ended	Required Contribution	Percentage of Required Contribution Made
6/30/12	$ 903,741	100%
6/30/13	$ 960,983	100%
6/30/14	$ 960,622	100%

NOTE L, Continued

SACOG contributes 5.10 percent of the employees' contribution on behalf of its Tier I employees and the employee contributes the remaining 2.90 percent. Tier II employer's contribution is 4.10 percent, and the employee contributes 2.90 percent. The PEPRA Tier employer contribution is 3.60 percent and the employee contributes the remaining 2.90 percent. SACOG's required contribution in dollars and the percentage of that amount contributed for the current year and the two preceding years is as follows:

Miscellaneous Plan
Employee Portion Paid by SACOG

Fiscal Year Ended	Required Contribution	Percentage of Required Contribution Made
6/30/12	$ 284,675	100%
6/30/13	$ 254,675	100%
6/30/14	$ 255,374	100%

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

SACOG POST-RETIREMENT MEDICAL BENEFIT PLAN

(A) Plan Description

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

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently $1,772.13 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 $1,363.18 per month.

NOTE M, Continued

In addition, employees hired prior to July 1, 2006, may "opt out" of any retiree health benefits in exchange for monthly cash payments, net of OASDI and Medicare premiums, equal to the Kaiser Bay Area/Sacramento Two-Party Basic premium as of the retirement date, for ten years from the date of retirement. As of June 30, 2014, 33 retirees and their spouses met the Tier I eligibility requirements; there are no Tier II or Tier III retirees.

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

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

In an effort to further secure the funding of the OPEB obligation; in 2006 the SACOG Board of Directors directed that the funds in the SACOG Financing Corporation fund be assigned for the future costs of the employee post-retirement health benefits. At that time, the Board noted that its action was policy only and, if at some future date it is determined there is a better use for these funds, the policy could be modified or reversed. At June 30, 2014, the amount available in the fund is $3,889,196. Authority to establish and amend the benefit provisions of the plan resides with the SACOG Board of Directors.

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

(B) Funding Policy

The contribution rate is determined on an annual basis by an independent actuary and is authorized by the SACOG Board of Directors. The contribution rate is based on the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (for funding excess) over a period not to exceed thirty years. The ARC for the fiscal year ended June 30, 2014, was 6.43 percent of annual covered payroll.

(C) Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2014, SACOG's annual OPEB cost (expense) was estimated to be $329,998; which was based on the latest actuarial required to be performed, dated June 30, 2013. SACOG actually contributed (paid) $329,998 for the year. The cumulated Net OPEB Obligation amount at June 30, 2014 would remain at $261,833.

NOTE M, Continued

Description	Amount
Annual Required Contribution (ARC)	$327,788
Interest on Net OPEB Obligation	19,925
Adjustment to Annual Required Contribution	(17,715)
Annual OPEB Cost	$329,998
Contributions made	329,998
Increase in Net OPEB	-
Net OPEB Obligation at beginning of year	261,833
Net OPEB Obligation at end of year	$261,833

SACOG's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2014 2013, and 2012, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	394,029	65%	$258,904
2013	$423,928	99%	$261,833
2014	$329,998	100%	$261,833

(D) Funded Status & Funding Progress

As of June 30, 2013, the most recent actuarial valuation, the plan was 54 percent funded. The actuarial accrued liability for benefits was $5,354,655 and the actuarial value of assets was $2,879,055, resulting in an unfunded actuarial accrued liability (UAAL) of $2,475,600. The covered payroll (annual payroll of active employees covered by the plan) for June 30, 2013, was $4,945,535, and the ratio of the UAAL to the covered payroll was 50 percent. The covered payroll (annual payroll of active employees covered by the plan) for June 30, 2014, was $5,095,286.

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

NOTE M, Continued

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

(E) Actuarial Methods and Economic Assumptions

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

In the June 30, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.61 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.7 percent initially, reduced by decrements to an ultimate rate of 5.2 percent after six years. Both rates include a 3.25 percent inflation assumption. The actuarial value of SACOG's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. SACOG's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013, was 25 years.

SACOG participates in the California Employers Retiree Benefit Trust (CERBT) and the SACOG Board of Directors in October 2011 approved using Asset Strategy #1. The long-term investment goal of Strategy No. 1 is a 7.61 percent annual rate of return and as a result the valuation is based on a 7.61 discount rate.

The health care cost trend rate is projected to increase an average of 6.0 percent per year, for the next six years. The health care cost rate recognizes the following influences on health care: pure medical inflation, utilization changes, technological changes, regulatory requirements, and Medicare cost shifting. The actuarial assumptions also included demographic assumptions, estimates for retirement and withdrawal dates, and baseline premium health cost increases by SACOG.

Annual Health Care Cost Trend Rate Assumption

January 1, 2015	6.7%
January 1, 2016	6.4%
January 1, 2017	6.1%
January 1, 2018	5.8%
January 1, 2019	5.5%
January 1, 2020	5.2%

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

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $3.6 billion was set aside by the state as instructed by statute into the PTMISEA account. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA activity for SACOG for the fiscal years ended June 30, 2013, and 2014 are as follows:

		PTMISEA
Cash Balance at July 1, 2012		$ 23,122,473
Receipts: Interest		99,445
Receipts: PTMISEA Funding		27,710,682
Disbursements:	Automated Fare box Improvements	(48,335)
Disbursements:	Commuter Bus Fleet Replacements	(695,000
Disbursements:	Connect Card Implementation	(1,725,939)
Disbursements:	ADA Transition Improvements	(11,608)
Disbursements:	Bus Replacement	(197,183)
Disbursements:	Ahern 12th Street Improvements	(72,751)
Disbursements:	Transit Facilities Improvements	(1,315,195)
Disbursements:	CNG Fueling Facility	(1,277,927)
Disbursements:	Southline Phase II Overcrossing	(5,000,000)
Cash Balance at June 30, 2013		$40,588,662
Receipts: Interest		42,052
Receipts: PTMISEA Funding		170,197
Disbursements:	Automated Fare box Improvements	(72,765)
Disbursements:	Commuter Bus Fleet Replacements	(2,821,180)
Disbursements:	Connect Card Implementation	(2,751,738)
Disbursements:	Transit Facilities Improvements	(935,924)
Disbursements:	Southline Overcrossing & Parking Structure	(14,998,350)
Cash Balance at June 30, 2014		$19,220,954

NOTE O — New Accounting Pronouncements

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

GASB Statement No. 68. Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. Issue June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement.

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).

NOTE O, Continued

- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

Defined Benefit Pensions. This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end). Unless otherwise specified by this Statement, all assumptions underlying the determination of the total pension liability and related measures set forth by this Statement are required to be made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Projections of benefit payments are required to be based on the benefit terms and legal agreements existing at the measurement date and to incorporate the effects of projected salary changes (if the pension formula incorporates future compensation levels) and service credits (if the pension formula incorporates periods of service), as well as projected automatic postemployment benefit changes, including automatic cost-of-living-adjustments (COLAs). Projections also are required to include the effects of ad hoc postemployment benefit changes (including ad hoc COLAs), if they are considered to be substantively automatic.

Projected benefit payments are required to be discounted to their actuarial present value using the single rate that reflects (1) a long-term expected rate of return on pension plan investments to the extent that the pension plan's fiduciary net position is projected to be sufficient to pay benefits and pension plan assets are expected to be invested using a strategy to achieve that return and (2) a tax-exempt, high-quality municipal bond rate to the extent that the conditions for use of the long-term expected rate of return are not met.

NOTE O, Continued

The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

Single and Agent Employers. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.

The pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that are required to be recognized by an employer primarily result from changes in the components of the net pension liability—that is, changes in the total pension liability and in the pension plan's fiduciary net position. This Statement requires that most changes in the net pension liability be included in pension expense in the period of the change. For example, changes in the total pension liability resulting from current-period service cost, interest on the total pension liability, and changes of benefit terms are required to be included in pension expense immediately. Projected earnings on the pension plan's investments also are required to be included in the determination of pension expense immediately.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

Financial Statements Prepared Using the Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting. In governmental fund financial statements, a net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change

NOTE O, Continued

between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.

Notes to Financial Statements. The Statement requires that notes to financial statements of single and agent employers include descriptive information, such as the types of benefits provided and the number and classes of employees covered by the benefit terms. Single and agent employers also should disclose the following information:

For the current year, sources of changes in the net pension liability:

- Significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies
- The date of the actuarial valuation used to determine the total pension liability, information about changes of assumptions or other inputs and benefit terms, the basis for determining employer contributions to the pension plan, and information about the purchase of allocated insurance contracts, if any.

Required Supplementary Information. This Statement requires single and agent employers to present in required supplementary information the following information, determined as of the measurement date, for each of the 10 most recent fiscal years:

Sources of Changes in the Net Pension Liability. The components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered-employee payroll. If the contributions of a single or agent employer are actuarially determined, the employer should present in required supplementary information a schedule covering each of the 10 most recent fiscal years that includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. If the contributions of a single or agent employer are not actuarially determined but are established in statute or by contract, the employer should present a schedule covering each of the 10 most recent fiscal years that includes information about the statutorily or contractually required contribution rates, contributions to the pension plan, and related ratios. Significant methods and assumptions used in calculating the actuarially determined contributions, if applicable, should be presented as notes to required supplementary information. In addition, the employer should explain factors that significantly affect trends in the amounts reported in the schedules, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

Cost-Sharing Employers. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective

NOTE O, Continued

net pension liability. An employer's proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. The use of the employer's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer's proportion is encouraged. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees). The portions of the effects not recognized in the employer's pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions to the pension plan subsequent to the measurement date of the collective net pension liability also are required to be reported as deferred outflows of resources related to pensions.

In governmental fund financial statements, the cost-sharing employer's proportionate share of the collective net pension liability is required to be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and 2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.(

This Statement requires that notes to financial statements of cost-sharing employers include descriptive information about the pension plans through which the pensions are provided. Cost-sharing employers should identify the discount rate and assumptions made in the measurement of their proportionate shares of net pension liabilities, similar to the disclosures about those items that should be made by single and agent employers. Cost-sharing employers, like single and agent employers, also should disclose information about how their contributions to the pension plan are determined.

This Statement requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

Defined Contribution Pensions. An employer whose employees are provided with defined contribution pensions is required to recognize pension expense for the amount of contributions to

NOTE O, Continued

employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. A change in the pension liability is required to be recognized for the difference between amounts recognized in expense and amounts paid by the employer to a defined contribution pension plan. In governmental fund financial statements, pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to a pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. A pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Notes to financial statements of an employer with a defined contribution plan should include descriptive information about the pension plan and benefit terms, contribution rates and how they are determined, and amounts attributed to employee service and forfeitures in the current period.

Special Funding Situations. In this Statement, special funding situations are defined as circumstances in which a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan.

This Statement requires an employer that has a special funding situation for defined benefit pensions to recognize a pension liability and deferred outflows of resources and deferred inflows of resources related to pensions with adjustments for the involvement of nonemployer contributing entities. The employer is required to recognize its proportionate share of the collective pension expense, as well as additional pension expense and revenue for the pension support of the nonemployer contributing entities. This Statement requires the employer to disclose in notes to financial statements information about the amount of support provided by nonemployer contributing entities and to present similar information about the involvement of those entities in 10-year schedules of required supplementary information.

The approach required by this Statement for measurement and recognition of liabilities, deferred outflows of resources and deferred inflows of resources, and expense by a governmental nonemployer contributing entity in a special funding situation for defined benefit pensions is similar to the approach required for cost-sharing employers. The information that should be disclosed in notes to financial statements and presented in required supplementary information of a governmental nonemployer contributing entity in a special funding situation depends on the proportion of the collective net pension liability that it recognizes. If the governmental nonemployer contributing entity recognizes a substantial proportion of the collective net pension liability, it should disclose in notes to financial statements a description of the pensions, including the types of benefits provided and the employees covered, and the discount rate and assumptions made in the measurement of the net pension liability. The governmental nonemployer contributing entity also should present schedules of required supplementary information similar to those required of a cost-sharing employer. Reduced note disclosures and required supplementary information are required for governmental nonemployer contributing entities that recognize a less-than-substantial portion of

NOTE O, Continued

the collective net pension liability. This Statement also establishes requirements related to special funding situations for defined contribution pensions.

How the Changes in this Statement Will Improve Financial Reporting. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information, as follows:

- More robust disclosures of assumptions will allow for better-informed assessments of the reasonableness of pension measurements.

  Explanations of how and why the net pension liability changed from year to year will improve transparency. The summary net pension liability information, including ratios, will offer an indication of the extent to which the total pension liability is covered by resources held by the pension plan. The contribution schedules will provide measures to evaluate decisions related to the assessment of contribution rates—in comparison to actuarially, statutorily, or contractually determined rates, when such rates are determined. It also will provide information about whether employers and nonemployer contributing entities, if applicable, are keeping pace with those contribution rates. The consistency and transparency of the information reported by employers and governmental nonemployer contributing entities about pension transactions will be improved by requiring:

  - The use of a discount rate that considers the availability of the pension plan's fiduciary net position associated with the pensions of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long-term expected rate of return regardless of whether the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return, including a single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.

  - Immediate recognition in pension expense, rather than a choice of recognition periods, of the effects of changes of benefit terms and the effects of projected pension plan investment earnings.

  - Recognition of pension expense that incorporates deferred outflows of resources and deferred inflows of resources related to pensions over a defined, closed period, rather than a choice between an open or closed period.

NOTE O, Continued

- The comparability of reported pension information also will be improved by the changes related to the attribution method used to determine service cost and the total pension liability, requirements for immediate recognition in pension expense of certain items, and the establishment of standardized expense recognition periods for amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions.

Effective Date: The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014.

Governmental Accounting Standards Board No. 71

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement date. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No.68, accounting and Financial Reporting for Pensions, concerning transition provisions related to certain pension contributions made to a defined benefit pension plan prior to implementation of that Statement by employers and nonemployer contributing entities. SACOG has not determined the effect of this statement.

Required Supplementary Information – Schedule of Funding Progress

For the Fiscal Year Ended June 30, 2014

OTHER POST-EMPLOYMENT BENEFIT PLAN

	A	B	C (B-A)	D (A/B)	E	F (C/E)
Actual Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (B-A)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2010	$2,066,438	$5,342,380	$3,275,942	39%	$4,344,807	75%
6/30/2011	$2,578,675	$5,494,630	$2,915,955	47%	$4,499,386	65 %
6/30/2013	$2,879,055	$5,354,655	$2,475,600	54%	$4,945,535	50 %

Sacramento Area Council of Governments

Schedule of Revenues and Expenditures
Board of Directors and Advocacy

BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget (over) and under budget
Revenues:				
Member assessments	$ 284,270	$ 284,270	$ 284,270	$ -
Investment earnings	10,000	10,000	2,443	(7,557)
Funds from Board and Advocacy Reserve	29,797	29,797		(29,797)
Total revenues	324,067	324,067	286,713	(37,354)
Expenditures:				
Current:				
Meetings	69,000	69,000	80,212	(11,212)
Directors Fees	60,000	60,000	50,075	9,925
Consultant	40,000	40,000	54,291	(14,291)
Other	6,750	6,750	14,877	(8,127)
Memberships	42,850	42,850	45,216	(2,366)
Awards	500	500	-	500
Salaries and Benefits	104,967	104,967	109,490	(4,523)
Total expenditures	324,067	324,067	354,161	(30,094)
Excess of Expenditures over Revenues	$ -	$ -	$ (67,448)	$ (67,448)

Sacramento Area Council of Governments

Schedule of Indirect Service Costs
Planning and Administration Fund

For the Fiscal Year Ended June 30, 2014

DIRECT COSTS:	
Salaries and benefits	$ 5,910,365
INDIRECT COSTS:	
Allocated Indirect Costs (48.17%):	
Service costs	2,847,023
Actual Indirect Costs:	
Building expenses	602,173
Career Development Program	58,748
Consultants	91,669
Depreciation	47,330
Insurance	76,403
Legal	67,426
Office Equipment	32,878
Office Equipment Maintenance	8,537
Meetings	2,052
Memberships	6,412
Miscellaneous	5,972
Mileage	11,392
Parking	8,300
Postage	6,739
Publications/Periodicals	1,885
Salaries and benefits	1,560,919
Computer Software and Maintenance	72,148
Supplies	26,867
Accounting Services	39,153
Telecommunications	37,542
Temporary labor services	41,062
Printing costs	14,266
Total indirect costs	2,819,873
Under-absorbed indirect costs	$ 27,150

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Statistical Section

For the Fiscal Year Ended June 30, 2014

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

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

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

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

Index of Tables

Sacramento Area Council of Governments

Net Position by Component

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	$ 2,484,597	$ 2,005,015	$ 1,508,043	$ 2,624,670
Restricted for Transportatio Projects				
Restricted for Transportation Claimants	11,247,159	12,214,496	5,197,396	7,119,396
Unrestricted	9,274,954	9,812,898	11,573,273	13,203,519
Total governmental activities Net Position	**$ 23,006,710**	**$ 24,032,409**	**$ 18,278,712**	**$ 22,947,585**

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

Source:
Agency Annual Reports

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Sacramento Area Council of Governments

Net Position by Component

For Ten Fiscal Years Ended June 30

2009*	2010	2011	2012	2013	2014
$ 2,062,372	$ 1,282,726	$ 769,096	$ 281,982	$ 102,217	$ 148,847
				882,560	917,880
11,681,253	13,895,556	34,088,672	38,980,228	49,966,728	36,701,567
27,759,660	35,583,893	17,851,804	16,669,133	16,183,317	15,798,418
$ 41,503,285	**$ 50,762,175**	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**	**$ 53,566,712**

Sacramento Area Council of Governments

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008
EXPENSES				
Transportation Claimants	$ 62,623,327	$ 72,411,224	$ 92,928,882	$ 71,889,819
Planning and Administration	9,882,280	11,794,482	14,015,459	11,103,987
Sacramento Emergency Clean Air & Transportation Program	2,345,417	5,889,595	12,250,196	5,926,133
SACOG Managed Fund	N/A			
PTMISEA	N/A			
Capitol Valley SAFE	2,665,920	2,125,367	2,274,985	5,431,978
Glenn County SAFE	39,111	21,705	35,230	101,897
Total Expenses	**$ 77,556,055**	**$ 92,242,373**	**$ 121,504,752**	**$ 94,453,814**
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	$ 6,371,323	$ 7,499,794	$ 10,313,252	$ 12,260,257
Sacramento Emergency Clean Air & Transportation Program	$ 2,345,417	$ 5,889,595	$ 12,250,196	$ 5,926,133
PTMISEA				
Charges for Services:				
Planning and Administration	479,474	1,088,718	1,156,341	1,237,811
SACOG Managed Fund				
PTMISEA				
Capitol Valley SAFE	2,166,838	2,194,802	2,215,115	2,208,656
Glenn County SAFE	28,977	30,086	30,515	30,876
Total Program Revenues	11,392,029	16,702,995	25,965,419	21,663,733
Net Expense	**$ (66,164,026)**	**$ (75,539,378)**	**$ (95,539,333)**	**$ (72,790,081)**
General Revenues and Other Changes in Net Assets				
State Shared Revenue - Sales and Use Taxes	$ 67,078,282	$ 75,218,223	$ 87,759,141	$ 75,580,640
Investment Earnings	441,575	911,839	1,640,450	1,168,227
In-Kind Revenue	-	-	-	-
Other	192,557	435,015	489,765	710,086
Special Item - Sale of Meridian Plaza	1,112,296	-	-	-
Loss on Disposal of Capital Assets	-	-	(103,720)	
Total General Revenues	**$ 68,824,710**	**$ 76,565,077**	**$ 89,785,636**	**$ 77,458,953**
Change in Net Position	2,660,684	1,025,699	(5,753,697)	4,668,872
Net Position - Beginning	20,346,026	23,006,710	24,032,409	18,278,712
Net Position - Ending	**$ 23,006,710**	**$ 24,032,409**	**$ 18,278,712**	**$ 22,947,584**

*2009 numbers have been restated

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

**2011. The SACOG Managed Fund activity w as transferred into the SACOG Planning and

Source: Individual internal fund statements

Sacramento Area Council of Governments

Statement of Activities & Changes in Net Position

For Ten Fiscal Years Ended June 30

2009	2010	2011**	2012	2013	2014
$ 62,570,554	$ 62,176,903	$ 51,508,069	$ 73,899,504	$ 72,395,499	$ 82,519,242
14,959,542	17,283,003	20,668,754	16,548,264	18,329,698	23,478,952
8,984,793	2,494,831	1,313	58,172	-	-
1,941,314	1,068,276	n/a	n/a	n.a	n.a
68,584	4,742,226	1,579,144	6,385,003	20,405,161	10,872,693
2,302,480	2,431,941	2,293,278	2,247,338	2,030,134	1,955,345
30,311	33,236	16,061	15,851	10,196	23,781
$ 90,857,578	**$ 90,230,416**	**$ 76,066,619**	**$ 99,154,132**	**$ 113,170,688**	**$ 118,850,013**
16,900,076	14,153,990	17,371,115	11,909,077	15,319,095	22,010,737
11,437,452					
4,060,255	15,319,020	800,000	13,695,246	27,710,682	170,197
1,190,472	430,347	581,041	481,980	561,106	424,844
3,051,000					
2,195,851	2,145,307	2,081,247	2,261,157	2,189,461	2,269,183
30,243	29,386	28,722	30,763	29,655	30,303
38,865,349	32,078,050	20,862,125	28,378,223	45,809,999	24,905,264
$ (51,992,229)	**$ (58,152,366)**	**$ (55,204,494)**	**$ (70,775,909)**	**$ (67,360,689)**	**$ (93,944,749)**
$ 63,210,973	$ 66,132,449	$ 55,894,683	$ 73,300,929	$ 77,777,632	$ 79,607,818
766,571	529,002	261,290	249,031	336,414	81,680
-	627,948	649,531	293,611	320,458	582,399
653,710	121,857	346,387	154,109	129,664	104,742
-	-	-	-		
$ 64,631,254	**$ 67,411,256**	**$ 57,151,891**	**$ 73,997,680**	**$ 78,564,168**	**$ 80,376,639**
12,639,025	9,258,890	1,947,397	3,221,771	11,203,479	(13,568,110
28,864,260	41,503,285	50,762,175	52,709,572	55,931,343	67,134,822
$ 41,503,285	**$ 50,762,175**	**$ 52,709,572**	**$ 55,931,343**	**$ 67,134,822**	**$ 53,566,712**

Sacramento Area Council of Governments

Planning and Administration Fund
Changes in Fund Balance

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008	2009*
REVENUES					
Federal	$ 4,207,117	$ 4,839,847	$ 7,552,527	$ 6,240,742	$ 7,463,171
State	437,559	1,162,528	137,739	841,536	1,406,497
Local	1,726,647	1,157,419	1,278,986	1,072,500	1,012,580
Charges for Services	227,724	793,758	841,255	922,725	840,987
Member Assessments	251,750	294,960	315,086	315,086	349,485
Investment Earnings	64,346	90,589	176,007	109,952	80,243
In-Kind					
Other	127,945	342,912	449,382	614,434	622,954
Total Revenues	7,043,088	8,682,013	10,750,982	10,116,975	11,775,917
EXPENDITURES					
Planning and Administration	8,578,040	10,284,677	11,693,873	11,219,835	13,155,044
Community Design Grants	-	-	-	-	
Planning Grants	1,313,135	900,201	1,121,115	1,343,608	1,188,305
Payments to SMF agencies					
Capital Outlay	55,671	47,506	45,758	77,311	48,806
Total Expenditures	9,946,846	11,232,384	12,860,746	12,640,754	14,392,155
Deficiency of Revenues under Expenditures	(2,903,758)	(2,550,371)	(2,109,764)	(2,523,779)	(2,616,238)
OTHER FINANCING SOURCES					
Transfers in	2,150,443	2,372,141	2,918,782	2,468,402	2,301,584
Transfers out				(28,748)	
Change in Fund Balance	(753,315)	(178,230)	809,018	(84,125)	(314,654)
Fund Balance - Beginning	3,724,861	2,971,546	2,793,316	3,602,334	3,518,209
Fund Balance - Ending	$ 2,971,546	$ 2,793,316	$ 3,602,334	$ 3,518,209	$ 3,203,555
RESERVATIONS OF FUND BALANCE - PRE GASB 54					
Reserved for Prepaid Items	$ 65,492	$ 66,488	$ 69,377	$ 70,833	$ 118,876
Reserved for Unrecovered indirect costs	-	-	-	-	-
Unreserved, Designated for:					
Contingencies	700,000	700,000	700,000	700,000	700,000
Land Use Blueprint	-	-	-	-	-
Operating Cash Reserve	-	-	-	-	1,500,000
Encumbrances	-	1,187,915	1,553,754	1,513,569	
Fund Balance Categories under GASB 54					
Nonspendable - prepaid Items	-	129,903	129,903	168,856	212,056
Restricted:					
Restricted for Transportation Projects					
Committed:					
Board and Advocacy					
Community Design Grantees					
Assigned:					
Legal Defense					
Self Insurance					
Project Specific Carryover Funds					
GIS Receipients					
Unassigned:					
Unassigned Fund Balance	2,206,054	709,010	1,149,300	1,064,951	672,623
Total Ending Fund Balance	**$ 2,971,546**	**$ 2,793,316**	**$ 3,602,334**	**$ 3,518,209**	**$ 3,203,555**

*2009 was restated by $71,320

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

Sacramento Area Council of Governments

Planning and Administration Fund
Changes in Fund Balance

For Ten Fiscal Years Ended June 30

	2010	2011**	2012	2013	2014
	$ 12,157,504	$ 13,637,674	$ 8,678,720	$ 9,533,766	$ 12,847,391
	1,204,156	3,088,223	2,676,805	4,654,503	4,783,759
	743,493	645,220	553,552	1,130,826	1,410,738
	146,077	296,771	197,710	277,719	140,574
	284,270	284,270	284,270	284,270	284,270
	12,696	56,532	50,047	75,288	11,847
	625,448	649,531	293,611	320,458	582,399
	86,467	288,978	66,295	79,108	69,354
	15,260,111	18,947,199	12,801,010	16,355,938	20,130,332
	16,981,392	20,022,388	15,857,825	18,182,940	22,331,342
		390,310			
			517,451	146,758	1,005,170
	42,278	16,816	42,023	66,086	95,110
	17,023,670	20,429,514	16,417,299	18,395,784	23,431,622
	(1,763,559)	(1,482,315)	(3,616,289)	(2,039,846)	(3,301,290)
	2,033,399	2,124,575	2,547,066	2,445,564	2,802,773
	269,840	642,260	(1,069,223)	405,718	(498,517)
	3,203,555	14,603,324	15,245,584	14,176,361	14,582,079
	$ 3,473,395	$ 15,245,584	$ 14,176,361	$ 14,582,079	$ 14,083,562
	$ 68,505				
	-	-	-	-	-
	700,000	-	-	-	-
	-	-	-	-	-
	1,500,000	-	-	-	-
	151,573	58,725	72,497	95,313	18,011
		-	-	-	-
				882,560	917,880
		109,539	211,122	233,770	166,323
		1,412,071	1,820,244	1,712,060	1,256,846
		500,000	500,000	500,000	500,000
		200,000	200,000	200,000	200,000
	194,065	194,065	193,182	193,182	193,182
	75,451	62,397	89,897	117,397	139,897
	783,801	12,708,787	11,089,419	10,647,797	10,691,423
	$ 3,473,395	**$ 15,245,584**	**$ 14,176,361**	**$ 14,582,079**	**$ 14,083,562**

Sacramento Area Council of Governments

Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

	2006	2007	2008	2009*
REVENUES				
Sales and Use Taxes	$ 75,218,223	$ 87,759,141	$ 75,580,640	$ 63,210,973
Vehicle registration fees and traffic fines	2,224,888	2,245,630	2,239,532	2,226,094
Intergovernmental:				
Federal	4,839,847	7,552,527	6,240,742	7,463,171
State	7,052,123	12,387,935	6,768,648	20,445,532
Local	1,497,419	2,622,986	5,410,000	7,540,080
Charges for services	793,758	841,255	922,725	840,987
Member assessments	294,960	315,086	315,086	349,485
Investment earnings	911,839	1,640,450	1,168,227	766,571
In-Kind				524,413
Other	435,015	489,765	710,086	129,297
Total Revenues	**93,268,072**	**115,854,775**	**99,355,686**	**103,496,603**
EXPENDITURES				
City of Elk Grove	4,632,607	6,083,245	4,961,671	4,816,070
City of Citrus Heights	3,687,554	4,355,157	3,261,077	3,030,674
City of Davis	3,019,992	4,031,515	3,060,636	2,742,094
City of Folsom	2,793,722	3,417,484	2,611,488	2,469,833
City of Galt	938,840	1,141,920	863,102	817,643
City of Isleton	35,204	40,834	31,365	29,461
City of Live Oak	230,696	306,102	364,421	128,846
City of Marysville	-	8,856	48,781	39,846
City of Sacramento	358,463	384,147	517,112	314,308
City of West Sacramento	1,731,037	2,381,012	1,970,250	1,850,226
City of Rancho Cordova	60,604	46,767	38,710	39,750
City of Wheatland	72,235	113,644	109,987	57,047
City of Winters	313,194	413,239	313,752	283,631
City of Woodland	2,391,065	3,161,298	2,416,275	2,226,637
City of Yuba City	756,991	1,116,305	1,634,398	135,202
County of Sacramento	1,608,953	1,489,561	974,665	1,145,801
County of Sutter	610,546	729,615	906,757	232,880
County of Yolo	1,033,415	1,353,669	1,041,769	953,893
County of Yuba	405,905	699,670	895,991	311,142
Sacramento Regional Transit District	43,195,816	56,002,015	41,280,919	37,381,148
Yolo County Transportation District	61,544	171,433	95,753	67,986
Yuba-Sutter Transit Authority	2,435,831	3,338,658	2,764,093	1,765,555
Paratransit, Inc	2,037,010	2,142,736	1,726,847	1,730,882
SAFE services	837,072	408,988	368,075	348,682
Freeway service patrol	635,000	665,000	697,525	791,631
Equipment and maintenance	654,137	726,099	517,207	573,455
Insurance and DMV fees	20,513	20,567	19,719	19,666
Planning and Administration (includes planning grants)	11,185,228	13,923,774	13,605,568	14,912,347
SACOG Managed Fund				1,941,314
Public Transportation Moderization Improvement & Service Enhancement	-	-	-	68,584
Community Design Grants				
SECAT grants or refunds	5,889,595	12,250,196	5,926,133	8,984,793
Capital outlay	47,506	45,758	2,500,319	48,806
Total Expenditures	91,680,275	120,969,264	95,524,365	90,259,833
Excess of Revenues over Expenditures	1,587,797	(5,114,489)	3,831,321	13,236,770
OTHER FINANCING USES				
Transfers in	2,372,141	2,918,782	2,497,150	2,301,584
Transfers out	(2,372,141)	(2,918,782)	(2,497,150)	(2,301,584)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	1,587,797	(5,114,489)	3,831,321	13,236,770
Fund Balance - Beginning	20,887,006	22,474,803	17,360,315	27,108,311
Fund Balance - Ending	**$ 22,474,803**	**$ 17,360,314**	**$ 21,191,636**	**$ 40,345,081**

*2009 was restated.

Source: Individual internal fund statements

Sacramento Area Council of Governments

Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

2010	2011	2012	2013	2014
$ 66,132,449	$ 56,694,683	$ 86,996,175	$ 105,488,314	$ 79,778,015
2,174,693	2,109,969	2,291,919	2,219,115	2,299,485
12,157,504	13,637,674	8,678,720	9,533,766	12,847,391
16,523,176	3,088,223	2,676,805	4,654,503	4,783,759
792,331	645,220	553,552	1,130,826	1,410,738
146,077	296,771	197,710	277,719	140,574
284,270	284,270	284,270	284,270	284,270
529,002	261,290	249,031	336,414	81,680
627,948	649,531	293,611	320,458	582,399
121,857	346,387	154,109	129,664	104,742
99,489,307	**78,014,018**	**102,375,902**	**124,375,049**	**102,313,053**
4,453,961	3,855,576	5,708,010	5,784,892	6,359,521
2,718,195	2,387,142	3,376,119	3,016,818	3,368,745
2,875,410	2,054,718	3,074,492	3,522,718	3,643,141
2,342,024	1,936,048	2,788,369	2,667,342	2,965,270
745,182	657,899	929,674	857,479	966,917
25,426	22,299	31,494	29,151	32,531
236,516	464,676	333,610	319,649	336,684
67,049	-	-		77,028
253,973	270,420	331,851	295,055	339,472
1,952,997	1,487,468	2,132,866	2,514,725	2,651,674
32,551	34,747	42,932	41,159	47,641
73,562	45,266	62,663	55,756	85,968
292,099	219,278	312,839	338,503	367,905
2,317,034	1,755,475	2,523,464	2,840,885	2,993,489
508,249	2,787,330	1,345,087	1,464,744	1,696,190
1,109,664	1,051,691	1,365,862	1,579,742	1,681,590
538,880	1,232,138	715,189	679,161	756,226
969,937	735,302	1,042,866	1,258,760	1,366,234
549,293	374,072	352,238	410,109	883,272
36,298,222	27,382,646	43,151,709	40,062,709	44,128,867
143,020	-	201,715	2,807,839	2,872,942
2,268,254	1,264,700	2,251,612	214,427	213,026
1,405,405	1,489,178	1,824,843	1,633,876	1,882,136
403,004	384,153	360,441	436,837	367,588
814,681	834,494	851,210	848,418	831,623
443,720	450,983	459,685	455,440	656,886
17,365	21,255	19,780	20,393	11,291
17,118,422	20,156,239	15,945,296	18,258,075	22,443,080
1,068,276		517,451	-	-
4,742,226	1,579,144	6,385,003	20,405,161	10,872,693
	390,310	-	146,758	1,005,170
2,494,831	1,313	58,172	-	-
42,278	16,816	42,023	66,086	95,110
89,321,706	75,342,776	98,538,565	113,032,667	115,999,910
10,167,601	2,671,242	3,837,337	11,342,382	(13,686,857)
2,033,399	2,124,575	2,547,066	2,445,564	2,445,564
(2,033,399)	(2,124,575)	(2,547,066)	(2,445,564)	(2,445,564)
-	-	-	-	-
10,167,601	2,671,242	3,837,337	11,342,382	(13,686,857)
40,345,081	50,512,682	53,183,924	57,021,261	68,363,643
$ 50,512,682	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**	**$ 54,676,786**

Sacramento Area Council of Governments

Components of Fund Balances

For Ten fiscal Years Ended June 30

	2005	2006	2007	2008	2009*
MAJOR FUNDS - Pre GASB 54					
Reserved	$ 79,663	$ 76,893	$ 71,523	$ 73,143	$ 121,026
Unreserved, designated for:					`
Contingencies	700,000	760,000	760,000	760,000	760,000
Operating Cash Reserve	-	-	-	-	1,500,000
Encumbrances	-	1,187,915	1,553,754	1,513,569	
Glenn County SAFE					
Board and Advocacy	-	129,903	129,903	168,856	212,056
Project Specific Carryover Funds					
Community Design Grantees					
Reserved for GIS receipients					
Post Retirement Health Benefits	-	-	3,543,559	3,699,737	3,789,940
Total unreserved, designated	700,000	2,077,818	5,987,216	6,142,162	6,261,996
Unreserved, undesignated	20,107,343	20,320,092	11,301,575	14,976,331	33,999,177
Fund Balance Categories under GASB 54					
Reserved for prepaid items					
Restricted:					
SECAT Program					
PTMISEA Funds					
State Transit Assistance Funds					
Local Transportation Funds - Sacramento County					
Local Transportation Funds - Yuba County					
Local Transportation Funds - Sutter County					
Local Transportation Funds - Yolo County					
Capitol Valley Regional SAFE					
Glenn County SAFE					
Restricted for Transportation Projects					
Committed:					
Board and Advocacy					
Community Design Grantees					
Assigned:					
Legal Defense					
Self Insurance					
Project Specific Carryover Funds					
GIS Receipients					
Post Employment Benefits (OPEB)					
Planning and Administration Fund					
Assigned:					
Unassigned Fund Balance					
Total Fund Balance	**$ 20,887,006**	**$ 22,474,803**	**$ 17,360,314**	**$ 21,191,636**	**$ 40,382,199**

Unassigned Fund Balance

* 2009 was restated.

Format conforms with GASB 54 guidelines.

Source: Agency Annual Reports

Components of Fund Balances

For Ten fiscal Years Ended June 30

2010	2011	2012	2013	2014
$ 70,656				
700,000				
2,542,000				
151,573				
194,065				
1,660,260				
75,451				
2,785,847				
8,109,196	-	-	-	-
42,332,830				
	60,877	74,621	97,511	20,472
	11,959	-	-	-
	14,151,893	21,528,870	28,952,646	18,276,282
	113,418	255,441	(72,779)	351,541
	13,017,462	9,397,543	13,270,404	11,856,983
	389,688	693,038	761,228	67,647
	573,654	668,609	537,017	116,659
	2,154,733	2,191,913	1,741,805	968,827
	3,571,169	4,127,375	4,573,048	4,926,394
	104,696	117,439	130,580	137,234
			882,560	917,880
	109,539	211,122	233,770	166,323
	1,412,071	1,820,244	1,712,060	1,256,846
	500,000	500,000	500,000	500,000
	200,000	200,000	200,000	200,000
	194,065	193,182	193,182	193,182
	62,397	89,897	117,397	139,897
	2,805,516	2,820,548	3,885,417	3,889,196
	1,042,000	1,042,000	-	-
	12,708,787	11,089,419	10,647,797	10,691,423
$ 50,512,682	**$ 53,183,924**	**$ 57,021,261**	**$ 68,363,643**	**$ 54,676,786**

Sacramento Area Council of Governments

Total Population by Jurisdiction

For Ten fiscal Years ending June 30

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
SACOG Region	**2,170,077**	**2,203,775**	**2,236,491**	**2,266,234**	**2,290,482**	**2,312,406**	**2,327,914**	**2,341,006**	**2,360,844**	**2,378,721**
El Dorado County	**171,739**	**174,218**	**176,226**	**177,897**	**179,150**	**180,682**	**180,483**	**180,712**	**182,286**	**182,404**
Placerville	10,210	10,164	10,204	10,275	10,324	10,365	10,306	10,369	10,441	10,527
South Lake Tahoe	22,520	22,094	21,888	21,737	21,517	21,407	21,328	21,343	21,498	21,409
Unincorporated	139,009	141,960	144,134	145,885	147,309	148,910	148,849	149,000	150,347	150,468
Placer County	**307,710**	**317,437**	**325,985**	**333,805**	**340,995**	**347,133**	**351,463**	**355,328**	**357,463**	**366,115**
Auburn	12,809	12,863	12,993	13,079	13,232	13,307	13,378	13,468	13,446	13,804
Colfax	1,813	1,805	1,815	1,822	1,843	1,946	1,966	1,977	1,969	1,998
Lincoln	28,083	34,342	38,360	40,726	41,787	42,589	43,144	43,572	43,818	45,206
Loomis	6,166	6,318	6,345	6,385	6,416	6,427	6,460	6,500	6,493	6,608
Rocklin	51,206	51,521	52,718	54,561	55,566	56,720	57,767	58,295	58,484	59,672
Roseville	104,105	106,451	108,503	111,259	114,869	118,180	120,307	122,060	123,514	126,956
Unincorporated	103,528	104,137	105,251	105,973	107,282	107,964	108,441	109,456	109,739	111,871
Sacramento County	**1,350,523**	**1,365,214**	**1,380,172**	**1,394,510**	**1,406,168**	**1,417,259**	**1,427,961**	**1,435,153**	**1,445,806**	**1,454,406**
Citrus Heights	85,153	84,112	83,552	83,347	83,317	83,382	83,583	83,881	84,345	84,544
Elk Grove	125,703	135,996	142,003	146,083	149,302	152,652	154,440	155,937	159,074	160,688
Folsom	66,362	67,936	69,257	71,064	71,625	72,139	72,393	72,725	72,294	74,014
Galt	22,485	22,628	22,996	23,371	23,584	23,654	23,757	24,076	24,185	24,289
Isleton	811	802	800	800	802	805	808	810	815	815
Rancho Cordova	55,476	56,866	59,502	61,526	62,724	64,024	65,475	66,093	66,927	67,839
Sacramento	442,662	445,774	452,711	458,965	463,633	466,740	469,477	470,956	473,509	475,122
Unincorporated	551,871	551,100	549,351	549,354	551,181	553,863	558,028	560,675	564,657	567,095
Sutter County	**87,097**	**89,364**	**91,563**	**92,983**	**93,918**	**94,765**	**94,620**	**95,065**	**95,851**	**95,733**
Live Oak	6,603	7,266	7,890	8,255	8,355	8,422	8,446	8,247	8,341	8,481
Yuba City	57,975	60,197	61,835	62,974	64,042	64,818	64,792	65,300	65,841	65,677
Unincorporated	22,519	21,901	21,838	21,754	21,521	21,525	21,382	21,518	21,669	21,575
Yolo County	**186,530**	**189,078**	**192,826**	**196,219**	**198,642**	**200,484**	**201,071**	**202,133**	**205,999**	**206,381**
Davis	63,889	64,043	64,412	64,712	65,143	65,558	65,421	65,052	66,471	66,656
West Sacramento	40,289	43,331	45,179	46,979	47,962	48,582	49,048	49,292	50,460	50,836
Winters	6,753	6,602	6,584	6,648	6,638	6,630	6,609	6,839	6,974	6,979
Woodland	52,474	51,919	52,917	54,118	54,750	55,400	55,345	55,646	56,908	57,223
Unincorporated	23,125	23,183	23,734	23,762	24,149	24,314	24,648	25,304	25,186	24,687
Yuba County	**66,478**	**68,464**	**69,719**	**70,820**	**71,609**	**72,083**	**72,316**	**72,615**	**73,439**	**73,682**
Marysville	12,567	12,446	12,312	12,285	12,310	12,304	12,098	12,104	12,250	12,266
Wheatland	3,474	3,499	3,489	3,488	3,506	3,519	3,459	3,469	3,493	3,495
Unincorporated	50,437	52,519	53,918	55,047	55,793	56,260	56,759	57,042	57,696	57,921

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

Sacramento Area Council of Governments

Total Households by County

For Ten fiscal Years ended June 30

	2005		2006		2007	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**863,254**	**57,137**	**887,241**	**58,463**	**903,731**	**60,424**
El Dorado County	79,448	13,486	81,478	13,757	82,695	13,992
Placer County	134,896	14,867	140,330	15,220	144,207	15,603
Sacramento County	524,648	22,505	535,788	22,916	545,287	23,720
Sutter County	31,175	1,403	32,472	1,459	33,069	1,485
Yolo County	68,537	2,510	70,542	2,454	71,755	2,533
Yuba County	24,550	2,366	26,631	2,657	26,718	3,091

	2008		2009		2010	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**916,203**	**60,780**	**922,560**	**63,442**	**932,323**	**90,378**
El Dorado County	83275	14,024	83,871	14,107	88,121	17,926
Placer County	147408	15,701	149,265	16,061	152,422	20,003
Sacramento County	551,219	23,627	553,916	23,874	555,335	41,944
Sutter County	33,491	1,503	33,681	1,506	33,846	2,421
Yolo County	73,138	2,563	73,811	4,347	74,984	4,178
Yuba County	27,672	3,362	28,016	3,547	27,615	3,906

	2011		2012		2013	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	**935,759**	**90,071**	**937,035**	**90,173**		
El Dorado County	88,272	17,957	88,300	17,965	88,495	17,999
Placer County	153,730	20,107	154,525	20,188	155,782	20,312
Sacramento County	556,973	42,060	558,209	42,143	559,806	42,244
Sutter County	33,920	2,426	33,935	2,427	33,971	2,430
Yolo County	75,326	4,192	74,379	4,171	74,589	4,184
Yuba County	27,538	3,329	27,687	3,279	27,750	3,286

	2014	
	Total Units	Vacant
SACOG Region	**945,012**	**91,473**
El Dorado County	88,950	18,072
Placer County	157,117	20,435
Sacramento County	561,460	42,353
Sutter County	34,080	2,437
Yolo County	75,600	4,884
Yuba County	27,805	3,292

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.

Sacramento Area Council of Governments

Labor Force & Unemployment by County

For Ten fiscal years ended June 30, 2013 (2014 is not yet available)

	2004				2005			
	Labor Force	Employment	Unemploy-ment	Rate	Labor Force	Employment	Unemploy-ment	Rate
SACOG Region	**1,069,100**	**1,008,600**	**60,500**	**5.7**	**1,090,700**	**1,034,300**	**56,400**	**5.2**
El Dorado County	89,100	84,500	4,600	5.1	92,100	87,700	4,400	4.8
Placer County	155,000	147,900	7,100	4.6	166,300	159,100	7,200	4.3
Sacramento County	665,600	629,000	36,600	5.5	672,300	639,000	33,300	5.0
Sutter County	40,200	36,000	4,200	10.5	40,500	36,600	3,900	9.7
Yolo County	93,600	88,100	5,500	5.9	93,500	88,300	5,200	5.6
Yuba County	25,600	23,100	2,500	9.7	26,000	23,600	2,400	9.1

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

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

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

Sacramento Area Council of Governments

Labor Force & Unemployment by County

For Ten fiscal years ended June 30, 2013 (2014 is not yet available)

(Continued)

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

	2012				2013			
	Labor Force	Employment	Unemploy- ment	Rate	Labor Force	Employment	Unemploy- ment	Rate
SACOG Region	**1,118,600**	**997,100**	**121,500**	**10.9**	**1,114,500**	**1,015,100**	**99,200**	**8.9**
El Dorado County	90,500	81,100	9,400	10.4	90,100	82,600	7,500	8.3
Placer County	178,800	162,000	16,800	9.4	178,200	164,800	13,400	7.5
Sacramento County	680,200	608,400	71,800	10.6	678,200	619,100	59,000	8.7
Sutter County	42,800	35,300	7,500	17.6	42,600	36,200	6,400	14.9
Yolo County	98,500	87,200	11,300	11.5	97,900	88,700	9,200	9.4
Yuba County	27,800	23,100	4,700	16.9	27,500	23,700	3,700	13.6

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

Sacramento Area Council of Governments

Largest Employment Centers by County*

For 2012 and 2013 only

El Dorado County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
Blue Shield of California	1,744	3.8%	Blue Shield of California	1,830	3.8%
EL Dorado County	1,735	3.8%	Red Hawk Casino	1,350	2.8%
Red Hawk Casino	1,400	3.0%	Marshall Medical Center	1,232	2.6%
Marshall Medical Center	1,350	2.9%	El Dorado County	1,200	2.5%
DST Output	820	1.8%	Barton Health	947	2.0%
Sierra-at-Tahoe Inc.	750	1.6%	DST Output	850	1.8%
State of California	657	1.4%	Sierra-at-Tahoe Inc.	700	1.5%
El Dorado County Office of Education	600	1.3%	State of California	648	1.4%
El Dorado Union High School District	583	1.3%	El Dorado County Office of Education	600	1.3%
Raley's Inc	516	1.1%	Home Depot	553	1.2%
Camp Richardson	400	0.9%	El Dorado Union High School District	536	1.1%
Lake Tahoe Unified School District	400	0.9%	Lake Tahoe Unified School District	400	0.8%
Roebbelen Contracting Inc.	285	0.6%	Roebbelen Contracting Inc.	340	0.7%
County Employment Estimate	46,100	100.0%	County Employment Estimate	48,000	100.0%

Placer County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
Kaiser Permanente	3,702	2.9%	Kaiser Permanente	3,860	2.9%
Hewlett-Packard Inc	3,200	2.5%	Hewlett-Packard Inc	3,200	2.4%
Placer County	2,240	1.8%	Sutter Health	2,299	1.7%
Sutter Health	2,205	1.7%	Placer County	2,240	1.7%
Thunder Valley Casino	2,000	1.6%	Thunder Valley Casino	2,000	1.5%
Union Pacific Railroad Co Inc	2,000	1.6%	Union Pacific Railroad Co Inc	2,000	1.5%
Northstar-At-Tahoe Resort	1,950	1.5%	Northstar-At-Tahoe Resort	1,950	1.5%
City of Roseville	1,690	1.3%	Rocklin Unified School District	1,140	0.9%
Pride Industries	1,021	0.8%	Pride Industries	1,101	0.8%
Raley's Family of fine stores	967	0.8%	City of Roseville	982	0.7%
Rocklin Unified School District	904	0.7%	Raley's	969	0.7%
Placer County Office of Education	899	0.7%	State of California	842	0.6%
County Employment Estimate	126,500	100.0%	County Employment Estimate	132,800	100.0%

Sacramento County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
State of California	70,918	13.0%	State of California	70,548	12.3%
Sacramento County	11,450	2.1%	Sacramento County	10,634	1.9%
UC Davis Health System	7,725	1.4%	UC Davis Health System	9,985	1.7%
Dignity Health	7,069	1.3%	Sutter Health Sacramento Sierra Regi	6,507	1.1%
Intel Corp	6,633	1.2%	Intel Corp	6,000	1.0%
Kaiser Permanente	6,360	1.2%	Dignity Health	5,756	1.0%
Sutter Health Sacramento Sierra Regi	5,765	1.1%	US Government	5,750	1.0%
Elk Grove Unified School District	6,984	1.3%	Kaiser Permanente	5,696	1.0%
Sacramento City Unified School Distri	5,200	1.0%	Elk Grove Unified School District	5,535	1.0%
San Juan Unified School District	4,700	0.9%	San Juan Unified School District	4,700	0.8%
City of Sacramento	5,178	1.0%	City of Sacramento	4,926	0.9%
County Employment Estimate	543,800	100.0%	County Employment Estimate	572,000	100.0%

Sacramento Area Council of Governments

Largest Employment Centers by County*

For 2012 and 2013 only

(Continued)

Sutter County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
Fremont Medical Center	1,600	6.0%	Fremont Medical Center	1,500	5.6%
Yuba City Unified School District	1,185	4.4%	Yuba City Unified School District	1,276	4.7%
Sutter County	870	3.3%	Sutter County	850	3.1%
Oceanspray/Sunsweet Growers	600	2.2%	Oceanspray/Sunsweet Growers	600	2.2%
Sutter North Surgery Center	500	1.9%	Sutter North Surgery Center	500	1.9%
Sysco Food Service	460	1.7%	Sysco Food Service	460	1.7%
Trees Inc	460	1.7%	Trees Inc	460	1.7%
Walmart	400	1.5%	Walmart	400	1.5%
Sunset Moulding Co	380	1.4%	Sunset Moulding Co	380	1.4%
Home Depot	300	1.1%	Home Depot	300	1.1%
Yuba City	300	1.1%	Yuba City	260	1.0%
County Employment Estimate	26,700	100.0%	County Employment Estimate	27,000	100.0%

Yolo County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
University of California, Davis	21,586	23.0%	University of California, Davis	29,800	30.8%
State of California	2,486	2.6%	State of California	2,506	2.6%
Cache Creek Casino Resort	2,200	2.3%	Cache Creek Casino Resort	2,200	2.3%
Yolo County	1,252	1.3%	Pacific Gas & Electric Co	1,731	1.8%
Woodland Joint Unified School District	1,000	1.1%	Yolo County	1,257	1.3%
Woodland Healthcare	991	1.1%	Woodland Joint Unified School District	1,000	1.0%
Raley's Inc	833	0.9%	Woodland Healthcare	949	1.0%
Davis Joint Unified School District	790	0.8%	Raleys	830	0.9%
City of Davis	700	0.7%	Davis Joint Unified School District	790	0.8%
Pacific Gas & Electric Co	671	0.7%	City of Davis	700	0.7%
Sutter Davis Hospital	511	0.5%	Sutter Davis Hospital	534	0.6%
Nugget Market Inc	380	0.4%	Clark Pacific Corp	440	0.5%
City of West Sacramento	331	0.4%	Nugget Market Inc	375	0.4%
County Employment Estimate	93,900	100.0%	County Employment Estimate	96,700	100.0%

Yuba County

2012			2013		
Employer	# of Employees	Percentage	Employer	# of Employees	Percentage
Rideout Memorial Hospital	2,050	13.7%	Beale AFB	5700	37.0%
Marysville Joint Unified School District	913	6.1%	Marysville Joint Unified School District	980	6.4%
Yuba Community College	700	4.7%	Yuba County	900	5.8%
Yuba County	615	4.1%	Callifornia Dept. of Transportation	800	5.2%
Walmart	450	3.0%	Walmart	450	2.9%
Sierra Kiwi Inc	300	2.0%	Yuba Community College	432	2.8%
Bishop's Pumpkin Farm	300	2.0%	Bishops Pumpkin Farm	300	1.9%
			Naumes Inc	240	1.6%
			Appeal Democrat	150	1.0%
County Employment Estimate	15,000	100.0%	County Employment Estimate	15,400	100.0%

*2011/12 information. The list of large employers for El Dorado, Placer, Sacramento and Yolo Counties is based on Sacramento Business Journal lists throughout 2011/12. The list of the major employers for Sutter and Yuba Counties is taken from the EDD website showing large employers but only has employment spans available (ex 100-249 employees, 250-499 employees, etc.). SACOG has used some other data to bolster the specific employment numbers in those two counties, so they are likely reasonable assumptions of employment, but may not be representative of the specific number of employees. The total employment number for each county is the EDD 2010/11 Annual Average employment.

Sacramento Area Council of Governments

Public School Enrollment by County

For Ten fiscal years ended June 30

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
SACOG Region	**387,142**	**392,314**	**394,681**	**395,240**	**397,285**	**398,098**
El Dorado	29,072	29,368	29,332	29,417	29,662	29,336
Placer	61,718	62,666	63,742	64,401	65,708	67,088
Sacramento	235,269	238,385	239,026	238,233	238,346	237,722
Sutter	16,976	17,435	17,771	19,137	19,599	20,020
Yolo	29,321	29,429	29,460	29,493	29,507	29,591
Yuba	14,786	15,031	15,350	14,559	14,463	14,341

	2010/11	2011/12	2012/13	2013/14
SACOG Region	**399,127**	**400,310**	**401,784**	**402,061**
El Dorado	29,972	29,781	29,441	27,237
Placer	68,278	68,815	69,831	70,141
Sacramento	236,936	237,362	238,290	240,216
Sutter	20,652	21,110	21,170	21,390
Yolo	29,366	29,404	29,250	29,185
Yuba	13,923	13,838	13,802	13,892

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

Sacramento Area Council of Governments

Total Acreage by County

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

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

Sacramento Area Council of Governments

Average Annual Wages by County

For Ten fiscal years ended June 30, 2013 (2014 is not yet available)

	2004		2005		2006		2007	
	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]
SACOG Region	**$718**	**$37,358**	**$751**	**$39,041**	**$782**	**$40,638**	**$808**	**$41,992**
El Dorado County	$617	$32,092	$658	$34,200	$693	$36,049	$719	$37,384
Placer County	$740	$38,477	$764	$39,717	$797	$41,431	$822	$42,770
Sacramento County	$749	$38,961	$784	$40,786	$816	$42,418	$842	$43,773
Sutter County	$531	$27,612	$545	$28,319	$580	$30,183	$590	$30,687
Yolo County	$674	$35,063	$699	$36,326	$719	$37,396	$753	$39,170
Yuba County	$572	$29,741	$616	$32,008	$627	$32,627	$663	$34,454

	2008		2009		2010		2011	
	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages[1]	Average Weekly Wages	Average Annual Wages
SACOG Region	**$833**	**$43,316**	**$842**	**$43,784**	**$861**	**$44,772**	**$876**	**$45,552**
El Dorado County	$742	$38,584	$748	$38,896	$736	$38,272	$740	$38,490
Placer County	$824	$42,848	$839	$43,628	$861	$44,772	$883	$45,924
Sacramento County	$867	$45,084	$875	$45,500	$899	$46,748	$915	$47,557
Sutter County	$608	$31,616	$629	$32,708	$628	$32,656	$639	$33,249
Yolo County	$776	$40,352	$777	$40,404	$790	$41,080	$799	$41,534
Yuba County	$701	$36,452	$716	$37,232	$750	$39,000	$754	$39,185

	2012*		2013*	
	Average Weekly Wages	Mean Annual Wages[2]	Average Weekly Wages	Average Annual Wages[2]
SACOG Region	**$997**	**$51,844**	**$997**	**$51,844**
El Dorado County	$1,005	$52,261	$1,005	$52,238
Placer County	$1,005	$52,261	$1,005	$52,238
Sacramento County	$1,005	$52,261	$1,005	$52,238
Sutter County	$820	$42,633	$821	$42,676
Yolo County	$1,005	$52,261	$1,005	$52,238
Yuba County	$820	$42,633	$821	$42,676

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

Source: California Employment Development Department, Labor Market Information Division

[1] Average Annual Wages based upon Average Weekly Wages

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

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

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Sacramento Area Council of Governments

Summary of Full-Time Equivalent Employees

BY FUNCTION & PROGRAM

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FUNCTION										
Chief Executive Officer*	1	1	1	1	1	1	1	1	1	1
Chief Operations Officer/General Counsel									1	1
Administration	8	6	6	6	9	8	9	9	8	8
Finance	6	5	5	5	5	4	4	4	4	3
Research Analysts*	6	8	11	13	9	10	12	12	11	11
Information Technology	2	2	1	2	2	2	2	1	1	1
Planning	19	21	20	18	19	19	19	19	23	22
Public Affairs and Communications	4	4	5	5	5	5	5	5	6	5
Interns	3	1	1	1	1	2	2	2	2	2
Total Approved Full-Time Position	**49**	**48**	**50**	**51**	**51**	**51**	**54**	**53**	**57**	**54**

*Formerly called Executive Director
** Formerly called Geographic Information Systems

Sacramento Area Council of Governments

Summary of Full-Time Equivalent Employees

BY PROJECT

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008
Direct Projects				
Interagency Relations and Program Management	0.9	1.2	1.4	n/a
Project Delivery and Programming	3.4	3.7	3.0	n/a
Multimodal Transportation Planning and Coordination	2.9	6.1	6.1	n/a
Air Quality Planning, Analysis and Coordination	0.7	0.8	2.0	n/a
Transit Planning and Coordination	4.2	4.0	4.0	n/a
Housing and Land Use	3.8	3.3	0.6	n/a
Regional Monitoring and Forecasting	6.8	10.5	5.7	n/a
Geographic Information Systems	5.1	n/a	n/a	n/a
Public Information/Outreach and Advocacy	5.6	4.0	3.8	n/a
Services	2.8	1.2	1.5	n/a
Special Projects and Local Technical Assistance/NEPA Linkages	0.1	0.7	1.0	n/a
Regional Blueprint Programming	n/a	0.6	n/a	n/a
Metropolitan Transportation Plan	n/a	n/a	9.1	n/a
Sustainable Communities Strategy Implementation Grant from Strategic Grow th Council, Round #2		n/a	n/a	n/a
Services to Other Agencies (pass-through)	n/a	0.6	0.8	n/a
Misc Other Funding	n/a	n/a	n/a	n/a
Government Relations, Public Affairs & Administration	n/a	n/a	n/a	4.9
Long-Range Transportation Planning	n/a	n/a	n/a	10.1
Short-Range Transportation Planning & Studies	n/a	n/a	n/a	1.4
Continuing Transportation Implementation	n/a	n/a	n/a	5.7
Land Use & Housing Planning	n/a	n/a	n/a	8.7
Public Services	n/a	n/a	n/a	2.8
Member & Agency Services	n/a	n/a	n/a	4.9
Services to Other Agencies	n/a	n/a	n/a	0.9
Board and Advocacy	n/a	0.3	0.5	0.2
Subtotal - Direct Projects	36.3	37.0	39.5	39.6
Indirect	12.3	11.8	11.1	12.2
Total FTEs Based on Total Hours	**48.6**	**48.8**	**50.6**	**51.8**

Sacramento Area Council of Governments

Summary of Full-Time Equivalent Employees

BY PROJECT

For Ten Fiscal Years Ended June 30

2009	2010	2011	2012	2013	2014
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	12.0	10.8	3.9	4.7
n/a	n/a	n/a	n/a	1.0	1.2
n/a	n/a	0.2	0.3	0.2	0.1
n/a	n/a	n/a	0.2	0.6	0.4
5.1	4.5	4.7	4.0	5.6	6.1
3.5	6.0	3.7	3.5	4.2	3.0
0.4	1.1	2.8	1.3	2.3	1.6
11.0	8.9	6.8	7.8	6.9	8.1
11.1	10.2	4.4	3.5	6.8	8.4
2.8	2.7	n/a	n/a	n/a	n/a
4.7	3.7	7.0	8.6	9.6	8.6
0.5	0.5	0.5	0.4	1.0	0.7
0.3	0.2	0.2	0.2	0.6	0.4
39.4	37.8	42.3	40.7	42.7	43.4
12.4	12.8	11.7	12.3	14.3	10.6
51.8	**50.6**	**54.0**	**53.0**	**57.0**	**54.0**

Planning & Administration Fund

INDIRECT SERVICE COST COMPARISON

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008
INDIRECT COSTS				
Building Costs	$ 573,947	$ 573,947	$ 641,863	$ 638,875
Career Development Program	-	-	49,690	52,408
Consultants	80,810	57,038	39,071	116,034
Depreciation	168,452	156,390	136,081	133,337
Insurance	15,828	68,658	67,478	69,959
Legal	88,481	178,649	257,799	320,942
Maintenance	15,579	44,048	6,176	13,295
Meetings	40,664	19,059	12,099	5,300
Memberships	21,219	42,139	42,794	25,377
Miscellaneous	3,157	12,265	676	2,530
Mileage	17,120	13,862	11,408	14,093
Office Equipment	-	-	16,825	19,591
Parking	5,950	6,525	7,400	7,550
Postage	30,458	24,197	22,605	21,367
Printing	-	-	16,671	1,762
Publications	5,013	3,425	4,227	4,869
Salaries and Benefits	1,130,960	1,186,651	1,164,671	1,337,701
Software & Maintenance	58,531	41,206	36,601	49,921
Supplies	72,979	75,394	38,499	45,429
Accounting Services	-	7,723	8,169	17,065
Unemployment Costs	-	8,469	-	-
Telephone/Telcommunications	29,356	28,693	32,906	34,114
Temporary services	6,673	580	2,119	409
Printing Cost offset	-	(71,048)	-	-
OPEB ARC				
Total Indirect Costs	**$ 2,365,177**	**$ 2,477,870**	**$ 2,615,828**	**$ 2,931,928**

Planning & Administration Fund

INDIRECT SERVICE COST COMPARISON

For Ten Fiscal Years Ended June 30

2009	2010	2011	2012	2013	2014
$ 677,089	$ 601,854	$ 582,991	$ 575,236	$ 597,186	$ 602,173
89,195	42,699	46,247	50,103	50,515	58,748
269,661	100,131	45,655	45,455	38,972	91,669
86,257	82,426	45,844	44,537	42,462	47,330
68,903	68,251	68,376	67,924	69,721	76,403
259,557	242,566	245,404	40,782	78,814	67,426
11,580	14,590	6,762	3,439	5,366	8,537
12,187	7,269	8,737	8,678	4,798	2,052
25,511	17,246	28,795	11,663	4,818	6,412
3,719	4,664	4,660	5,242	5,960	5,972
12,915	14,171	13,749	13,717	10,548	11,392
11,044	2,823	4,520	12,499	14,878	32,878
9,450	10,376	10,200	10,650	9,925	8,300
9,014	17,998	10,462	8,219	6,954	6,739
9,081	(1,931)	(18,297)	(8,146)	(6,204)	14,266
3,567	2,264	2,686	1,497	2,589	1,885
1,423,539	1,496,208	1,475,280	1,600,335	1,911,553	1,560,919
51,418	62,364	86,315	66,675	63,373	72,148
53,275	70,105	56,512	45,136	49,377	26,867
9,420	9,844	12,943	10,189	12,142	39,153
-	-	4,279	1,281	4,619	-
39,244	37,349	40,350	45,640	35,154	37,542
132	384	403	1,623	865	41,062
-					
	405,800	-	-	-	-
$ 3,135,758	**$ 3,309,451**	**$ 2,782,873**	**$ 2,662,374**	**$ 3,014,385**	**$ 2,819,873**

Sacramento Area Council of Governments

Capital Assets – by Fund*

For Ten Fiscal Years Ended June 30

	2005	2006	2007	2008
Planning and Administration Fund:				
Furniture/equipment/computers	$ 579,541	$ 470,401	$ 379,209	$ 313,598
Capital Valley Regional SAFE:				
Call boxes	1,857,102	1,505,224	1,118,006	2,250,826
Glenn County SAFE:				
Call boxes	47,954	29,390	10,828	60,245
Total	**$ 2,484,597**	**$ 2,005,015**	**$ 1,508,043**	**$ 2,624,669**

Source: Individual internal fund statements

Sacramento Area Council of Governments

Capital Assets – by Fund

For Ten Fiscal Years Ended June 30

2009	2010	2011	2012	2013	2014
$ 235,902	$ 109,415	$ 80,386	$ 77,873	$ 102,217	$ 148,847
1,779,369	1,139,355	667,898	196,441	-	-
47,101	33,956	20,812	7,668	-	-
$ 2,062,372	**$ 1,282,726**	**$ 769,096**	**$ 281,982**	**$ 102,217**	**$ 148,847**

Sacramento Area Council of Governments

Miscellaneous Statistics

For Fiscal Year Ended June 30, 2014

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

Source: SACOG

Sacramento Area Council of Governments

Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
U.S. Department of Transportation			
Highway Planning & Construction Cluster:			
Passed through the State of California,			
Department of Transportation			
Planning	20.205	03-6085R/74AO135	$ 2,828,721
CMAQ - Pedestrian and Bicycle Planning/On Line Bike Trip Pl	20.205	03-6085R/74AO135	15,507
CMAQ - Connect Card Implmentation	20.205	03-6085R/74AO135	2,254,364
CMAQ - Transportation Demand Management	20.205	03-6085R/74AO135	952,376
CMAQ - SECAT Program	20.205	03-6085R/74AO135	3,398,334
CMAQ - 511 Trip Planning	20.205	03-6085R/74AO135	54,543
FHWA Partnership Planning	20.205	03-6085R/74AO135	16,360
SAFE Routes to School	20.205	03-6085R/74AO135	427
Subtotal - Highway Planning and Construction Cluster[1]			$ 9,520,632
Direct Metropolitan Transportation Planning Program - FTA	20.505		1,110,596
Direct Federal Transit Admininstration - 5307 Formula Grants	20.516		700,086
Direct Transit Services Programs Cluster:			
Federal Transit Administration - JARC Funds	20.516		720,545
Federal Transit Administration - New Freedom	20.521		420,871
Subtotal: Transit Services Programs Cluster:			1,141,416
Total US Department of Transportation			12,472,730
U.S. Department of Housing and Urban Development			
Direct:			
Sustainable Communities Regional Planning Grant Program	14.703		99,835
U.S. Department of Energy			
Direct:			
Convervation Research and Development	81.086		274,826
Total Expenditures of Federal Awards			$ 12,847,391

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2014

NOTE A - GENERAL

The accompanying schedule of expenditures of federal awards for the year ended June 30, 2013, presents the activity of all federal award programs of the Sacramento Area Council of Governments. Federal awards received directly from federal agencies, as well as federal awards passed through to other governmental agencies, are included in the schedule.

NOTE B - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which recognizes revenue in the accounting period in which it becomes measurable and available to finance expenditures of the current accounting period. Expenditures are recognized in the period in which the liability is incurred (when goods are received or services rendered).

NOTE C – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

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

NOTE D – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, SACOG provided federal awards to subrecipient as follows:

Federal Program	Federal CFDA Number	Amount Provided to Subrecipients
Highway Planning and Construction	20.205	$ 397,821
Metropolitan Planning - FTA	20,505	31,808
Federal Transit Administration – JARC Funds	20.516	720,545
Federal Transit Administration – New Freedom Funds	20.521	420,871
Total		$ 1,571,045

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements, and have issued our report thereon dated January 28, 2015. Our report includes a reference to other auditors who audited the fund financial statements of the County of Sacramento Local Transportation Special Revenue Fund, the County of Yuba Local Transportation Special Revenue Fund, the County of Sutter Local Transportation Special Revenue Fund, the County of Yolo Local Transportation Fund, and the State Transit Assistance Special Revenue Fund, as described in our report on SACOG's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 Compliance Supplement* that could have a direct and material effect on SACOG's major federal programs for the year ended June 30, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SACOG's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 28, 2015

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	$ 385,422
Auditee qualified as low-risk auditee?	Yes

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

II. FINANCIAL STATEMENT FINDINGS

None reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014

Summarized below is the current status of all audit findings reported in the prior year audit's schedule of findings and questioned costs.

Finding Number	Program	CFDA No.	Compliance Requirement	Status
2013-01	Highway Planning and Construction	20.205	Subrecipient Monitoring	Implemented

WHAT WE DO

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

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

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General Counsel

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