



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



SACOG

Sacramento Area
Council of
Governments

SACRAMENTO, CALIFORNIA

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SACOG VISION

A vibrant and thriving
Sacramento region for all.

SACOG MISSION

SACOG convenes and
connects the region to
advance an equitable,
sustainable, and prosperous
future.

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024



SACRAMENTO AREA COUNCIL OF GOVERNMENTS

1415 L Street, Suite 300
Sacramento, California 95814

Prepared by:
Finance Team
Loretta Su, Finance Director

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Sacramento Area Council of Governments

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Sacramento Area Council of Governments

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Introductory Section

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1415 L Street,
Suite 300
Sacramento, CA
95814

916.321.9000
sacog.org

December 20, 2024

Citizens of the Sacramento Region
Honorable Chair and Members of Board of Directors
Sacramento Area Council of Governments

We are pleased to present the basic financial statements of the Sacramento Area Council of Governments (SACOG) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of SACOG. A comprehensive framework of internal controls has been designed and implemented to ensure the assets of SACOG are protected from loss, theft, or misuse, and to ensure that financial information is accurate and complete. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position including results of SACOG’s operations. All disclosures necessary to enable the reader to gain an understanding of SACOG’s financial activities have been included.

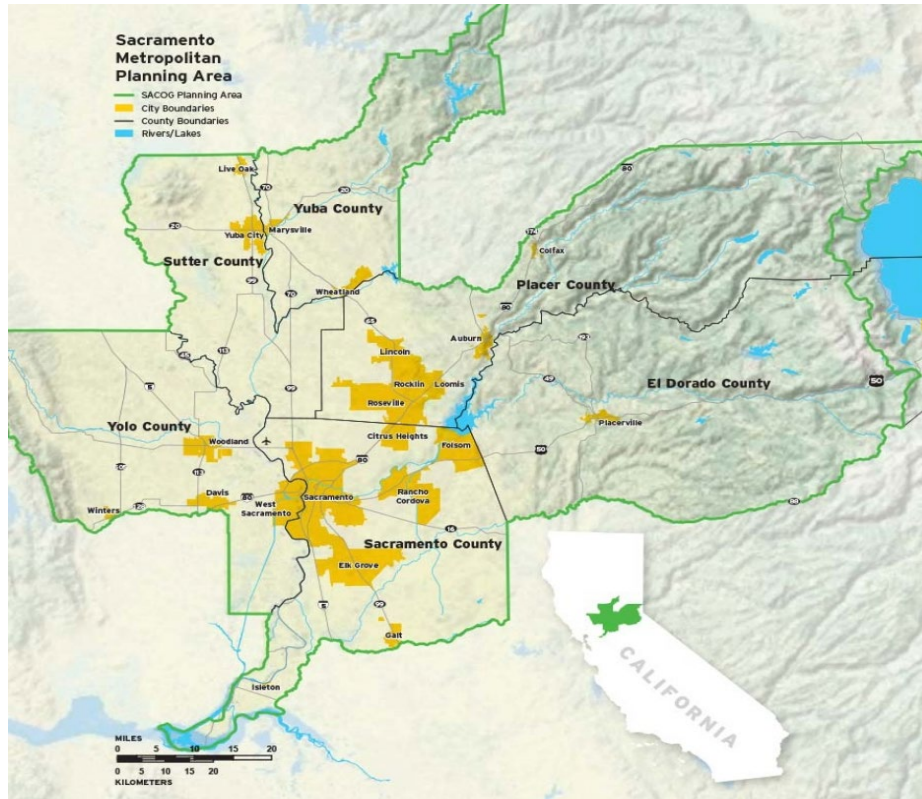
Eide Bailly has issued an unmodified (“clean”) opinion on SACOG’s financial statements for the fiscal year ended June 30, 2024. Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report, providing a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Sacramento Area Council of Governments

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

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

SACOG has a 32-member Board of Directors comprised of elected officials from each of the member agencies including one ex-officio member from Caltrans. These members sit on three committees: Policy and Innovation; Land Use & Natural Resources; and Transportation. The SACOG Board of Directors also meets as the Board of Directors for Capitol Valley SAFE; and the Airport Land Use Commission (ALUC) for Sacramento, Sutter, Yolo, and Yuba counties.

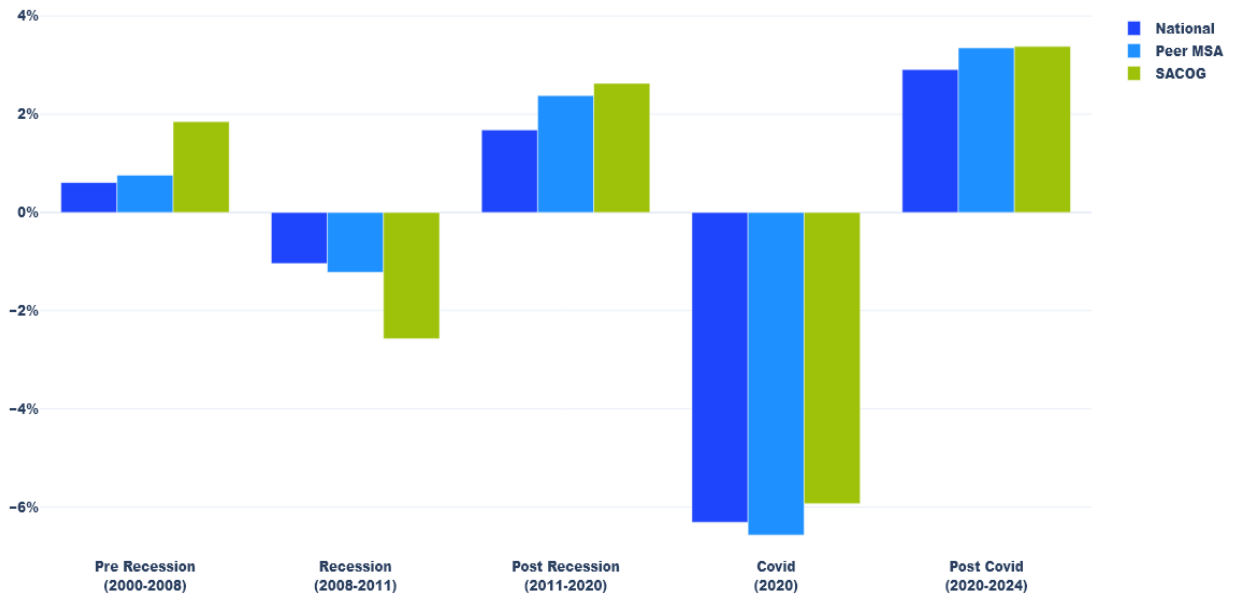


Factors Affecting Financial Condition

Local Economy

Sacramento region economy continues to exhibit stability, underpinned by its diverse and robust employment sectors. Job growth in the Sacramento Region is at an annual rate of 1.3% a year since 2000, nearly twice the national average and outpaces the composite set of per mid-sized regions. Like all other regions, greater Sacramento witnessed a sudden but short-lived drop in employment in early 2020. However, employment quickly rebounded, surpassing pre-Covid levels around fall of 2021 and today stands over 5 percent higher than the end of 2019 levels. The government, healthcare, and education form the backbone of Sacramento region economy, contributing to its resilience even during the boarder economic downturns. Median household income for Sacramento Metropolitan Statistical Area (MSA) is \$89,227 and Yuba City MSA is \$70,176.

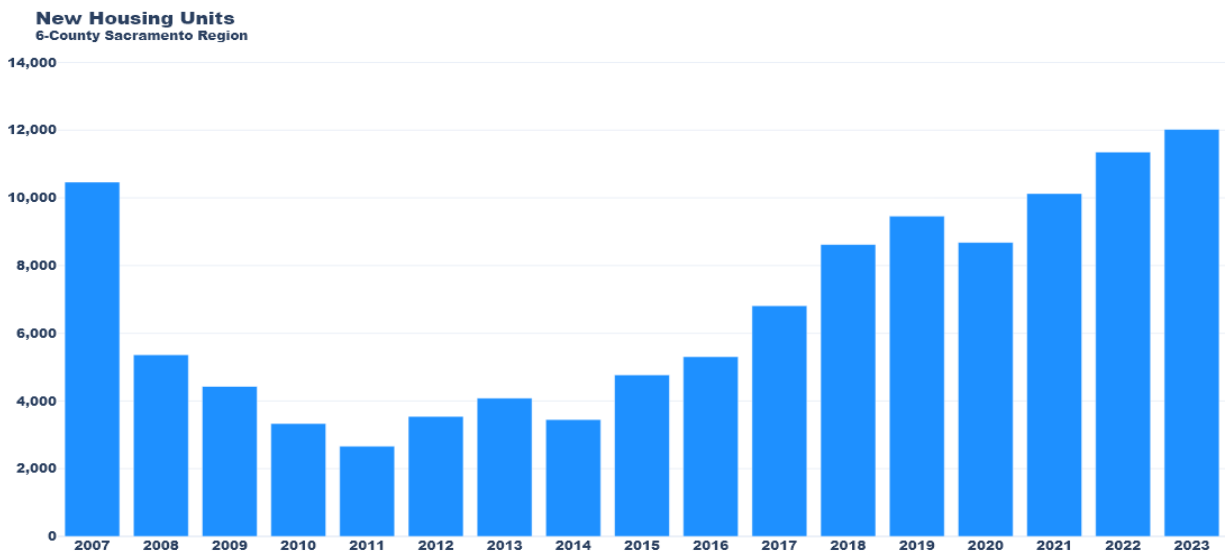
Annual Job Growth Comparison: Sacramento, National, and other Mid-Sized Metro Areas (September)



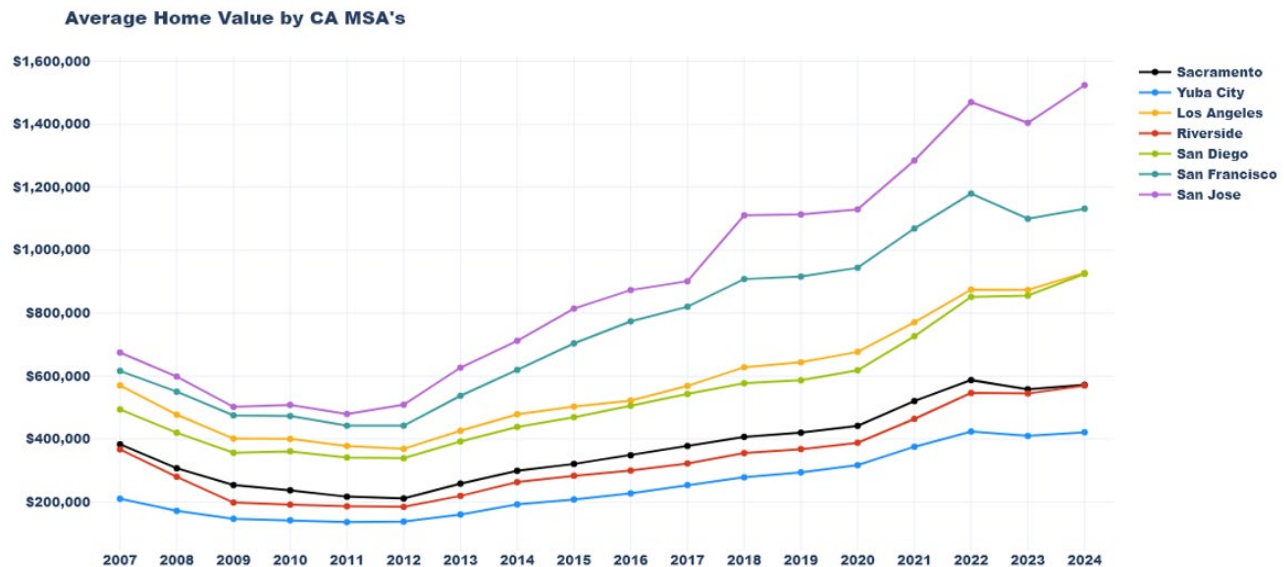
Source: Bureau of Labor Statistics

Housing

The region's relative affordability, good schools and family-friendly amenities, combined with its proximity to the Bay Area, make it an attractive option for individuals and families seeking a better quality of life. Sacramento region is at a 17 year high in annual housing permits. On a per capita basis, the Sacramento region has produced the most housing of any large region in the state every year since 2017. Since 2008, the region has grown by over 330,000 residents, while adding about 85,000 housing units. However, population growth and healthy housing market growth indicator suggests that the region needs to add about twice the level of housing over this period than units built.



While housing in the Sacramento region may seem less expensive in the California context, it is much more expensive compared to the nation at large. Of the 19 mid-sized national peers, home values in Sacramento are higher than all others. And home values in the Sacramento region have increased more on an annual percentage basis since 2000 than all but three peer regions (Miami, Riverside, and Tampa).



Source: SACOG Analysis of California Department of Housing Community Development (HCD) Permit Data

Unemployment

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

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 4.7 percent in September 2024, down from a revised 5.2 percent in August 2024, and above the year-ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 5.3 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 4.3 percent in El Dorado County, 4.2 percent in Placer County, 4.9 percent in Sacramento County, and 4.9 percent in Yolo County.

The unemployment rate in the Yuba City MSA was 6.6 percent in September 2024, down from a revised 7.3 percent in August 2024, and above the year-ago estimate of 6.0 percent. This compares with an unadjusted unemployment rate of 5.3 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 6.5 percent in Sutter County, and 6.6 percent in Yuba County.

Between August 2024 and September 2024, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, decreased by 1,900 to total 1,106,800 jobs.

- Leisure and hospitality experienced a normal seasonal decline from August to September with the reduction of 2,300 jobs. Employment losses were split between arts, entertainment, and recreation (down 1,200 jobs) and accommodation and food services (down 1,100 jobs).
- Over the month, construction payrolls fell by 1,800 jobs. Specialty trade contractors was responsible for the industry decline, shedding 1,900 jobs.
- Farm employment decreased by 700 jobs, in trend with its typical decline during this time.

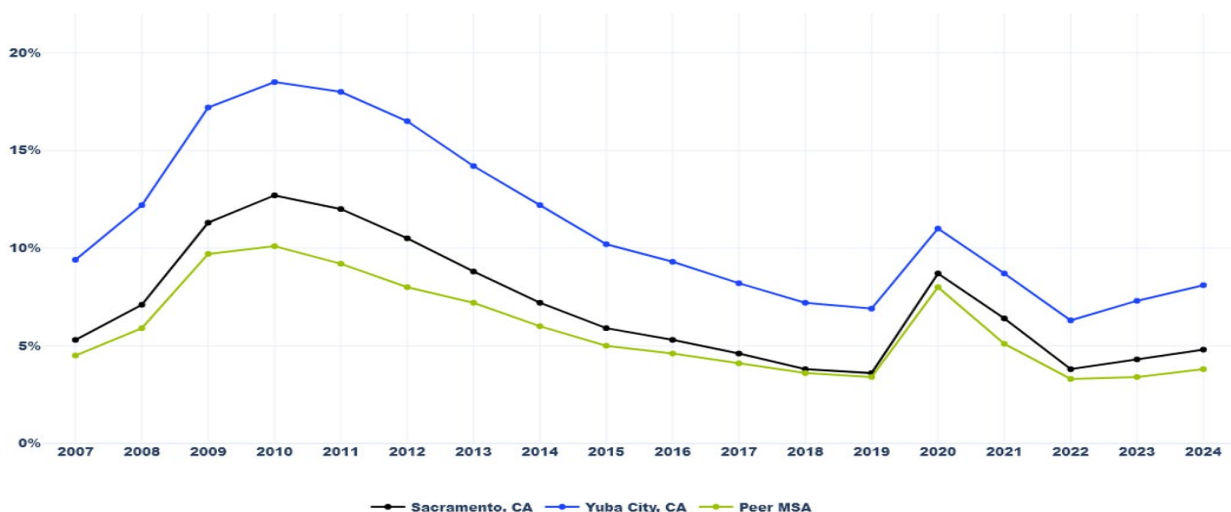
- On the upside, government continued to trend up with a month-over gain of 2,600 jobs. Payroll increases were reported in local government (up 1,600 jobs) and state government (up 1,000 jobs). Federal government remained unchanged.
- Private education and health services reported an additional 900 jobs in September. Healthcare and social assistance added 700 jobs while private educational services picked up 200 jobs. Additional month-over job reductions occurred in leisure and hospitality (down 1,400 jobs), financial activities (down 700 jobs), farm (down 600 jobs), manufacturing (down 300 jobs), and information (down 100 jobs)

Between August 2024 and September 2024, employment in the Yuba City Metropolitan Statistical Area declined in farm (down 100 jobs) and increased in nonfarm (up 1,900 jobs). This includes government (up 900 jobs), private education and health services (up 600 jobs), trade, transportation and utilities (up 400 jobs), and manufacturing and professional & business services (each down 100 jobs).

Between September 2023 and September 2024, total jobs in the SACOG region increased by 22,800 or 2.0 percent to a total of 1,166,000 jobs.

- Private education and health services continued to lead the region in year-over job growth with an additional 16,800 jobs, with healthcare and social assistance (up 16,100) accounted for 96 percent of the increase. Private educational services added 700.
- Government advanced by 7,800 jobs since last September. Payroll gains were in state government (up 4,100 jobs) and local government (up 3,700 jobs). Meanwhile, no change to federal government jobs.
- A year-over expansion of 700 jobs was recorded in trade, transportation and utilities and 3,400 jobs was recorded in professional and business services, of which professional, scientific, and technical services (up 1,900 jobs) and administrative and support and waste services (up 1,500 jobs) were responsible for the expansion.
- Meanwhile, year-over employment declines occurred in construction (down 1,500 jobs), leisure and hospitality (down 1,000 jobs), information (down 1,000 jobs), manufacturing (down 1,000 jobs), other services (down 500 jobs), farm (down 500 jobs) and financial activities (down 400 jobs).

Unemployment Rate by MSA



Source: Bureau of Labor Statistics

Long-Term Financial Planning

SACOG is primarily dependent upon formula revenues and planning grants from the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and the State of California. Most of these funds are passed through Caltrans. Additionally, SACOG receives administrative and transportation-planning fees for the administering of the Transportation Development Act Funds (TDA). The TDA provides three major sources of funding: Local Transportation Fund (LTF) which is derived from a one-quarter state sales tax for the four counties (Sacramento, Sutter, Yolo, and Yuba) and State Transit Assistance (STA) and State of Good Repair (SGR) which are derived from the statewide sales tax on diesel fuel. SACOG also has agreements with the transportation planning agencies in El Dorado and Placer counties to designate a portion of their LTF revenues (or equivalent) in return for the transportation planning SACOG performs for their benefit.

In 2017, California State Legislature passed the Senate Bill 1, Road Repair and Accountability Act (SB 1) which is estimated to provide \$5.4 billion in annual funding in both competitive and formula distribution to cities, counties, transit agencies and Metropolitan Planning Organizations such as SACOG starting in fiscal year 2018. At the same time, there is a forecasted long-term decline in state funding for transportation due to increasing fuel efficiency (and therefore lower gas tax revenues), which puts pressure on cities and counties to maintain existing infrastructure through other funding sources.

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

In July 2023, the California Legislature passed the Senate Bill 125, which amended the Budget Act of 2023 to appropriate \$4 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) over the next two fiscal years on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also established the \$1.1 billion Zero-Emission Transit Capital Program (ZETCP) over the next four fiscal years to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. Senate Bill 125 requires California State Transportation Agency (CalSTA) to develop and administer an accountability program to govern the distribution of these funds. SACOG, as the Regional Transportation Planning Agencies for Sacramento, Sutter, Yolo and Yuba, will receive approx. \$200.9 million in TRICP fund and \$37.3 million in ZETCP fund and will work with the four county-transit agencies to develop a regional short-term financial plan for distribution of these funds.

According to the Congressional Budget Office (CBO) economic growth is projected to slow from 3.1 percent in calendar year 2023 to 2.0 percent in 2024 amid higher unemployment and slightly lower inflation and remain steady at 2.0 percent in 2025 before settling at roughly 1.8 percent in 2027 and later years. Inflation is expected to gradually decrease over the next few years, approaching the Federal Reserve's long-term goal of 2 percent by 2026. The Federal Reserve will continue to lower the federal funds rate in 2025 in response to slowing inflation and rising unemployment. The CBO's projection is subject to a high degree of uncertainty, and the actual economic growth rate could be affected by various factors. The actual long-term impact of the economy is still uncertain, but it could potentially impact

SACOG's revenues from sales taxes, one-time state grants, and fees. In the longer term, a severe economic downturn could slow the amount of funding available from federal formula programs, although federal funds are set through federal fiscal year 2026.

Major Initiatives

SACOG has committed to working toward three strategic goals of equity, economy and environment for the SACOG region. SACOG will use its analysis, board discussions, and recommendations to achieve all three goals. While equitable opportunity, economic prosperity, and environmental stewardship are often framed as in tension with one another, we believe pursuing all three as equally important and interconnected goals will create greater opportunity for all of the region's residents today and for generations to come. In order to implement our mission and goals and deliver on our region's long range transportation plan and sustainable communities strategy, SACOG's work focuses on the four priorities: 1) Build vibrant and inclusive places; 2) foster the next generation of mobility solutions; 3) modernize the way we pay for transportation infrastructure; and 4) build and maintain a safe, equitable and resilient transportation system. Highlights of some major initiatives we worked on in fiscal year 2023-2024 to advance these priorities included, but not limited to:



APPROVAL OF ASSEMBLY BILL 350 MARKS NEW BLUEPRINT SCHEDULE

Governor Newsom signed Assemblymember Cecilia Aguiar-Curry's AB 350 that allowed a formal extension for the 2025 Blueprint and allows for adoption of the long-range plan in the fall of 2025. The bill enjoyed a strong show of support from local governments in the region, transportation and transit agencies, business and environmental groups, as well as megaregion partners in the San Francisco Bay Area and San Joaquin County. A support letter signed by 21 mayors across the six-county region provided another critical boost for the bill.

ENGAGE, EMPOWER, IMPLEMENT (EEI) PROGRAM FRAMEWORK ADOPTED

The EEI Program Framework was adopted by the Board of Directors, and work is moving forward to create more equitable and community-driven transportation projects. This milestone has been years in the making and paves the way for staff to begin developing program guidelines and other materials for the \$3.8 million funding program.

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

This was a big year for Green Means Go as \$31.83 million for 27 projects was awarded

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

RACE, EQUITY, AND INCLUSION INITIATIVE GAINS MOMENTUM

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

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

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



FIRST EVER BOARD ADOPTED GRANT PRIORITIZATION LIST LEADS TO \$25 MILLION REGION WIN

The Board of Directors adopted its first ever grant prioritization list that is focused on larger federal grant programs. The list helped SACOG and partners to focus on collectively advocating for projects, which lead to an award of \$25 million in federal transportation funding to the Grant Line Road Safety Improvements Project in Sacramento County.

\$114 MILLION IN SB 125 FUNDING AWARDED FOR TRANSIT RECOVERY PLAN

SACOG's allocated state SB 125 one-time funding of more than \$114 million to the regional transit operators as they recover from pandemic ridership losses. It is also funding a required Long-Term Financial Plan that SACOG is going to conduct to look at how our regional transit operators move into the future with their recovery in a financially sustainable way.

SACOG'S SUPPORT WINS MILLIONS IN GRANT FUNDING FOR THE REGION

SACOG staff have been working with agencies in support of projects that are bringing the region's vision of the future to reality. As part of this, SACOG provided 25 letters of support for federal and state grants. Three projects in the region received funding totaling more than \$102 million.

SHAPING THE FUTURE OF THE REGIONAL FUNDING ROUND

The Board of Directors approved the final funding round guidelines to better align SACOG funding programs with funding sources and incorporate a six-county funding round for federal funds, which has historically been for four counties. The updated guidelines will help streamline expectations and clarity on programs to make it easier for partners to create a strategy for their funding.

REGION COMES TOGETHER FOR THE CAPITAL AREA REGIONAL TOLLING AUTHORITY (CARTA)

In February, CARTA formed as a new Joint Powers Authority between SACOG, the Yolo Transportation District, and Caltrans District 3 to provide a regional body to ensure tolling is coordinated in the region. CARTA also received approval from the California Transportation Commission to operate a tolling facility on Interstate 80 in Yolo County.

Project Highlight: With SACOG's advocacy support, \$105 million in state funding was secured by Caltrans to fully fund the Yolo 80 managed lanes project.

MOBILITY ZONES GAINS MOMENTUM

Progress picked up on the Mobility Zones Project this year. A collaborative effort with city and county staff, regional stakeholders, and community members make up seven advisory committees who helped to establish a goals framework to guide the group as they work to identify 10-15 'zones'. The nonprofit leading community engagement, Civic Thread, helped to gather the 40 community members who were onboarded into the community committees that helped develop the methodology for the mobility zones selection.

REGIONAL TRAIL NETWORK CONTINUES TO GROW, RECEIVES LOCAL RECOGNITION

2024 began with an exciting milestone for SACOG, as its 2022 Regional Trail Network Action Plan received local recognition with the "Innovative Transportation Solutions" award



from the Sacramento chapter of Women's Transportation Seminar. Later in the year, SACOG's Trail Implementation Strategy was launched, which will focus on connecting the region and supporting cities and counties as they plan and build the envisioned 1,000-mile trail network. In addition, several cities across the region celebrated ribbon-cutting ceremonies as miles of new trails and trail connections were completed.

Project Highlights: The City of Sacramento celebrated several project milestones in active transportation this year, including the completion of the five-mile Del Rio Trail, the Broadway Complete Street project, and the Two Rivers Trail. In Citrus Heights, residents welcomed the opening of the 2.9-mile Arcade Cripple Creek trail. These projects help connect the regional trail network and have received support and funding from SACOG

MODE SHIFT PROGRAM SUPPORTS NEW TRANSPORTATION ENDEAVORS

Many of the SACOG Mode Shift grant recipients launched their projects this year after receiving funding and technical assistance from staff.

Project Highlights: There were several projects funded by this SACOG program that launched this year. The list includes the E-Bike Lending Library in the City of Elk Grove, a traffic calming pilot in the City of Marysville, an individualized marketing pilot for mode shift by the 50 Corridor TMA, and wayfinding signs in midtown and downtown Sacramento by the Midtown Business Association.

BOARD OF DIRECTORS APPROVES REGIONAL TRANSIT NETWORK PLAN

In an effort to improve existing transit services, SACOG and transit operators across the region have been working on a road map to address declining ridership and funding. The SACOG Board of Directors approved the Regional Transit Network Plan to address challenges and

provide prioritized infrastructure improvements to be included in the 2025 Blueprint.

MEGAREGION ZERO EMISSIONS MEDIUM- AND HEAVY-DUTY VEHICLE STUDY COMPLETE

The Northern California Megaregion completed a strategy to support the transition of medium- and heavy-duty vehicles to zero-emission technologies across the 15-county region. The plan addresses critical infrastructure issues, policy needs, and community engagement efforts needed to support the transition.

BIG YEAR FOR GREEN MEANS GO

Green Means Go (GMG), which is funded by the California Regional Early Action Planning Grants, faced huge potential cuts this year due to the state's budget deficit. Advocacy from partners, cities, and counties on behalf of the awarded projects saved this much needed investment that is funding infrastructure upgrades throughout the region. In addition to protecting existing funding, GMG also received \$22.5 million in new funding from a U.S. Department of Transportation Reconnecting Communities Grant.

Project Highlight: This year, the San Juan Apartments in the County and City of Sacramento broke ground on 113 affordable housing units. The project by Mutual Housing reached this milestone in part due to the \$2 million in funding received through SACOG's Green Means Go program to support needed infrastructure improvements.

PROGRESS ON THE 2025 BLUEPRINT

SACOG staff have been working hard to lay the groundwork for the 2025 Blueprint. The foundation of this plan is built on extensive data analysis, public outreach, and collaboration with local agencies and experts while being grounded in the board-adopted Triple Bottom Line framework, emphasizing a balanced approach to equity, economy, and environment.

Budgeting Controls

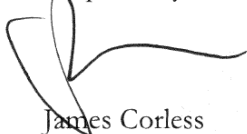
The annual budget serves as the foundation for SACOG's financial planning and control. SACOG prepares and adopts a final budget for the SACOG Planning and Administration General Fund and Capitol Valley SAFE Fund by June of each year. The budget must be approved by a three-part majority of the Board of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

Acknowledgements

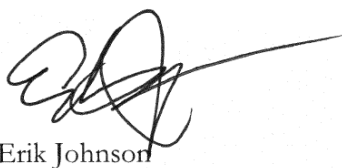
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to SACOG for its annual comprehensive financial report for fiscal year ended June 30, 2023. This was the eighth consecutive year that SACOG has received this prestigious award. To be awarded the Certificate of Achievement, SACOG had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine eligibility for another Certificate of Achievement.

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


Respectfully submitted,



James Corless
Executive Director



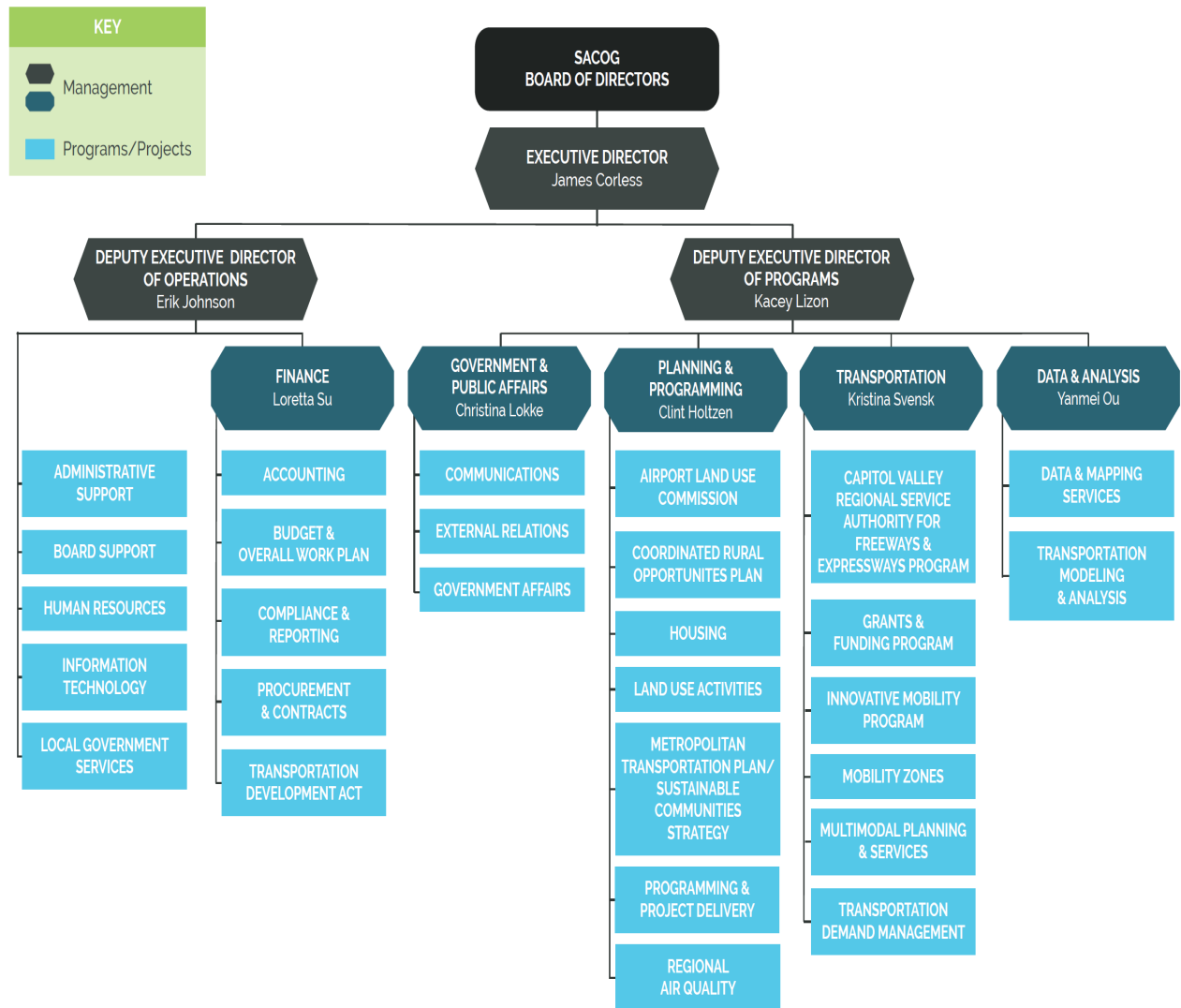
Erik Johnson
Deputy Executive Director
of Operations



Loretta Su
Finance Director

Organizational Chart

SACOG Programs & Projects



Last Revised: May 2023



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sacramento Area Council of Governments
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Sacramento Area Council of Governments (SACOG) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the SACOG's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SACOG, as of June 30, 2024, and the respective changes in financial position thereof, and the respective budgetary comparison for the Planning and Administration General Fund and the SAFE Funds Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Local Transportation Funds, the State Transit Assistance Special Revenue Fund, and the State of Good Repair Special Revenue Fund, which are major funds and collectively represent 71 percent, 69 percent, and 87 percent, respectively, of the assets, net position, and revenues of the governmental activities as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Local Transportation Funds, the State Transit Assistance Special Revenue Fund, and the State of Good Repair Special Revenue Fund, are based solely on the report of the other auditors.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note O to the financial statements, SACOG changed the accounting method used to recognize expenditures in the State of Good Repair Fund. Accordingly, a restatement has been made to the governmental activities and State of Good Repair Fund as of July 1, 2023 to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of SACOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SACOG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SACOG's internal control over financial reporting and compliance.

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

Sacramento, California
December 20, 2024

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Sacramento Area Council of Governments
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The Management Discussion and Analysis (MD&A) of the Sacramento Area Council of Governments (SACOG) presents an overview and analysis of the financial activities and changes in financial position of SACOG and its blended component units for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. This annual comprehensive financial report includes the following funds:

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

Financial Highlights

Highlights of SACOG and its blended component units’ financial performance during the fiscal year ended June 30, 2024, are below:

- The assets and deferred outflow of resources of SACOG exceeded liabilities and deferred inflows at the close of fiscal year 2023-2024 by \$40.1 million (net position), a decrease of \$12.0 million compared to the prior year. The net position consisted of net investment in capital assets of \$0.5 million, restricted net position of \$36.6 million and unrestricted net position of \$3.0 million.
- As of June 30, 2024, SACOG governmental funds reported combined fund balances of \$59.4 million, a decrease of \$10.4 million compared to June 30, 2023. Of the total combined fund balances, \$17.4 million (29%) is available for spending at SACOG’s Board discretion (*unassigned fund balance*).
- As of June 30, 2024, SACOG governmental funds reported combined revenues of \$176.3 million, an increase of \$2.4 million (1.4%) compared to June 30, 2023. The increase is due to an increase in grant revenues of \$3.7 million and investment earnings of \$1.9 million, offset by a decrease in sales and use taxes of \$4.0 million and \$0.4 million in charges for services.
- As of June 30, 2024, SACOG governmental funds reported combined expenditures of \$180.7 million, a decrease of \$5.8 million (3%) compared to June 30, 2023. The decrease is primarily due to lower reimbursement of transportation claimant’s expenditures from current and prior year allocations of \$3.8 million, decrease in PTMISEA project expenditures of \$4.5 million as the fund closed out in last fiscal year, offset by an increase in grant and other award reimbursements of \$2.4 million in Planning and Administration and special project expenses of \$0.2 million in SAFE.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SACOG has one general fund (Planning and Administration) and four (4) special revenue funds used to account for the activities supported by grants, sales taxes, intergovernmental revenues, member assessments, charges for services, administrative services, and other similar types of revenue sources. These funds focus on the near-term annual inflows and outflows of resources, rather than the longer-term focus of governmental activities as seen in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison of the governmental funds to the government-wide statements.

The SACOG Board of Directors adopted an annual budget for the Planning and Administration Fund which included the Overall Work Program (OWP), the Board and Advocacy activities, capital assets and other related functions/expenses not associated with the OWP. Much of the Planning and Administration fund budget is formulated through the OWP to comply with state and federal grant budgeting requirements. The OWP identifies the revenue sources and planned program expenditures for each of the project elements. The California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) also review and approve the OWP.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The STA and SGR funds have board approved allocations and approved projects for jurisdictions for each fiscal year. LTF funds do not have annual budgets but are funded and governed by California state statutes and California Code of Regulation requirements for each program. Capitol Valley Regional SAFE Fund and Glenn County SAFE fund (SAFE funds) have an annual budget separately adopted by its Board of Directors, which is comprised of the members of the SACOG Board of Directors, plus two representatives from San Joaquin County.

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of SACOG's financial position. For the fiscal year ended June 30, 2024, SACOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40.1 million. The following table shows SACOG's condensed government-wide statement of net position for the fiscal years ended June 30, 2024 and June 30, 2023.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

CONDENSED STATEMENT OF NET POSITION
As of June 30, 2024 and 2023

	Governmental Activities		Increase (Decrease)
	2024	2023	
ASSETS			
Current and other assets	\$ 134,339,646	\$ 139,532,219	\$ (5,192,573)
Capital assets	5,805,390	6,400,330	(594,940)
Total assets	140,145,036	145,932,549	(5,787,513)
DEFERRED OUTFLOWS			
Deferred outflows related to OPEB	1,616,111	1,957,477	(341,366)
Deferred outflows related to pensions	8,699,726	10,318,018	(1,618,292)
Total deferred outflows	10,315,837	12,275,495	(1,959,658)
LIABILITIES			
Other liabilities	76,400,223	70,860,929	5,539,294
Long term liabilities	29,370,168	28,852,084	518,084
Total liabilities	105,770,391	99,713,013	6,057,378
DEFERRED INFLOWS			
Deferred inflows related to OPEB	696,437	985,537	(289,100)
Deferred inflows related to pensions	3,858,668	5,381,333	(1,522,665)
Total deferred inflows	4,555,105	6,366,870	(1,811,765)
NET POSITION			
Net Investment in capital assets	550,637	679,978	(129,341)
Restricted:			
Restricted for pension contributions	1,997,024	1,840,373	156,651
Transportation projects	2,752,100	950,474	1,801,626
Transportation claimants	31,862,466	46,879,108	(15,016,642)
Unrestricted	2,973,150	1,778,228	1,194,922
Total net position	\$ 40,135,377	\$ 52,128,161	\$ (11,992,784)

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

As of June 30, 2024, total assets and deferred outflows of resources were \$150.5 million, a decrease of \$7.7 million (5%) over the fiscal year ended June 30, 2023. The key activities in SACOG's major funds are as follows:

- Planning and Administration assets increased by \$5.1 million (20%) largely due to restricted revenue related to the Green Means Go program received during the fiscal year ending June 30, 2024.
- The combined four LTF funds' assets decreased by \$12.9 million (18%) due to lower consumer spending in the areas of auto and transportation, building and construction, and general consumer goods. The decline in spending was influenced by rising levels of interest rates and limited access to home equity which had a significant impact on consumer credit, and the rise in costs for goods and services.
- The STA and SGR funds' assets increased by \$2.6 million (7%) as a result of lower paid out of prior and current year apportionments.
- SAFE assets increased by \$0.2 million (4%) primarily due to investment income.

Total liabilities and deferred inflows of resources were \$110.3 million for the fiscal year ended June 30, 2024, an increase of \$5.7 million (8%) over fiscal year ended June 30, 2023, of which \$4.8 million is due to STA/SGR and LTF funding owed to transportation claimants as of June 30, 2024 and \$0.8 million is mainly due to change in long term liabilities and deferred inflows of resources related to Pension and OPEB.

Total Net Position was \$40.1 million for the fiscal year ended June 30, 2024, a decrease of \$12.0 million (23%) over fiscal year ended June 30, 2023. The decrease is primarily due to higher STA/SGR/LTF transportation claims, offset by deferred revenues and investment earnings and a restatement recorded for a change in accounting principle in the State of Good Repair Fund related to receivable recognition.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The following table shows SACOG's condensed statement of activities for the fiscal years ended June 30, 2024 and June 30, 2023:

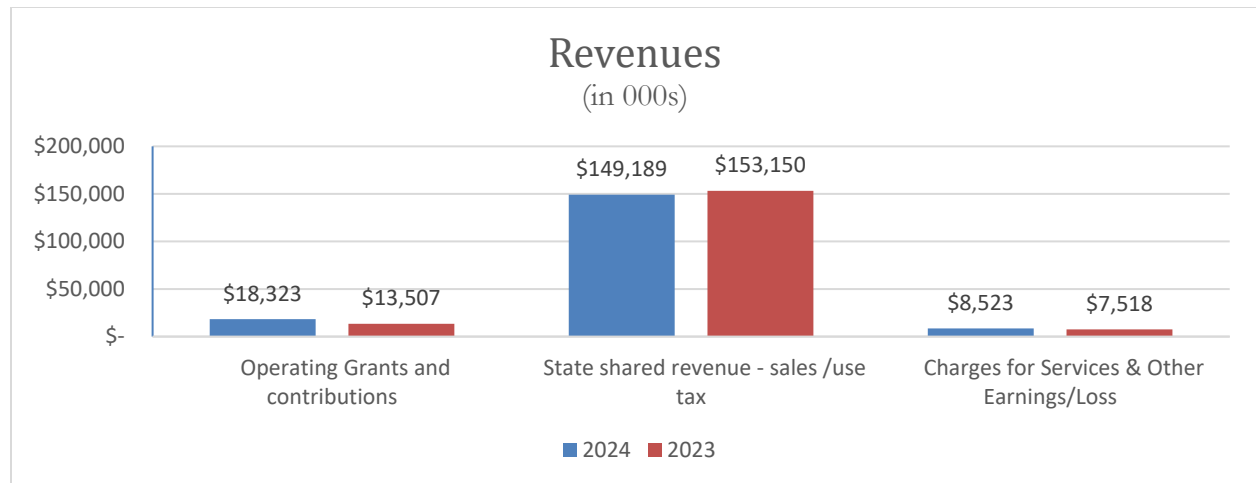
CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	Governmental Activities		
	2024	2023	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	\$ 3,672,250	\$ 4,035,085	\$ (362,835)
Operating Grants and contributions	18,322,704	13,506,650	4,816,054
General revenues:			
State shared revenue - sales /use tax	149,189,295	153,150,081	(3,960,786)
Investment earnings	4,782,582	3,094,415	1,688,167
Other and In-Kind	68,577	388,828	(320,251)
Total Revenues	176,035,408	174,175,059	1,860,349
Expenses			
Planning and Administration	22,534,070	19,247,670	3,286,400
Transportation Claimants	156,047,771	159,804,150	(3,756,379)
PTMISEA	-	4,457,295	(4,457,295)
SAFE	2,731,534	2,513,218	218,316
Total expenses	181,313,375	186,022,333	(4,708,958)
Change in Net Position	(5,277,967)	(11,847,274)	6,569,307
Net- Position Beginning	52,128,161	63,975,435	(11,847,274)
Restatement due to change in accounting principle related to recognition of receivables in the the State of Good Repair Fund (Note O)	(6,714,817)		(6,714,817)
Net- Position Beginning, as restated	45,413,344		
Net - Position Ending	\$ 40,135,377	\$ 52,128,161	\$ (11,992,784)

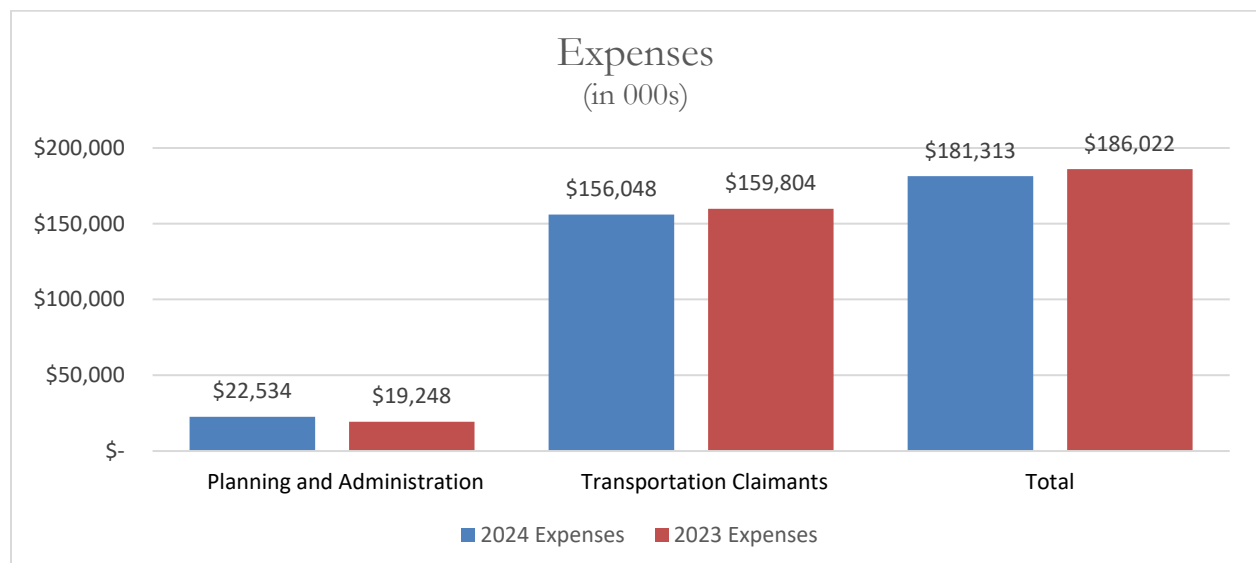
Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

As of June 30, 2024, total revenues were \$176.0 million, an increase of \$1.9 million (1%) compared to fiscal year ended June 30, 2023. The key revenue activities in SACOG's major funds are as follows:



- Operating Grants and Contributions revenue increased by \$4.8 million (36%). Major factors include an increase in federal revenue of \$1.4 million and state revenue of \$3.7 million, offset by a decrease in local revenue of \$0.3 million.
- State Shared Revenue decreased by \$4.0 million (3%) as a result of lower consumer spending in the areas of auto and transportation, building and construction, and general consumer goods related sales tax in LTF funds of \$0.3 million and STA and SGR funds of \$3.7 million due to lower fuel usage.
- Investment earnings increased by \$1.7 million compared to prior fiscal year.

As of June 30, 2024, total expenses were \$181.3 million, an decrease of \$4.7 million (3%) over fiscal year ended June 30, 2023.



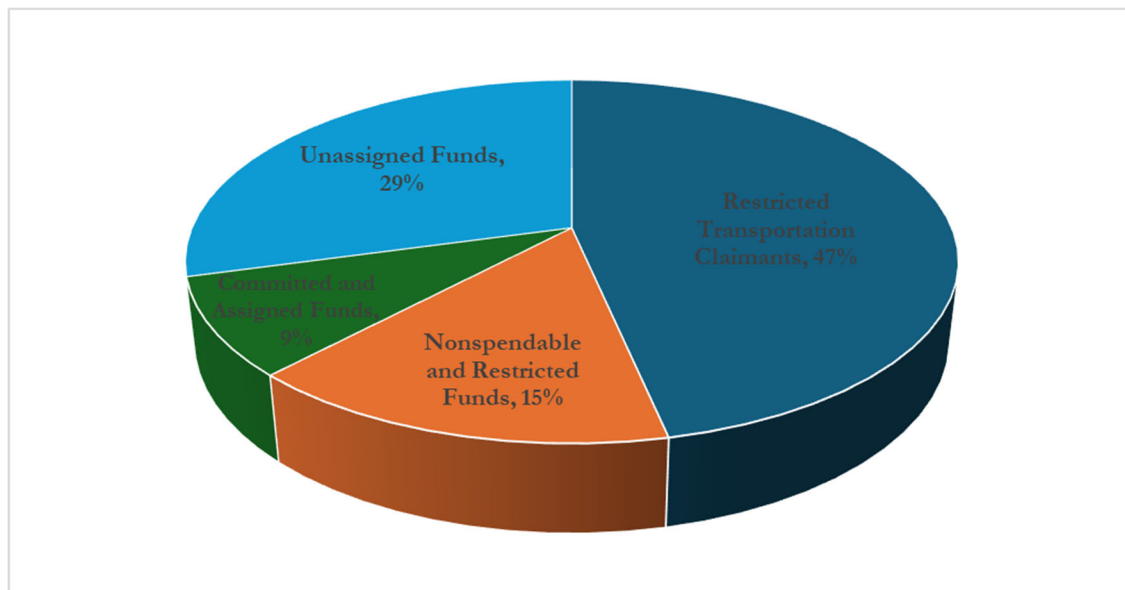
Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The key activities during fiscal year 2024 are :

- Transportation claimants' expenses decreased by \$3.8 million (2%) due to decreases in annual apportionments and claims in STA/SGR funds of \$0.9 million and decreased in the four county LTF funds of \$2.9 million.
- The Planning and Administration expenses increased by \$3.2 million (17%) in fiscal year 2024 comparing to fiscal year 2023 due to the increase in federal and state grant reimbursements.

Fund Financial Statement Analysis

As noted earlier, SACOG uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The chart below shows the fund balance components as of June 30, 2024.



The following table represents the fund balances for the governmental funds for the fiscal years ended June 30, 2024 and June 30, 2023:

	Fund Balance			
	Fiscal Year 2023-2024	Fiscal Year 2022-2023 (Restated)	Change	% of Change
Planning and Administration	\$ 27,579,793	\$ 22,949,665	\$ 4,630,128	20%
State Transit Assistance Fund (STA)	8,898,139	9,629,828	(731,689)	-8%
State of Good Repair Fund (SGR)	1,032,176	432,622	599,554	139%
Local Transportation Funds (LTF)	17,801,547	26,093,026	(8,291,479)	-32%
SAFE Funds	4,130,604	4,008,815	121,789	3%
Total Fund Balance	\$ 59,442,259	\$ 63,113,956	\$ (3,671,697)	-6%

Sacramento Area Council of Governments
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Key elements for SACOG’s governmental funds at June 30, 2024 were:

- Planning and Administration fund balance increased by \$4.6 million (20%) primarily due to restricted revenue related to the Green Means Go program and SACOG Managed Fund loan repayment.
- STA fund balance decreased by \$0.7 million (8%) due to lower collected sales tax revenues during the fiscal year.
- SGR fund balance increased by \$600 thousand (139%) due to the increase in project reimbursements for current and prior years’ apportionments.
- The LTF funds balance decreased by \$8.3 million (32%) due to an increase in claims for current and prior year’s apportionments.
- The SAFE funds balance increased by \$122 thousand due to higher vehicle registration fees received for the fiscal year.

General Fund Budgetary Highlights

The Board adopts an annual budget for the SACOG Planning and Administration General Fund and the Capitol Valley SAFE Fund (SAFE Funds) based on anticipated projects at the beginning of the year. SACOG reports its primary activities through the Planning and Administration General Fund which includes the Overall Work Program (OWP), Board of Directors and Advocacy budget, capital assets, and other related functions not associated with the OWP. When the original budget is prepared, the exact carry-in balances of continuing projects are unknown and estimates are made. Amendments are made throughout the year to the budget to true-up available grant funds remaining at the end of the prior fiscal year for multi-year grant funded projects, add new projects, and adjust existing projects as needed. During FY 2023-2024, there were two formal amendments to SACOG’s original adopted budget. The difference between the original budget and the final budget resulted in approximately a \$330 thousand increase in revenues and \$253 thousand decrease in expenses and debt services which were largely due to the following changes:

- The increase of approximately \$330 thousand is due to an increase of approximately \$503 thousand in intergovernmental revenues related to grant project expenditures expected in a future fiscal year and approximately \$209 thousand in investment earnings, offset by \$404 thousand decreased in other financing. SACOG’s federal and state funding sources are on a reimbursement basis so as the expenditures did not occur, the reimbursement revenues were not requested. This includes but is not limited to the Innovative Mobility Program, Green Means Go, and Regional Early Action Planning Program (REAP). These projects will carryover into the next fiscal year's budget.
- The reduction of approximately \$253 thousand in program expenditures is largely attributed to pass-through funds to other agencies for the Green Means Go and the Regional Early Action Planning Program (REAP).

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

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

	Fiscal Year 2023-2024		Variance with	Percentage
	Final Budget	Actual	Final Budget	Variance
Revenues:				
Intergovernmental	\$ 29,165,364	\$ 18,551,624	\$ (10,613,740)	-36%
Member assessments	1,001,164	1,001,167	3	0%
Other	485,580	1,226,605	741,025	153%
Total revenues	30,652,108	20,779,396	(9,872,712)	-32%
Expenditures:				
Planning and administration	35,491,171	19,554,444	15,936,727	45%
Payments to SMF grantees	704,635	371,244	333,391	47%
Capital outlay	150,000	727,236	(577,236)	-385%
Debt Service	881,526	1,249,400	(367,874)	-42%
Total expenditures	37,227,332	21,902,324	15,325,008	41%
Deficiency of revenue under expenditures	(6,575,224)	(1,122,928)	5,452,296	83%
Other Financing Sources:				
IT Subscription	-	688,597	688,597	0%
Transfers in	5,068,551	5,064,459	4,092	0%
Total Other Financing Sources (Uses)	5,068,551	5,753,056	692,689	14%
Net Change in fund balances	\$ (1,506,673)	4,630,128	\$ 6,144,985	408%
Fund balance - beginning		22,949,665		
Fund balance - ending		\$ 27,579,793		

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

- The approximate \$10.6 million (36%) negative variance for intergovernmental revenues occurred due to slow implementation of projects/programs which included RAISE grant, REAP Housing, Green Means Go, Innovative Mobility Program, and other discretionary grants. As the expenditures did not occur, the reimbursement revenues were not requested. The project expenditures carried-over into the next fiscal year.
- The approximate \$15.3 million (41%) positive variance for planning and administration expenditures were primarily due to the followings:
 - \$13.4 million in consulting, pass-through and other direct costs due to timing of grant funded project expenditures which included RAISE grant, REAP Housing, Green Means Go, Innovative Mobility Program, and other discretionary awards.
 - \$1.3 million in salaries and fringe benefits due to unfilled positions.

Sacramento Area Council of Governments
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Capital Assets

Total investment in capital assets on June 30, 2024, net of accumulated depreciation and amortization, was \$5.8 million, a decrease of \$0.6 million from last fiscal year, primarily due to amortization of right to use subscription IT assets and leases.

	Balance as of June 30, 2024	Balance as of June 30, 2023
Computers, Equipment, Leasehold Improvements and Automobiles	\$ 1,377,964	\$ 1,456,578
Right to Use Lease Assets	6,180,597	6,180,597
Right to Use Subscription IT assets	1,958,042	1,269,445
Less Accumulated Depreciation and Amortization	<u>(3,711,213)</u>	<u>(2,506,290)</u>
Capital Assets, Net	<u><u>\$ 5,805,390</u></u>	<u><u>\$ 6,400,330</u></u>

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

Debt Administration

Long-term debt includes the lease liability and IT subscription liability. The lease liability at June 30, 2024 is \$4,156,067, a decrease of \$702,068 due to regular principal payments. The IT subscription liability at June 30, 2024 is \$1,098,686, a net increase of \$236,469 which includes additional IT subscription of \$688,597 offset by regular principal payments of \$452,128. This is the second year the subscription liability is recorded due to the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), effective July 1, 2022.

Economic Factors and Next Year's Budget

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

In November 2021, President Biden enacted a \$1.2 trillion infrastructure law, formally known as the Infrastructure Investments and Jobs Act (IIJA) that provides certainty over at least five years for formula programs, along with a combination of one-time and ongoing funding increases. As with prior transportation reauthorization laws, funds from federal agencies are primarily determined by formula and subject to Congressional appropriation. Authorization for discretionary grant programs and formula grant programs will expire in September 2026. Based on precedent, Congress is most likely going to continue current levels for a period of time while it works on a new multi-year reauthorization law. However, given the unprecedented level of discretionary grant funding included

Sacramento Area Council of Governments
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

in IIJA, it is probable that there will be a reduction in overall funding in the next reauthorization law, but a continuation of formula funding for SACOG operations at existing levels. If discretionary grant programs are cut, this would decrease the probability of SACOG receiving such grants to fund direct programs after September 2026.

In May 2023, the SACOG Board of Directors adopted the FY 2024-25 budget for the SACOG Planning and Administration General Fund of \$40.0 million in expenditures. This budget projected the use of reserve funds in categories like that of the previous year. Reserve funds planned usage includes \$2.6 million for projects with the SACOG Managed Fund and over \$37.5 million in deferred expenses and carried-over projects, grants and pass-through funds. The budget includes the Overall Work Program (OWP), which includes expenditures to fund the transportation planning projects for the year, of which a sizable portion includes carried-over grant funding or pass-through to other agencies. These projects focus and align with the agency’s 2022-2025 work plan and the three strategic goals of equity, economy and environment for the SACOG region. These goals aligned to the goals, policies and supporting actions of SACOG’s 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) and the region’s Prosperity Strategy.

SACOG and its component units remain fiscally stable. Management and the Board of Directors remain conservative in their financial policies and have not budgeted for revenues that are not quantified; expenditures are managed carefully, and adjustments made as conditions require. While much of the budget relies on funding from the federal and state governments, there continues to be a steady flow of revenues from other programs funding transportation and housing planning. As additional funding is received, projects will be assessed to determine whether and how they align with SACOG’s 2022-2025 work plan and three goals noted above, and the availability of staff to work on projects funded by those revenues. SACOG is committed to assisting our member agencies with their land use and transportation planning to create a more livable region.

Requests for Information

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

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Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 92,217,126
Restricted cash and investments	1,997,024
Receivables	39,863,197
Other assets	262,299
Total current assets	134,339,646
Non-current assets:	
Capital assets, net of accumulated depreciation	579,996
Right to use lease and subscription IT assets, net of accumulated amortization	5,225,394
Total capital assets	5,805,390
Total assets	140,145,036
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	1,616,111
Deferred outflows related to pension	8,699,726
Total deferred outflows of resources	10,315,837
LIABILITIES	
Current liabilities:	
Payables	74,897,387
Compensated absences - due within one year	365,229
Lease liability - due within one year	730,388
IT Subscription liability - due within one year	375,806
Accrued interest	31,413
Total current liabilities	76,400,223
Non-current Liabilities	
Compensated absences	576,339
Net OPEB liability	3,902,213
Net pension liability	20,743,057
Lease liability	3,425,679
IT Subscription liability	722,880
Total non-current liabilities	29,370,168
Total liabilities	105,770,391

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

Statement of Net Position

June 30, 2024

	Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	\$ 696,437
Deferred inflows related to pensions	3,858,668
Total deferred inflows of resources	4,555,105
NET POSITION	
Net investment in capital assets	550,637
Restricted for pension contributions	1,997,024
Restricted for transportation projects	2,752,100
Restricted for transportation claimants	31,862,466
Unrestricted	2,973,150
Total net position	\$ 40,135,377

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, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Planning and administration	\$ 22,534,070	\$ 1,001,167	\$ 18,322,704	\$ (3,210,199)
Transportation claimants	156,047,771	-	-	(156,047,771)
SAFE	2,731,534	2,671,083	-	(60,451)
Total governmental activities	<u>\$ 181,313,375</u>	<u>\$ 3,672,250</u>	<u>\$ 18,322,704</u>	<u>(159,318,421)</u>
General revenues:				
		State shared revenue - sales and use tax		149,189,295
		Unrestricted investment earnings		4,782,582
		Other		<u>68,577</u>
		Total general revenue		<u>154,040,454</u>
		Change in net position		(5,277,967)
		Net Position - beginning, as previously reported		52,128,161
		Adjustment (Note O)		<u>(6,714,817)</u>
		Net Position - beginning, as restated		<u>45,413,344</u>
		Net Position - ending		<u>\$ 40,135,377</u>

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

Balance Sheet – Governmental Funds

June 30, 2024

		Special Revenue	
	Planning and Administration	State Transit Assistance Fund	State of Good Repair Fund
Assets			
Cash and investments	\$ 19,524,908	\$ 21,940,725	\$ 9,532,302
Restricted cash and investments	1,997,024	-	-
Accounts receivable	-	-	-
Miscellaneous receivable	150,597	-	-
Due from other funds	176,027	-	-
Due from other governments	7,821,674	8,357,791	1,157,183
Interest receivable	470,148	550,287	217,356
Prepaid items and advances	262,299	-	-
Total assets	<u>\$ 30,402,677</u>	<u>\$ 30,848,803</u>	<u>\$ 10,906,841</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 2,776,714	\$ -	\$ -
Accrued liabilities	46,170	-	-
Due to other funds	-	-	-
Due to other governments	-	21,950,664	9,874,665
Total liabilities	<u>2,822,884</u>	<u>21,950,664</u>	<u>9,874,665</u>
Fund Balances:			
Nonspendable:			
Prepaid Items	262,299	-	-
Restricted:			
State Transit Assistance Funds	-	8,898,139	-
State of Good Repairs	-	-	1,032,176
Local Transportation Funds	-	-	-
SAFE Funds	-	-	-
Transportation Projects	2,752,100	-	-
Pension Contributions (CEPPT)	1,997,024	-	-
Committed:			
Board & Advocacy	453,697	-	-
SACOG Managed Fund Grantees	2,621,977	-	-
Assigned:			
Legal defense	500,000	-	-
Project specific carryover funds	436,061	-	-
Capital equipment	156,783	-	-
Contingencies	1,000,000	-	-
Unassigned:			
Unassigned	<u>17,399,852</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>27,579,793</u>	<u>8,898,139</u>	<u>1,032,176</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,402,677</u>	<u>\$ 30,848,803</u>	<u>\$ 10,906,841</u>

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

Balance Sheet – Governmental Funds (Continued)

June 30, 2024

	Special Revenue		
	Local Transportation Funds	SAFE Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 37,255,360	\$ 3,963,831	\$ 92,217,126
Restricted cash and investments	-	-	1,997,024
Accounts receivable	-	461,159	461,159
Miscellaneous receivable	-	-	150,597
Due from other funds	-	-	176,027
Due from other governments	20,234,659	-	37,571,307
Interest receivable	353,981	88,362	1,680,134
Prepaid items and advances	-	-	262,299
Total assets	<u>\$ 57,844,000</u>	<u>\$ 4,513,352</u>	<u>\$ 134,515,673</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 206,721	\$ 2,983,435
Accrued liabilities	-	-	46,170
Due to other funds	-	176,027	176,027
Due to other governments	40,042,453	-	71,867,782
Total liabilities	<u>40,042,453</u>	<u>382,748</u>	<u>75,073,414</u>
Fund Balances:			
Nonspendable:			
Prepaid Items	-	-	262,299
Restricted:			
State Transit Assistance Funds	-	-	8,898,139
State of Good Repairs	-	-	1,032,176
Local Transportation Funds	17,801,547	-	17,801,547
SAFE Funds	-	4,130,604	4,130,604
Transportation Projects	-	-	2,752,100
Pension Contributions (CEPPT)	-	-	1,997,024
Committed:			
Board & Advocacy	-	-	453,697
SACOG Managed Fund Grantees	-	-	2,621,977
Assigned:			
Legal defense	-	-	500,000
Project specific carryover funds	-	-	436,061
Capital equipment	-	-	156,783
Contingencies	-	-	1,000,000
Unassigned:			
Unassigned	-	-	17,399,852
Total fund balances	<u>17,801,547</u>	<u>4,130,604</u>	<u>59,442,259</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,844,000</u>	<u>\$ 4,513,352</u>	<u>\$ 134,515,673</u>

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

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

June 30, 2024

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 59,442,259
Capital assets, right to use leased assets, and subscription IT assets used in government activities are not financial resources, and therefore, are not reported as assets in the governmental funds.	5,805,390
Compensated absences not due and payable in the current period, and therefore, not reported in the governmental funds' Balance Sheet.	(941,568)
Long-term items related to leases and IT subscription liabilities are not due and payable in the current period and therefore are not reported in the fund.	
Lease liability	(4,156,067)
IT subscription liability	(1,098,686)
Accrued interest payable	(31,413)
Net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.	
Deferred outflows related to pension	8,699,726
Net pension liability	(20,743,057)
Deferred inflows related to pension	(3,858,668)
Net OPEB liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.	
Deferred outflows related to OPEB	1,616,111
Net OPEB liability	(3,902,213)
Deferred inflows related to OPEB	(696,437)
Net position of governmental activities	\$ 40,135,377

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

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Statement of Revenues, Expenditures, and Changes
In Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2024

		Special Revenue	
	Planning and Administration	State Transit Assistance Fund	State of Good Repair Fund
Revenues:			
Sales and use taxes	\$ -	\$ 30,942,932	\$ 4,421,839
Vehicle registration fees and traffic fines	-	-	-
Intergovernmental:			
Federal	9,305,316	-	-
State	8,512,583	-	-
Local	733,725	-	-
Member assessments	1,001,167	-	-
Investment earnings	1,104,609	1,105,448	451,804
Other	121,996	-	-
Total revenues	20,779,396	32,048,380	4,873,643
Expenditures:			
Current:			
Transportation Claimants	-	32,780,069	4,274,089
SAFE services	-	-	-
Planning and administration	19,554,444	-	-
Payments to SMF grantees	371,244	-	-
Capital outlay	727,236	-	-
Debt Service:			
Principal	1,154,196	-	-
Interest	95,204	-	-
Total expenditures	21,902,324	32,780,069	4,274,089
Excess (deficiency) of revenues over (under) expenditures	(1,122,928)	(731,689)	599,554
Other Financing Sources (Uses):			
IT Subscription	688,597	-	-
Transfers in	5,064,459	-	-
Transfers out	-	-	-
Total other financing sources (uses)	5,753,056	-	-
Net change in fund balances	4,630,128	(731,689)	599,554
Fund balances - beginning, as previously reported	22,949,665	9,629,828	7,147,439
Adjustments (Note O)	-	-	(6,714,817)
Fund balances - beginning, as restated	22,949,665	9,629,828	432,622
Fund balances - ending	\$ 27,579,793	\$ 8,898,139	\$ 1,032,176

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

Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and Changes
In Fund Balances – Governmental Funds (Continued)**
For the Fiscal Year Ended June 30, 2024

	Special Revenue		
	Local Transportation Funds	SAFE Funds	Total Governmental Funds
Revenues:			
Sales and use taxes	\$ 113,824,524	\$ -	\$ 149,189,295
Vehicle registration fees and traffic fines	-	2,671,083	2,671,083
Intergovernmental:			
Federal	-	-	9,305,316
State	-	-	8,512,583
Local	-	3,588	737,313
Member assessments	-	-	1,001,167
Investment earnings	1,942,069	178,652	4,782,582
Other	-	-	121,996
Total revenues	<u>115,766,593</u>	<u>2,853,323</u>	<u>176,321,335</u>
Expenditures:			
Current:			
Transportation Claimants	118,993,613	-	156,047,771
SAFE services	-	2,731,534	2,731,534
Planning and administration	-	-	19,554,444
Payments to SMF grantees	-	-	371,244
Capital outlay	-	-	727,236
Debt Service:			
Principal	-	-	1,154,196
Interest	-	-	95,204
Total expenditures	<u>118,993,613</u>	<u>2,731,534</u>	<u>180,681,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,227,020)</u>	<u>121,789</u>	<u>(4,360,294)</u>
Other Financing Sources (Uses):			
IT Subscription	-	-	688,597
Transfers in	-	-	5,064,459
Transfers out	<u>(5,064,459)</u>	<u>-</u>	<u>(5,064,459)</u>
Total other financing sources (uses)	<u>(5,064,459)</u>	<u>-</u>	<u>688,597</u>
Net change in fund balances	<u>(8,291,479)</u>	<u>121,789</u>	<u>(3,671,697)</u>
Fund balances - beginning, as previously reported	26,093,026	4,008,815	69,828,773
Adjustments (Note O)	-	-	<u>(6,714,817)</u>
Fund balances - beginning, as restated	<u>26,093,026</u>	<u>4,008,815</u>	<u>63,113,956</u>
Fund balances - ending	<u><u>\$ 17,801,547</u></u>	<u><u>\$ 4,130,604</u></u>	<u><u>\$ 59,442,259</u></u>

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

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

For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ (3,671,697)

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

Capital outlays are reported in the governmental funds as expenditures.

However, they are capitalized on the Statement of Net Position and allocated
over the estimated useful life of the asset as depreciation. This is the amount by
which deprecation exceeded capital asset additions and deletions in the period. (594,940)

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

In the Statement of Activities, certain operating expenses, such as compensated
absences are measured by the amounts earned during the year. In the governmental
funds, however, expenditures for these items are measured by the amount of
financial resources used (essentially, the amounts actually paid). 2,875

In the governmental funds, pension costs are based on employer contributions made
to the pension plan during the year. However, in the Statement of Activities,
pension expense is the net effect of all changes in the deferred outflows, deferred
inflows and net pension liability during the year. (1,370,713)

In the governmental funds, OPEB costs are based on employer contributions made
to the OPEB plan during the year. However, in the Statement of Activities, OPEB
expense is the net effect of all changes in the deferred outflows, deferred inflows
and net OPEB liability during the year. 187,728

Principal payments and accrued interest on long term lease and IT subscription
liabilities reported in the statement of activities are reported as expenditures in the
governmental funds. 454,707

Change in Net Position of Governmental Activities \$ (5,277,967)

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

Sacramento Area Council of Governments

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual — Planning and Administration
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental:				
Federal	\$ 12,092,157	\$ 12,491,869	\$ 9,305,316	\$ (3,186,553)
State	16,246,139	16,472,342	8,512,583	(7,959,759)
Local	324,359	201,153	733,725	532,572
Member assessments	1,001,164	1,001,164	1,001,167	3
Investment earnings	90,569	300,000	1,104,609	804,609
In-kind	76,000	111,100	-	(111,100)
Other	86,728	74,480	121,996	47,516
Total revenues	<u>29,917,116</u>	<u>30,652,108</u>	<u>20,779,396</u>	<u>(9,872,712)</u>
Expenditures:				
Current:				
Planning and administration:				
Salaries	6,711,694	6,713,700	6,097,296	616,404
Fringe Benefits	5,877,526	6,279,475	5,609,811	669,664
Consulting Costs	3,754,748	5,077,047	2,959,478	2,117,569
Pass-Through to Other Agencies	15,451,421	14,930,964	3,646,218	11,284,746
Other Costs	3,828,500	2,489,985	1,241,641	1,248,344
Total planning and administration:	<u>35,623,889</u>	<u>35,491,171</u>	<u>19,554,444</u>	<u>15,936,727</u>
Payments to SMF grantees	1,044,972	704,635	371,244	333,391
Capital outlay	50,000	150,000	727,236	(577,236)
Debt Service:				
Principal	702,067	802,067	1,154,196	(352,129)
Interest	59,459	79,459	95,204	(15,745)
Total expenditures	<u>37,480,387</u>	<u>37,227,332</u>	<u>21,902,324</u>	<u>15,325,008</u>
Deficiency of revenues under expenditures	<u>(7,563,271)</u>	<u>(6,575,224)</u>	<u>(1,122,928)</u>	<u>5,452,296</u>
Other Financing Sources:				
IT Subscription	-	-	688,597	688,597
Transfers in	5,472,807	5,068,551	5,064,459	4,092
Total other financing sources	<u>5,472,807</u>	<u>5,068,551</u>	<u>5,753,056</u>	<u>692,689</u>
Change in fund balances	<u>\$ (2,090,464)</u>	<u>\$ (1,506,673)</u>	<u>4,630,128</u>	<u>\$ 6,144,985</u>
Fund balance - beginning			<u>22,949,665</u>	
Fund balance - ending			<u>\$ 27,579,793</u>	

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual –SAFE Funds Special Revenue Fund
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Vehicle registration fees	\$ 2,672,400	\$ 2,672,400	\$ 2,671,083	\$ (1,317)
Federal	352,343	352,343	-	(352,343)
Local	23,000	23,000	3,588	(19,412)
Investment earnings	8,000	8,000	178,652	170,652
	<u>3,055,743</u>	<u>3,055,743</u>	<u>2,853,323</u>	<u>(202,420)</u>
Total revenues				
Expenditures:				
Current:				
Salaries	238,465	237,552	185,782	51,770
Fringe Benefits	299,679	318,652	249,209	69,443
Indirect Costs	202,266	201,491	157,580	43,911
Consultants	567,774	567,775	494,652	73,123
Pass-through to				
Other Agencies	1,334,000	1,349,000	968,554	380,446
Other Services	758,295	773,827	675,757	98,070
	<u>3,400,479</u>	<u>3,448,297</u>	<u>2,731,534</u>	<u>716,763</u>
Total safe services:				
Total expenditures	<u>3,400,479</u>	<u>3,448,297</u>	<u>2,731,534</u>	<u>716,763</u>
Change in fund balance	<u>\$ (344,736)</u>	<u>\$ (392,554)</u>	<u>121,789</u>	<u>\$ 514,343</u>
Fund balance - beginning			<u>4,008,815</u>	
Fund balance - ending			<u>\$ 4,130,604</u>	

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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies

I. Reporting Entity

In January 1965, the Sacramento Regional Area Planning Commission (SRAPC) was organized under the State Planning Law to provide a forum for elected officials to address multi-county problems, issues, and needs. In January 1981, the Sacramento Area Council of Governments (SACOG) succeeded SRAPC under a new Joint Powers Agreement pursuant to Section 6500 of the California Government Code. Per Title 26 of the Internal Revenue Code, Section 115, states that income derived from a governmental function is tax exempt. Since SACOG's members are all governmental entities and SACOG exercises the common powers of its members and governmental functions, SACOG's income is exempt from federal taxation.

SACOG is an association of local governments formed by six (6) counties and twenty-two (22) cities in the region. SACOG's member governments are the counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba, and the cities of Auburn, Citrus Heights, Colfax, Davis, Elk Grove, Folsom, Galt, Isleton, Lincoln, Live Oak, Loomis, Marysville, Placerville, Rocklin, Rancho Cordova, Roseville, Sacramento, West Sacramento, Wheatland, Winters, Woodland, and Yuba City.

SACOG is governed by a 32-member Board of Directors composed of elected officials representing the member governments including one ex-officio member from California Department of Transportation (Caltrans). The Board of Directors maintains budgetary controls over SACOG's accounts.

SACOG's various designations and certifications include:

Designations as:

- Regional Transportation Planning Agency (RTPA) for Sacramento, Sutter, Yolo, and Yuba counties by the California State Transportation Agency Secretary.
- Metropolitan Planning Organization (MPO) by the Governor and the U.S. Department of Transportation for the Sacramento, Yuba City, and Davis Urbanized Areas.
- Metropolitan Planning Organization in the Sacramento Metropolitan Planning Area (MPA) by the California State Transportation Agency Secretary.
- Airport Land Use Commission (ALUC) for Sacramento, Sutter, Yolo and Yuba counties.
- Service Authority for Freeway and Expressways for Sacramento, San Joaquin, Yolo, Yuba, Sutter, and El Dorado counties.
- Area Wide Clearinghouse for the counties of El Dorado, Sacramento, Sutter, Yolo, and Yuba and the cities of Lincoln, Rocklin, and Roseville by the State of California Procedures of Intergovernmental Review of Federal Financial Assistance and Direct Development Activities.

Joint Certification as:

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

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

Blended Component Units:

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

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

I I . Government-wide Financial Statements

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

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

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

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

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

SACOG reports the following major Governmental Funds:

Planning and Administration Fund

Used to account for SACOG's Overall Work Program (OWP) activities funded from various federal, state and local sources. Also included in it are the transactions for the Board and Advocacy Fund and the SACOG Managed Fund.

SACOG reports the following Major Special Revenue Funds:

State Transit Assistance Fund

Created pursuant to the Transportation Development Act (TDA) to account for the allocations received from the state restricted for transportation planning, public transportation and community transit purposes as specified by the Legislature. Funds are derived from the statewide sales tax on gasoline and diesel fuel.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

State of Good Repair Fund

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

Local Transportation Funds

Created pursuant to the TDA to account for the proceeds received from the California Department of Tax and Fee Administration of the ¼ cent of the state's 7.5 percent retail sales tax collected for the Counties of Sacramento, Yuba, Sutter, and Yolo. These restricted funds are administered by SACOG on behalf of 4-Counties and used to fund various transportation related activities as authorized by California Law, under the TDA.

SAFE Funds

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

- ***Capitol Valley Regional SAFE Fund***

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

- ***Glenn County SAFE Fund***

Used to account for activities in accordance with the contract with the County of Glenn for implementing, operating and maintaining the motorist aid system of call boxes within the County of Glenn pursuant to Street and Highways Code section 2553. Revenues are derived from the vehicle registration fee imposed pursuant to the provisions of Chapter 14 of Division 3 of the Streets and Highways Code. The Glenn County SAFE reimbursed CVR-SAFE for its share of expenditures. For the fiscal year, Glenn SAFE received a vehicle registration fee of \$33,050, interest income of \$10,754 and paid for its share of expenditures of \$18,645. The fund balance as of June 30, 2024 is \$231,109.

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

Investments/Fair Value Measurement

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

Interest Receivable

Investment income earned but not yet received at June 30, 2024.

Prepaid Items

Payments for services that will benefit periods beyond June 30, 2024. SACOG uses the consumption method of accounting for Prepaid Items. Under the consumption method — governments may initially report inventories and prepaid items they purchased as an asset and defer the recognition of the expenditure until the period the inventories and prepaid items are consumed or used.

Capital Assets (including Intangible, Right to Use Lease Assets, and Right to Use Subscription IT Assets)

Capital and intangible assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the SACOG date of receipt of donation. Capital and intangible assets are defined by SACOG as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Capital and intangible assets used in operations are depreciated/amortized using the straight-line method over their estimated useful lives in the government-wide statements of net position.

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

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

Lease Liabilities

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

IT Subscription Liabilities

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

Compensated Absences

SACOG has recognized a liability in the government-wide financial statements for unused PTO leave in which employees have a vested right and which is attributable to employee services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon separation or retirement.

It is SACOG's policy to permit employees to accumulate earned, but unused paid time off (PTO) leave benefits and to cap PTO accrual at 450 hours. For employees who have more than 350 hours of unused PTO at June 30 of each fiscal year have the options to cash out up to 80 hours and/or deposit into the Special Pay Plan. Employee's entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon separation or retirement.

Interfund Transfers

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

Fund Balance Policy

The Fund Balance Policy establishes a key element of the financial stability of SACOG by setting guidelines for fund balance. Fund balance is an important measure of economic stability. It is essential that SACOG maintains adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the general operations of SACOG. The policy also authorizes and directs management to prepare financial reports which accurately categorize fund balance as per Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

Fund Balance

Nonspendable – This category represents amounts that cannot be spent because they are either (i) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (ii) legally or is contractually required to be maintained intact, such as the principal portion of an endowment. At June 30, 2024, SACOG has \$262,299 for prepaid expenditures that are considered nonspendable.

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

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

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

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

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

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

Unassigned Fund Balance – This category includes amounts that do not fall into one of the above four categories. The general fund is the only fund that should report a positive amount in this category of fund balance. These funds are the amounts in the Planning and Administration fund not classified as nonspendable, restricted, committed, or assigned.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

The unassigned fund balance includes an operating reserve of \$2,125,000 at June 30, 2024. The unassigned fund balance also includes funds previously reported in the SACOG Managed Fund now included in the Planning and Administration 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. As of June 30, 2024, the approximate amount of unassigned fund balance that is attributable to the SACOG Managed Fund was \$9,938,739. The SACOG Managed Fund cash balance was \$11,771,390.

Pensions

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE A — Summary of Significant Accounting Policies, Continued

V. Implementation of New Governmental Accounting Standard

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in account and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. SACOG has determined this Statement did not have an impact on the financial statements.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The financial statements have been updated to conform to the presentation requirements related to accounting changes in the financial statements for the year ended June 30, 2024. The additional disclosures required by this standard are included in Note O.

NOTE B — Budgetary Information

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

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE B — Budgetary Information, Continued

During the Fiscal Year 2023-2024 the original adopted budget was amended by the Board of Directors. The final budget data contained in the financial statements reflects the effect of all approved budget amendments.

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

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

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

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

	Maximum Maturities	Maximum Concen- trations	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Notes and Agency Obligations	5 years	100%	--	SP-1/MIGI
Washington Supranational Obligations	5 years	30%	10%	SP-1/MIGI
Bonds Issued by Local Agencies	5 years	80%	--	SP-1/MIGI
Registered State Warrants and Municipal Notes	5 years	80%	--	None
Bankers' Acceptances	180 days	40%	10%	A-1
Commercial Paper	270 days	40%	10%	A1/P1
Negotiable Certificates of Deposit	180 days	30%	10%	A-1
CRA Bank Deposits/Certificates of Deposit	1 Year	30%	--	A-2/P-2
Repurchase Agreements	1 Year	30%	10%	None
Reverse Repurchase Agreements	92 days	20%	10%	None
Medium Term Corporate Notes	180 days	30%	10%	A-1
Shares of Money Market Mutual fund	SEC regs	20%	10%	None
Collateralized Mortgage Obligations	180 days	20%	10%	None
		Max \$75 million		
Local Agency Investment Fund (LAIF)	--	per account	10%	None

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE C — Cash and Investments, Continued

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

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

Restricted Cash and Investments - Pension Trust (Mutual Fund)

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

Interest Rate Risk

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

	Weighted Average Maturity		Total Fair Value at June 30, 2024
	No Maturity	0 - 5 Years	
Petty Cash	\$ 300	\$ -	\$ 300
Deposits in banks	199,807	-	199,807
Mutual Fund	1,997,024	-	1,997,024
County of Sacramento investment pool	-	63,854,397	63,854,397
County of Sutter investment pool	-	5,293,979	5,293,979
County of Yolo investment pool	-	22,319,919	22,319,919
County of Yuba investment pool	-	548,724	548,724
Total Cash and Investments	<u>\$ 2,197,131</u>	<u>\$ 92,017,019</u>	<u>\$ 94,214,150</u>

Credit Risk

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE C — Cash and Investments, Continued

Custodial Credit Risk

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

SACOG has no exposure to custodial credit risk because it primarily invests in external investment pools and CEPPT (Mutual Fund). The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secures deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. At year end, the carrying amount of SACOG's cash deposits was \$199,807 which was fully insured and collateralized.

Fair Value Measurements

SACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SACOG's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the SACOG's proportionate share of investments held in County Treasurers' Investment Pools at June 30, 2024, of \$92,017,019, are uncategorized inputs not defined as Level 1, Level 2, or Level 3 inputs. SACOG's investment in the Mutual Fund is Categorized as Level 1.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE D — Receivables

Receivables as of June 30, 2024, for SACOG are as follows:

Fund Name	Accounts Receivable	Due from Other Governments	Interest Receivable	Miscellaneous Receivable	Total
Planning and Administration	\$ -	\$ 7,821,674	\$ 470,148	\$ 150,597	\$ 8,442,419
State Transit Assistance Fund	-	8,357,791	550,287	-	8,908,078
State of Good Repair Fund	-	1,157,183	217,356	-	1,374,539
Local Transportation Funds	-	20,234,659	353,981	-	20,588,640
SAFE Funds	461,159	-	88,362	-	549,521
Total Receivables – Governmental Activities	\$ 461,159	\$ 37,571,307	\$ 1,680,134	\$ 150,597	\$ 39,863,197

NOTE E — Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets, being depreciated:				
Computers	\$ 627,718	\$ 38,639	\$ -	\$ 666,357
Equipment	148,790	-	117,253	31,537
Leasehold Improvements	680,070	-	-	680,070
Total capital assets, being depreciated	1,456,578	38,639	117,253	1,377,964
Less accumulated depreciation:				
Computers	382,171	65,986	-	448,157
Equipment	148,790	-	117,253	31,537
Leasehold Improvements	249,192	69,082	-	318,274
Total accumulated depreciation	780,153	135,068	117,253	797,968
Total net book value of capital assets, being depreciated	676,425	(96,429)	-	579,996
Right to use leased and subscription IT assets, being amortized:				
Right to Use Lease Building	6,165,674	-	-	6,165,674
Right to Use Lease Automobile	14,923	-	-	14,923
Right to Use Subscription IT Assets	1,269,445	688,597	-	1,958,042
Total right to use leased and subscription IT assets being amortized	7,450,042	688,597	-	8,138,639
Less accumulated amortization:				
Right to Use Lease Building	1,494,708	747,354	-	2,242,062
Right to Use Lease Automobile	6,513	3,256	-	9,769
Right to Use Subscription IT Assets	224,916	436,498	-	661,414
Total accumulated amortization	1,726,137	1,187,108	-	2,913,245
Total net book value of right to use lease assets, being amortized	5,723,905	(498,511)	-	5,225,394
Total net book value of capital assets	\$ 6,400,330	\$ (594,940)	\$ -	\$ 5,805,390

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE F — Payables

Payables as of June 30, 2024, for SACOG are as follows:

Fund Name	Accounts Payable	Accrued Liabilities	Due to Other Governments	Total
Planning and Administration	\$ 2,776,714	\$ 46,170	\$ -	\$ 2,822,884
State Transit Assistance Fund	-	-	21,950,664	21,950,664
State of Good Repair Fund	-	-	9,874,665	9,874,665
Local Transportation Funds	-	-	40,042,453	40,042,453
SAFE Funds	206,721	-	-	206,721
Total Payables – Governmental Funds	<u>\$ 2,983,435</u>	<u>\$ 46,170</u>	<u>\$ 71,867,782</u>	<u>\$ 74,897,387</u>

NOTE G — Leases

Changes in the lease liability for the fiscal year ended June 30, 2024, are summarized as follows:

	July 1, 2023	Additions	Deletions	June 30, 2024	Due within One year
Lease Liability	<u>\$ 4,858,135</u>	<u>\$ -</u>	<u>\$ 702,068</u>	<u>\$ 4,156,067</u>	<u>\$ 730,388</u>

SACOG has entered into two agreements to lease certain assets. The first lease is to lease a vehicle for business use. Under the terms of the lease, SACOG is required to make monthly principal and interest payments of \$280 through January, 2026. The second lease is to lease commercial office space which expires on September 30, 2029. Under the terms of the lease, SACOG is required to make monthly principal and interest payments, with payment amounts increasing by 2.5% in October of each year. Monthly principal and interest payments were \$62,018 in July 2023 increasing to a monthly payment of \$63,568 in October 2023. SACOG used an interest rate of 1.31% on each lease respectively, based on SACOG's estimated incremental borrowing rate at the inception of the leases.

Remaining obligations associated with these leases are as follows:

Year ending June 30,	Principal	Interest
2025	\$ 730,388	\$ 50,093
2026	758,157	40,354
2027	786,207	30,260
2028	817,102	19,776
2029	848,918	8,882
Thereafter	215,295	470
Total	<u>\$ 4,156,067</u>	<u>\$ 149,835</u>

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE H — Subscription Based Information Technology Arrangements (SBITA)

SACOG has entered into 12 SBITA contracts for various software subscriptions. SACOG is required to make principal and interest payments through December 2027. The SBITA contracts have an interest rate of 4.86% - 5.48% based on SACOG's incremental borrowing rate at the inception of the subscriptions.

A summary of the changes in subscription IT liabilities during the year ended June 30, 2024 is as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>	<u>Due within One year</u>
IT Subscription Liability	\$ 862,217	\$ 688,597	\$ 452,128	\$ 1,098,686	\$ 375,806

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 375,806	\$ 139,735
2026	289,232	28,470
2027	260,020	15,470
2028	173,628	2,752
Total	<u>\$ 1,098,686</u>	<u>\$ 186,427</u>

NOTE I — Compensated Absences

Compensated absences activity for the fiscal year ended June 30, 2024, was as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>	<u>Due within One year</u>
Compensated Absences	\$ 944,443	\$ 990,425	\$ 993,300	\$ 941,568	\$ 365,229

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

NOTE J — Contingent Liabilities and Commitments

SACOG received federal and state grants for specific purposes that are subject to review and audit by the granting agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, SACOG believes such disallowance, if any, will be immaterial.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE J — Contingent Liabilities and Commitments, Continued

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

At June 30, 2024, the Planning and Administration Fund commitments totaled \$41,946,814, of which \$2,954,622 is included in the restricted, committed, and assigned fund balances and the remaining balance of \$38,992,192 will be paid with future revenues. The SAFE Fund commitments totaled \$788,726 at June 30, 2024. These amounts are not intended to tie out to the committed fund balance sections of the financial statements.

NOTE K — 401(a)/ Special Pay Plans

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

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

The second plan is for year-end PTO hours and employees who terminate employment. The cash value of Paid Time Off (PTO) leave in excess of 350 hours is deposited to the Special Pay Plan based on the PTO balance as of June 30, 2024. In addition, any employee who separates from SACOG employment with cash value of accumulated PTO hours over 80 hours will be deposited to the Special Pay Plan, subject to IRS limitation. Total contributions to this plan were \$101,508 for the year.

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

The fourth plan is for eligible employees who opt out of retiree health benefits and instead choose to have ten years of the Kaiser two-party Sacramento premium rate at the time of retirement deposited into a health retirement savings account (HRSA). Additionally, new hires starting employment with SACOG on or after July 1, 2017, will receive \$50 per month deposited into the HRSA plan as a hybrid defined benefit/defined contribution plan. SACOG will continue to pay the then-current minimum health insurance contribution for retirees (PEMHCA minimum), which is currently \$157 per month. Total contributions to this plan as of June 30, 2024, were \$117,391.

The fifth plan is an executive deferred compensation plan. Per employment contract, the executive director has deferred compensation contributed by SACOG to a 401(a) plan. SACOG contributes 5% of earnings on behalf of the executive director. This plan was amended to include \$350 that was previously deposited in the 457 Plan. Total contributions to this plan as of June 30, 2024, were \$15,764.

The sixth plan is for PEPRA non-management employees who will receive 1% of salary deposited into the 401(a) as a hybrid defined benefit/defined contribution plan. Total contributions to this plan as of June 30, 2024, were \$40,595.

NOTE L — Risk Management

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

NOTE M — Pension Plan

Plan Description

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE M — Pension Plan, Continued

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

Benefits Provided

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

The rate plan provisions and benefits in effect at June 30, 2024, are summarized as follows:

	MISCELLANEOUS		
	Tier I	Tier II	PEPRA
Hire Date	Prior to May 1, 2011	May 1, 2011 - December 31, 2012	On or after January 1, 2013
Benefit Formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of annual salary	2.5%	2%	2%
Required employee contribution rates	7.96%	6.92%	7.25%
Required employer contribution rates	14.67%	12.37%	7.91%

Contributions

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE M — Pension Plan, Continued

SACOG's employer contributions to the Plan for the year ended June 30, 2024 were \$2,072,097.

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

As of June 30, 2024, SACOG reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$20,743,057.

SACOG's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. SACOG's proportion of the net pension liability was based on a projection of SACOG's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SACOG's proportionate share of the net pension liability measured as of June 30, 2023, and 2022 was as follows:

Proportion - June 30, 2022	0.16854%
Proportion - June 30, 2023	0.16627%
Change - Decrease	<u>-0.00227%</u>

For the year ended June 30, 2024, SACOG recognized pension expense of \$3,442,810. At June 30, 2024, SACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 1,252,351	\$ -
Difference between expected and actual experience	1,059,667	164,380
Net differences between projected and actual earnings on plan investments	3,358,488	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	957,123	3,694,288
Pension contributions subsequent to the measurement date	2,072,097	-
Total	<u>\$ 8,699,726</u>	<u>\$ 3,858,668</u>

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE M — Pension Plan, Continued

The \$2,072,097 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	
2025	\$ 637,871
2026	(340,529)
2027	2,375,251
2028	96,368
Total	<u>\$ 2,768,961</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.30%
Investment Rate of Return	6.90%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report that can be found on the CalPERS website.

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

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE M — Pension Plan, Continued

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Target Allocation	Real Return Years 1-10
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-back Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

NOTE M — Pension Plan, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the SACOG’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what SACOG’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1 % Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 29,953,034	\$ 20,743,057	\$ 13,162,455

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

NOTE N — Other Postemployment Benefit Plan (OPEB)**General Information about the OPEB Plan*****Plan Description***

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

Benefits Provided

Through June 30, 2017, SACOG provided three-tier post-retirement health insurance coverage, in accordance with the Public Employees’ Medical and Hospital Care Act (PEMHCA), Chapter One, Article 8 of the California Public Employees Retirement Law, to employees who retire under the Public Employee’s Retirement System on or after attaining the age of 50. On July 1, 2017, a new Memorandum of Understanding between SACOG and the SACOG Employees Association modified post-retirement health benefits for future retirees (current employees) and all new hires. The long-term effect of this change should reduce SACOG’s overall OPEB liability with the reduction of future

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

benefits for current employees and the introduction of a hybrid defined benefit/defined contribution plan for new employees. The benefits below are provided to employees who retired prior to December 31, 2018:

- Tier I employees receive 100 percent of their health premiums up to the maximum amount of the Kaiser Bay Area/Sacramento Family rate, currently \$2,655.67 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 \$2,042.82 per month.

In addition, employees hired prior to July 1, 2006, may “opt out” of any retiree health benefits in exchange for monthly Health Retirement Savings Account payments, net of OASDI and Medicare premiums, equal to the Kaiser Bay Area/Sacramento Two-Party Basic premium as of the retirement date, for ten years from the date of retirement. As of June 30, 2024, 5 retirees and their spouses met the Tier I eligibility requirements, and there were no Tier II retirees and no Tier III retirees.

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

- Tier 1: For employees hired prior to July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days would receive the same SACOG contribution towards the medical benefit premium amount as existing employees, with the vesting schedule based on years of service at SACOG if applicable, below. As the employee benefit portion paid by SACOG increases, retirees will see this same increase. SACOG will pay the then-current PEMHCA minimum, which is set by CalPERS. The current rate is \$157 per month towards CalPERS-provided health premiums. The rest of the premium will be paid to the retiree through an HRSA, and the premium amount will be deposited by direct deposit to the retiree account once the retiree identifies annually to the benefits administrator the monthly premium amount. Tier 1 employees hired prior to July 1, 2006 will still be eligible for the “opt out” option described above.
- Tier 2: For employees hired starting on or after July 1, 2017, those who retire from SACOG and retire from CalPERS within 120 days will receive the then-current PEMHCA minimum, which is set by CalPERS. The current rate is \$157 per month towards CalPERS-provided health premiums. An additional \$50 per month will be added to a portable HRSA during employment at SACOG (i.e., the employee can take the HRSA funds if they leave SACOG, pre- or post-retirement).

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

SACOG provides post-retirement health benefits to spouses, surviving spouses and dependent children (up to age 26) of eligible retirees. SACOG's policy is to contribute the cost of retiree and dependent medical coverage based on the limits identified above. Once the eligible retiree has reached the age of 65, the retiree is required to enroll in Medicare, and the cost to SACOG decreases.

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

Active employees	51
Inactive employees or beneficiaries currently receiving benefit payments	49
Inactive employees entitled to, but not yet receiving benefits	6
Total	106

Contributions

The contribution rate is determined on an annual basis by an independent actuary and is authorized by the SACOG Board of Directors. The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Contributions recognized by the plan from the employer for the year ended June 30, 2024 were \$591,457.

OPEB Liability

SACOG's net OPEB liability of the HC Plan was measured as of June 30, 2023, using an actuarial valuation as of June 30, 2022.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 (measurement period) actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.10%
Mortality rate	2021 CalPERS Experience Study; Improvement using MW Scale 2022
Healthcare cost trend rates	5.6% in January 2024 fluctuating down to 3.9% by 2076 and later

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

The long-term expected rate of return on the HC Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

Discount Rate – The discount rate used to measure the total OPEB liability was 6.10 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that SACOG’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the HC Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total liability.

Changes in the Net OPEB liability for the HC Plan measured as of June 30, 2023 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 10,126,215	\$ 5,984,008	\$ 4,142,207
Changes in the year:			
Service cost	185,268	-	185,268
Interest on total OPEB liability	609,117	-	609,117
Contribution - employer	-	651,926	(651,926)
Net investment income	-	364,971	(364,971)
Benefit payments	(651,926)	(651,926)	-
Change due to investment experience	-	19,220	(19,220)
Administrative expenses	-	(1,738)	1,738
Net changes	142,459	382,453	(239,994)
Balance at June 30, 2024	\$ 10,268,674	\$ 6,366,461	\$ 3,902,213

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SACOG, as well as what the SACOG's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate, for measurement period ended June 30, 2023.

	1% Decrease 5.10%	Discount Rate 6.10%	1% Increase 7.10%
Net OPEB liability	\$ 5,155,223	\$ 3,902,213	\$ 2,860,237

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

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
Net OPEB liability	\$ 2,788,710	\$ 3,902,213	\$ 5,266,770

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

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

For the year ended June 30, 2024, SACOG recognized OPEB expense of \$403,729 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 597,254	\$ -
Differences between expected and actual experience	5,517	696,437
Net difference between projected and actual earnings on plan investments	421,883	-
OPEB contributions subsequent to measurement date	591,457	-
Total	\$ 1,616,111	\$ 696,437

Notes to the Basic Financial Statements (Continued)

For the Fiscal Year Ended June 30, 2024

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

The \$591,457 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	
2025	\$ (22,937)
2026	49,091
2027	274,824
2028	17,590
2029	9,649
	<u>\$ 328,217</u>

NOTE O — Change in Accounting Principle

SACOG previously required eligible recipients of the State of Good Repair Program to submit a claim supported by invoices for qualifying expenditures/expenses before distributing funds to claimants. As a result, SACOG created a cost reimbursement eligibility requirement that must be satisfied before State of Good Repair Program expenditures were incurred by SACOG and the asset recognition criteria for revenue was met by claimants under GASB Statement No. 33. Program guidelines allow funds to be disbursed after budgeted project costs are submitted by claimants and approved by both SACOG and Caltrans. Consequently, SACOG removed the cost-reimbursement requirement during fiscal year 2024. As a result of this change, eligible recipients will no longer be required to submit claims supported by actual expenditures/expenses to receive reimbursement. SACOG now disburses the funds when budgeted project costs are approved by SACOG and Caltrans. SACOG will still require recipients to submit a claim for approved projects prior to disbursing the funds, but this is considered a routine requirement that does not affect the timing of the expenditure recognition under GASB Statement No. 33. This is preferable as this accounting treatment is consistent with other similar revenue sources within SACOG, and, therefore by implementing this change in accounting (removing the cost reimbursement requirement in the State of Good Repair) the activity recorded in the fund is more reliable, relevant, timely, consistent and comparable. This change in accounting principle affects due to other governments, revenues, and expenditures in the State of Good Repair Special Revenue Fund. The affects to beginning fund balance and net position as result of the change in accounting principle are as follows:

Net position - Governmental Activities at June 30, 2023, as previously reported	\$ 52,128,161
Effect of change in accounting principle	(6,714,817)
Net position at July 1, 2023, as restated	<u>\$ 45,413,344</u>
State of Good Repair Fund Balance at June 30, 2023, as previously reported	\$ 7,147,439
Effect of change in accounting principle	(6,714,817)
State of Good Repair Fund Balance at July 1, 2023, as restated	<u>\$ 432,622</u>

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Required Supplementary Information

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

For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years

	2024	2023	2022	2021
SACOG's Proportion of the net pension liability	0.16627%	0.16854%	0.19921%	0.15829%
SACOG's Proportionate share of the net pension liability	\$ 20,743,057	\$ 19,467,971	\$ 10,774,039	\$ 17,222,664
Covered payroll	\$ 6,375,850	\$ 5,445,822	\$ 5,686,986	\$ 5,801,807
SACOG's Proportionate Share of the net pension liability as a percentage of covered payroll	30.74%	27.97%	52.78%	33.69%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

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

For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years

2020	2019	2018	2017	2016	2015
0.15864%	0.15807%	0.15793%	0.15979%	0.16382%	0.14297%
\$ 16,254,664	\$ 15,231,710	\$ 15,664,853	\$ 13,826,741	\$ 11,244,576	\$ 8,896,169
\$ 5,610,618	\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320	\$ 5,095,286
34.52%	34.87%	33.29%	36.64%	45.09%	57.28%
75.26%	75.26%	70.93%	74.06%	78.40%	79.82%
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Required Supplementary Information
Schedule of Contributions – Retirement Plan
For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contributions	\$ 2,072,097	\$ 2,041,703	\$ 1,797,626	\$ 1,929,552
Contributions in relation to the actuarially determined contribution	<u>2,072,097</u>	<u>2,041,703</u>	<u>1,797,626</u>	<u>1,929,552</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,222,412	\$ 6,375,850	\$ 5,445,822	\$ 5,686,986
Contributions as a percentage of covered payroll	28.69%	32.02%	33.01%	33.93%

Sacramento Area Council of Governments

Required Supplementary Information
Schedule of Contributions – Retirement Plan
 For the Fiscal Year Ended June 30, 2024
 Last 10 Fiscal Years

2020	2019	2018	2017	2016	2015
\$ 1,778,408	\$1,590,293	\$ 1,395,452	\$ 1,292,761	\$ 1,194,202	\$ 984,832
1,778,408	1,590,293	1,395,452	1,292,761	1,194,202	984,832
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,801,807	\$5,610,618	\$ 5,311,623	\$ 5,214,553	\$ 5,066,256	\$ 5,070,320
30.65%	28.34%	26.27%	24.79%	23.57%	19.42%

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years*

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 185,268	\$ 202,800	\$ 196,893
Interest on the total OPEB liability	609,117	684,186	664,624
Differences between actual and expected experience	-	-	-
Changes of assumptions	-	760,830	-
Benefit payments, including refunds of employee contributions	(651,926)	(596,605)	(575,301)
Changes of benefit terms	-	(242,324)	-
Plan experience	-	(622,577)	-
Net change in total OPEB liability	142,459	186,310	286,216
Total OPEB liability - beginning	10,126,215	9,939,905	9,653,689
Total OPEB liability - ending (a)	\$ 10,268,674	\$ 10,126,215	\$ 9,939,905
Plan fiduciary net position			
Contributions - employer	\$ 651,926	\$ 658,602	\$ 654,342
Net investment income	384,191	(916,591)	1,458,104
Benefit payments	(651,926)	(596,605)	(575,301)
Administrative expenses	(1,738)	(1,732)	(2,007)
Other expenses	-	-	-
Net change in plan fiduciary net position	382,453	(856,326)	1,535,138
Plan fiduciary net position - beginning	5,984,008	6,840,334	5,305,196
Plan fiduciary net position - ending (b)	6,366,461	5,984,008	6,840,334
Net OPEB liability - ending (a)-(b)	\$ 3,902,213	\$ 4,142,207	\$ 3,099,571
 Plan fiduciary net position as a percentage of the total OPEB liability	 62.00%	 59.09%	 68.82%
Covered-employee payroll	\$ 6,507,338	\$ 5,445,822	\$ 5,694,892
Net OPEB liability as a percentage of covered-employee payroll	59.97%	76.06%	54.43%
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021

Notes to Schedule:

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

Sacramento Area Council of Governments

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
 For the Fiscal Year Ended June 30, 2024
 Last 10 Fiscal Years*

2021	2020	2019	2018
\$ 233,675	\$ 226,320	\$ 232,998	\$ 225,664
663,187	641,287	676,349	644,344
(350,731)	-	(967,249)	51,759
149,311	-	92,179	-
(564,347)	(559,879)	(497,096)	(439,248)
-	-	-	-
-	-	-	-
131,095	307,728	(462,819)	482,519
9,522,594	9,214,866	9,677,685	9,195,166
<u>\$ 9,653,689</u>	<u>\$ 9,522,594</u>	<u>\$ 9,214,866</u>	<u>\$ 9,677,685</u>
\$ 681,500	\$ 676,609	\$ 653,354	\$ 478,305
177,450	284,966	328,990	391,353
(564,347)	(559,879)	(497,096)	(439,248)
(2,449)	(988)	(2,203)	(1,986)
-	-	(5,468)	-
292,154	400,708	477,577	428,424
5,013,042	4,612,334	4,134,757	3,706,333
5,305,196	5,013,042	4,612,334	4,134,757
<u>\$ 4,348,493</u>	<u>\$ 4,509,552</u>	<u>\$ 4,602,532</u>	<u>\$ 5,542,928</u>
54.96%	52.64%	50.05%	42.72%
\$ 5,801,807	\$ 5,610,618	\$ 5,529,653	\$ 5,191,432
74.95%	80.38%	83.23%	106.77%
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years*

	2024	2023	2022
Actuarially determined Contributions	\$ 591,457	\$ 594,098	\$ 658,535
Contributions in relation to the actuarially determined contributions	591,457	651,926	658,602
Contribution deficiency (excess)	\$ -	\$ (57,828)	\$ (67)
Covered-employee payroll	\$ 7,219,594	\$ 6,507,338	\$ 5,445,822
Contributions as a percentage of covered-employee payroll	8.19%	10.02%	12.09%

Notes to Schedule

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

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

For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years*

2021	2020	2019	2018
\$ 654,342	\$ 681,500	\$ 676,609	\$ 607,178
654,342	681,500	676,609	478,305
\$ -	\$ -	\$ -	\$ 128,873
\$ 5,694,892	\$ 5,801,807	\$ 5,610,618	\$ 5,529,653
11.49%	11.75%	12.06%	8.65%

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

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget (over) and under budget
	Original	Final		
Revenues:				
Member assessments	\$ 1,001,164	\$ 1,001,164	\$ 1,001,167	\$ 3
Other	32,331	20,000	25,000	5,000
Total revenues	1,033,495	1,021,164	1,026,167	5,003
Expenditures:				
Current:				
Meetings/training/travel expenses	355,500	188,000	104,894	83,106
Board reimbursement	60,000	60,000	55,800	4,200
Consultant	195,000	195,000	190,471	4,529
Other Costs	64,920	240,219	78,255	161,964
Memberships	32,000	32,000	34,382	(2,382)
Salaries, benefits and overhead	429,033	441,234	450,716	(9,482)
Total expenditures	1,136,453	1,156,453	914,518	241,935
Excess (deficiency) of expenditures over (under) revenues	\$ (102,958)	\$ (135,289)	\$ 111,649	\$ (236,932)

Schedule of Indirect Service Costs

For the Fiscal Year Ended June 30, 2024

DIRECT COSTS:

Salaries	\$	4,459,957
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INDIRECT COSTS:

Allocated Indirect Costs (84.82%):

Service costs		3,782,936
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Actual Indirect Costs:

Building Costs		758,901
Career Development Program		132,636
Computer Software & Maint		323,876
Consultants		214,916
Depreciation		57,819
Insurance		142,387
Legal		149,012
Memberships		43,576
Office Supplies		10,480
Office Equipment		8,867
Publications/Data/Subscriptions		9,572
Recruitment		38,960
Salaries		1,797,818
Salaries-Intern		25,302
Services - Other		48,765
Services - Telecommunications		7,807
Staff Training		77,647
Vehicle Lease		3,283
Travel and Meeting Expenses		1,969
Vehicle Parking		3,541

Total indirect costs		3,857,134
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Under-absorbed indirect costs	\$	(74,198)
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Statistical Section

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Statistical Section

For the Fiscal Year Ended June 30, 2024

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

Financial Trends

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

Demographic and Economic Information

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

Principal Employers Operational Information

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

Principal Employers Operational Information

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

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Net Position by Component

For Ten Fiscal Years Ended June 30

	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	\$ 174,906	\$ 204,303	\$ 209,730	\$ 339,945
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Restricted for Transportation Projects	700,946	574,181	473,445	485,831
Restricted for Transportation Claimants	37,546,082	32,365,872	30,653,263	32,188,187
Unrestricted	5,215,052	2,952,631	3,657,730	957,629
Total governmental activities				
Net Position	\$ 43,636,986	\$ 36,096,987	\$ 34,994,168	\$ 33,971,592

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

Source: Individual internal fund statements

Sacramento Area Council of Governments

Net Position by Component
For Ten Fiscal Years Ended June 30

2019	2020	2021	2022	2023	2024
\$ 288,240	\$ 967,986	\$ 830,170	\$ 610,910	\$ 679,978	\$ 550,637
-	-	2,005,991	1,752,902	1,840,373	1,997,024
445,642	1,774,167	1,861,884	1,308,224	950,474	2,752,100
36,731,395	30,274,437	51,327,551	60,437,285	46,879,108	31,862,466
864,290	(1,495,640)	(2,537,435)	(133,886)	1,778,228	2,973,150
\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435	\$ 52,128,161	\$ 40,135,377

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

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2015*	2016	2017*	2018
EXPENSES				
Transportation Claimants	\$ 80,040,856	\$ 81,636,347	\$ 79,530,309	\$ 90,155,212
Planning and Administration	19,462,387	16,149,917	22,248,042	21,322,636
Sacramento Emergency Clean Air & Transportation Program	-	-	-	-
PTMISEA	9,424,005	5,452,494	4,930,158	4,018,076
Capitol Valley SAFE	2,091,288	2,472,852	2,961,035	3,177,595
Glenn County SAFE	16,712	90,061	889	29,140
SAFE Funds	-	-	-	-
Total Expenses	\$ 111,035,248	\$ 105,801,671	\$ 109,670,433	\$ 118,702,659
PROGRAM REVENUES				
Operating Grants and Contributions:				
Planning and Administration	15,820,697	11,371,902	17,663,047	18,072,722
Sacramento Emergency Clean Air & Transportation Program	-	-	303,776	-
PTMISEA	10,780,660	887,174	3,902,487	149,858
Charges for Services:				
Planning and Administration	586,896	851,521	577,946	1,035,151
Capitol Valley SAFE	2,326,565	2,521,364	2,487,681	2,490,482
Glenn County SAFE	30,790	31,453	32,667	32,551
SAFE Funds	-	-	-	-
Total Program Revenues	29,545,608	15,663,414	24,967,604	21,780,764
Net Expense	\$ (81,489,640)	\$ (90,138,257)	\$ (84,702,829)	\$ (96,921,895)
General Revenues and Other Changes in Net Position				
State Shared Revenue - Sales and Use Taxes	\$ 82,089,764	\$ 82,144,492	\$ 83,067,575	\$ 99,868,505
Investment Earnings	(49,608)	407,335	421,368	547,564
Other	58,562	46,431	111,067	154,091
Total General Revenues	\$ 82,098,718	\$ 82,598,258	\$ 83,600,010	\$ 100,570,160
Change in Net Position	609,078	(7,539,999)	(1,102,819)	3,648,265
Net Position - Beginning	53,566,712	43,636,986	36,096,987	30,323,327
Prior Period Adjustment Pension Liability GASB 68	(10,538,804)	-	-	-
Prior Period Adjustment Pension Liability GASB 75	-	-	(4,670,841)	-
Prior Period Adjustment - Receivable Recognition	-	-	-	-
Net Position - Ending	\$ 43,636,986	\$ 36,096,987	\$ 30,323,327	\$ 33,971,592

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

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

**2024 Net Position was restated due to the change in recognition of receivables.

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2019	2020	2021	2022	2023	2024**
\$ 103,433,330	\$ 111,388,368	\$ 94,439,801	\$ 125,225,317	\$ 159,804,150	\$ 156,047,771
16,894,265	17,160,749	17,183,884	14,245,570	19,247,670	22,534,070
317,840	375	-	-	-	-
3,664,050	3,982,780	910,549	1,574,017	4,457,295	-
3,364,043	2,432,718	-	-	-	-
39,527	19,949	-	-	-	-
-	-	2,469,900	2,258,401	2,513,218	2,731,534
\$ 127,713,055	\$ 134,984,939	\$ 115,004,134	\$ 143,303,305	\$ 186,022,333	\$ 181,313,375
11,671,349	11,576,978	13,114,579	10,150,156	13,506,650	18,322,704
-	-	-	-	-	-
3,347,585	-	-	-	-	-
1,149,781	1,066,343	1,471,071	1,255,511	1,354,055	1,001,167
2,569,529	2,559,315	-	-	-	-
33,416	32,598	-	-	-	-
-	-	2,708,373	2,659,603	2,681,030	2,671,083
18,771,660	15,235,234	17,294,023	14,065,270	17,541,735	21,994,954
\$ (108,941,395)	\$ (119,749,705)	\$ (97,710,111)	\$ (129,238,035)	\$ (168,480,598)	\$ (159,318,421)
\$ 111,253,431	\$ 111,018,556	\$ 119,562,002	\$ 140,860,552	\$ 153,150,081	\$ 149,189,295
1,886,474	1,737,139	(16,612)	(1,382,768)	3,094,415	4,782,582
159,465	185,393	131,932	247,525	388,828	68,577
\$ 113,299,370	\$ 112,941,088	\$ 119,677,322	\$ 139,725,309	\$ 156,633,324	\$ 154,040,454
4,357,975	(6,808,617)	21,967,211	10,487,274	(11,847,274)	(5,277,967)
33,971,592	38,329,567	31,520,950	53,488,161	63,975,435	52,128,161
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(6,714,817)
\$ 38,329,567	\$ 31,520,950	\$ 53,488,161	\$ 63,975,435	\$ 52,128,161	\$ 40,135,377

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

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

**2024 Net Position was restated due to the change in recognition of receivables.

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2015	2016	2017	2018
REVENUES				
Federal	\$ 10,476,372	\$ 7,560,062	\$ 12,059,126	\$ 12,710,609
State	3,923,625	2,726,891	904,757	3,386,211
Local	1,420,700	1,084,949	1,425,276	3,621,790
Charges for Services	302,626	475,533	153,416	595,289
Member Assessments	284,270	375,988	424,530	439,862
Investment Earnings	(22,172)	54,698	71,896	92,779
Other	36,732	46,431	111,067	122,115
Total Revenues	<u>16,422,153</u>	<u>12,324,552</u>	<u>15,150,068</u>	<u>20,968,655</u>
EXPENDITURES				
Planning and Administration	19,002,274	15,106,301	21,655,454	19,165,515
Payments to SMF grantees	647,705	453,123	272,244	554,757
Capital Outlay	75,716	90,755	68,258	210,452
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>19,725,695</u>	<u>15,650,179</u>	<u>21,995,956</u>	<u>19,930,724</u>
Deficiency of Revenues under Expenditures	<u>(3,303,542)</u>	<u>(3,325,627)</u>	<u>(6,845,888)</u>	<u>1,037,931</u>
OTHER FINANCING SOURCES				
IT Subscription	-	-	-	-
Transfers in	<u>2,821,163</u>	<u>2,891,043</u>	<u>3,082,708</u>	<u>3,063,312</u>
Change in Fund Balance	<u>(482,379)</u>	<u>(434,584)</u>	<u>(3,763,180)</u>	<u>4,101,243</u>
Fund Balance - Beginning	<u>14,083,562</u>	<u>13,601,182</u>	<u>13,166,598</u>	<u>9,403,418</u>
Fund Balance - Ending	<u><u>\$ 13,601,182</u></u>	<u><u>\$ 13,166,598</u></u>	<u><u>\$ 9,403,418</u></u>	<u><u>\$ 13,504,661</u></u>
Fund Balance				
Nonspendable - Prepaid Items	\$ 75,929	\$ 81,339	\$ 66,217	\$ 59,025
Restricted:				
Restricted for Transportation Projects	583,947	574,181	473,445	485,831
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Committed:				
Board and Advocacy	37,999	384	7,985	32,385
SACOG Managed Fund Grantees	797,670	1,351,093	1,029,814	1,601,425
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	200,000	200,000
Project Specific Carryover Funds	193,182	193,182	193,182	193,182
Capital Equipment	-	-	-	-
GIS Recipients	162,397	184,897	209,897	234,897
Contengencies	-	-	-	-
Unassigned:				
Unassigned	11,050,059	10,081,522	6,722,878	10,197,916
Total Ending Fund Balance	<u><u>\$ 13,601,183</u></u>	<u><u>\$ 13,166,598</u></u>	<u><u>\$ 9,403,418</u></u>	<u><u>\$ 13,504,661</u></u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2019	2020	2021	2022	2023	2024
\$ 7,340,007	\$ 6,755,581	\$ 6,504,971	\$ 5,921,351	\$ 7,878,466	\$ 9,305,316
2,740,627	4,334,061	3,822,830	3,253,940	4,843,490	8,512,583
2,110,096	894,336	2,368,975	2,054,656	548,725	733,725
686,918	465,049	730,455	375,573	412,990	-
462,863	601,294	740,616	879,938	941,065	1,001,167
301,556	315,592	(22,198)	(347,590)	631,072	1,104,609
112,323	161,633	131,932	247,525	229,131	121,996
<u>13,754,390</u>	<u>13,527,546</u>	<u>14,277,581</u>	<u>12,385,393</u>	<u>15,484,939</u>	<u>20,779,396</u>
15,981,412	15,513,013	16,020,331	14,643,561	17,240,725	19,554,444
316,055	263,527	225,676	284,288	677,944	371,244
50,260	821,497	22,429	43,582	649,734	727,236
-	-	-	647,887	1,054,053	1,154,196
-	-	-	77,106	68,461	95,204
<u>16,347,727</u>	<u>16,598,037</u>	<u>16,268,436</u>	<u>15,696,424</u>	<u>19,690,917</u>	<u>21,902,324</u>
<u>(2,593,337)</u>	<u>(3,070,491)</u>	<u>(1,990,855)</u>	<u>(3,311,031)</u>	<u>(4,205,978)</u>	<u>(1,122,928)</u>
-	-	-	-	522,560	688,597
<u>3,348,050</u>	<u>4,804,623</u>	<u>6,416,039</u>	<u>4,337,717</u>	<u>5,187,707</u>	<u>5,064,459</u>
<u>754,713</u>	<u>1,734,132</u>	<u>4,425,184</u>	<u>1,026,686</u>	<u>1,504,289</u>	<u>4,630,128</u>
<u>13,504,661</u>	<u>14,259,374</u>	<u>15,993,506</u>	<u>20,418,690</u>	<u>21,445,376</u>	<u>22,949,665</u>
<u>\$ 14,259,374</u>	<u>\$ 15,993,506</u>	<u>\$ 20,418,690</u>	<u>\$ 21,445,376</u>	<u>\$ 22,949,665</u>	<u>\$ 27,579,793</u>
\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286	\$ 117,533	\$ 262,299
445,642	1,774,167	1,861,884	1,308,224	950,474	2,752,100
-	-	2,005,991	1,752,902	1,840,373	1,997,024
28,452	109,919	222,850	250,881	342,792	453,697
2,290,899	781,510	1,255,834	821,546	967,463	2,621,977
500,000	356,575	500,000	500,000	500,000	500,000
200,000	200,000	-	-	-	-
193,182	193,182	187,137	159,028	408,990	436,061
-	-	-	-	156,783	156,783
259,897	258,682	243,105	270,503	-	-
-	-	-	-	1,000,000	1,000,000
<u>10,233,243</u>	<u>12,232,945</u>	<u>13,868,593</u>	<u>16,286,006</u>	<u>16,665,257</u>	<u>17,399,852</u>
<u>\$ 14,259,374</u>	<u>\$ 15,993,506</u>	<u>\$ 20,418,690</u>	<u>\$ 21,445,376</u>	<u>\$ 22,949,665</u>	<u>\$ 27,579,793</u>

Source: Individual internal fund statements

Sacramento Area Council of Governments

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

	2015	2016	2017	2018
REVENUES				
Sales and Use Taxes	\$ 92,870,424	\$ 83,031,666	\$ 86,970,062	\$ 100,018,363
Vehicle registration fees and traffic fines	2,357,355	2,552,816	2,520,348	2,523,033
Intergovernmental:				
Federal	10,476,372	7,560,062	12,059,126	12,710,609
State	3,923,625	2,726,891	1,208,533	3,386,211
Local	1,420,700	1,084,949	1,425,276	3,621,790
Charges for services	302,626	475,533	153,416	595,289
Member assessments	284,270	375,988	424,530	439,862
Investment earnings	(49,608)	407,335	421,368	547,564
Other	58,562	46,431	111,067	154,091
Total Revenues	111,644,326	98,261,671	105,293,726	123,996,812
EXPENDITURES				
City of Elk Grove	6,640,834	6,782,505	6,744,562	7,620,753
City of Citrus Heights	3,464,765	3,509,808	3,503,965	3,910,696
City of Davis	3,773,822	3,518,718	3,489,076	3,365,531
City of Folsom	2,994,838	3,094,786	3,095,668	3,616,313
City of Galt	993,483	1,008,347	1,012,626	1,144,221
City of Isleton	33,478	33,835	33,744	38,353
City of Live Oak	293,500	366,996	401,570	292,369
City of Marysville	-	-	-	-
City of Sacramento	353,082	357,147	382,018	393,501
City of West Sacramento	2,757,538	2,574,828	2,620,351	2,455,887
City of Rancho Cordova	49,906	50,994	54,992	57,925
City of Wheatland	51,472	63,164	45,132	54,850
City of Winters	381,115	353,484	355,397	339,376
City of Woodland	3,109,907	2,898,327	2,939,922	2,718,286
City of Yuba City	1,289,439	1,540,935	1,647,686	957,774
County of Sacramento	1,667,857	1,693,570	1,724,568	1,934,991
County of Sutter	641,138	774,868	813,077	573,460
County of Yolo	1,381,364	1,255,389	1,379,008	1,282,356
County of Yuba	359,374	395,445	83,965	177,955
Sacramento Regional Transit District	44,967,604	45,903,513	43,985,229	52,973,969
Yolo County Transportation District	2,732,566	203,485	121,910	3,599,419
Yuba-Sutter Transit Authority	140,588	3,268,262	2,967,874	451,737
Paratransit, Inc	1,963,186	1,987,941	2,127,969	2,195,490
SAFE services	364,335	814,681	742,901	1,126,665
Freeway service patrol	857,834	886,303	924,423	1,083,741
Equipment and maintenance	584,818	414,471	920,121	487,710
Insurance and DMV fees	21,462	22,293	22,907	26,129
Planning and Administration	19,281,825	15,531,462	22,075,284	19,648,005
Payments to SMF grantees	-	-	-	-
Transportation Claimants	-	-	-	-
Public Transportation Modernization Improvement & Service Enhancement	9,424,005	5,452,494	4,930,158	4,018,076
Community Design Grants	647,705	453,123	272,244	554,757
SECAT grants or refunds	-	-	-	-
Capital outlay	75,716	90,755	-	210,452
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	111,298,556	106,168,696	109,418,347	117,310,747
Excess of Revenues over Expenditures	345,770	(7,907,025)	(4,124,621)	6,686,065
OTHER FINANCING USES				
IT Subscription	-	-	-	-
Transfers in	2,821,163	2,891,043	3,082,708	3,063,312
Transfers out	(2,821,163)	(2,891,043)	(3,082,708)	(3,063,312)
Total other financing uses	-	-	-	-
Net Change in Fund Balances	345,770	(7,907,025)	(4,124,621)	6,686,065
Fund Balance - Beginning	54,676,786	55,022,555	47,115,530	42,990,909
Prior Period Adjustment - Receivable Recognition	-	-	-	-
Fund Balance - Ending	\$ 55,022,556	\$ 47,115,530	\$ 42,990,909	\$ 49,676,974

Source: Individual internal fund statements

Changes in Fund Balances – Governmental Funds

For Ten Fiscal Years Ended June 30

Source: Individual internal fund statements

Sacramento Area Council of Governments

Components of Fund Balances
For Ten Fiscal Years Ended June 30

	2015	2016	2017	2018
Nonspendable				
Prepaid Items	\$ 75,929	\$ 84,654	\$ 66,217	\$ 59,025
Restricted:				
SECAT Program	-	-	306,460	309,945
PTMISEA Funds	19,578,874	15,178,617	14,269,401	10,566,038
State Transit Assistance Funds	915,777	-	144,397	1,229,432
State of Good Repair Funds	-	-	-	816,435
Local Transportation Funds - Sacramento County	10,998,193	12,228,043	11,492,510	13,547,839
Local Transportation Funds - Yuba County	258,426	79,005	421,767	717,973
Local Transportation Funds - Sutter County	481,406	277,365	-	481,342
Local Transportation Funds - Yolo County	(21,478)	116,307	-	1,045,919
Local Transportation Funds	-	-	-	-
Capitol Valley Regional SAFE	5,183,974	4,392,796	3,892,104	3,341,870
Glenn County SAFE	150,910	93,739	126,624	131,394
SAFE Funds	-	-	-	-
Restricted for Transportation Projects	700,946	574,181	473,445	485,831
Restricted for Pension Contributions (CEPPT)	-	-	-	-
Committed:				
Board and Advocacy	27,063	384	7,985	32,385
SACOG Managed Fund Grantees	797,670	1,351,093	1,029,814	1,601,425
Office Improvements	-	-	-	-
Assigned:				
Legal Defense	500,000	500,000	500,000	500,000
Self Insurance	200,000	200,000	260,000	200,000
Project Specific Carryover Funds	193,182	193,182	193,182	193,182
GIS Recipients	162,397	184,897	209,897	234,897
Post Employment Benefits (OPEB)	3,875,291	3,909,655	3,939,388	3,984,126
Purpose of the Fund	-	-	-	-
Capital Equipment	-	-	-	-
Contingencies	-	-	-	-
Unassigned:				
Unassigned Fund Balance	10,943,996	7,751,612	5,657,718	10,197,916
Total Fund Balance	\$ 55,022,556	\$ 47,115,530	\$ 42,990,909	\$ 49,676,974

Source: Individual internal fund statements

Sacramento Area Council of Governments

Components of Fund Balances
For Ten Fiscal Years Ended June 30

2019	2020	2021	2022	2023	2024
\$ 108,059	\$ 86,526	\$ 273,296	\$ 96,286	\$ 117,533	\$ 262,299
492	295	-	-	-	-
10,662,059	6,909,745	5,971,910	4,352,315	-	-
1,517,485	842,909	5,209,812	6,578,115	9,629,828	8,898,139
1,600,037	1,605,345	4,956,169	7,912,566	7,147,439	1,032,176
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,129,615	17,862,156	31,878,903	37,890,860	26,093,026	17,801,547
2,691,841	2,907,548	-	-	-	-
130,358	146,734	-	-	-	-
-	-	3,310,757	3,703,429	4,008,815	4,130,604
445,642	1,774,167	1,861,884	1,308,224	950,474	2,752,100
-	-	2,005,991	1,752,902	1,840,373	1,997,024
28,452	109,919	222,850	250,881	342,792	453,697
1,034,226	781,510	1,255,834	821,546	967,463	2,621,977
1,200,000	-	-	-	-	-
500,000	356,575	500,000	500,000	500,000	500,000
200,000	200,000	-	-	-	-
193,182	193,182	187,137	159,028	408,990	436,061
259,897	258,682	243,105	270,503	-	-
-	-	-	-	-	-
2,909,607	2,993,725	-	-	-	-
-	-	-	-	156,783	156,783
-	-	-	-	1,000,000	1,000,000
11,489,916	12,232,945	13,868,593	16,286,006	16,665,257	17,399,852
\$ 55,100,868	\$ 49,261,963	\$ 71,746,241	\$ 81,882,661	\$ 69,828,773	\$ 59,442,259

Source: Individual internal fund statements

Sacramento Area Council of Governments

Total Population by Jurisdiction
For Ten Fiscal Years Ended June 30

	2015	2016	2017	2018	2019*	2020*	2021	2022	2023	2024
SACOG 6- County Region	2,416,505	2,443,181	2,474,083	2,502,061	2,528,449	2,578,590	2,577,328	2,578,693	2,574,273	2,585,862
El Dorado County	182,540	183,684	185,147	188,185	190,018	191,185	191,054	190,465	189,006	188,583
Placerville	10,504	10,555	10,658	10,748	10,836	10,811	10,636	10,646	10,585	10,540
South Lake Tahoe	21,289	21,346	21,346	22,116	22,304	21,425	21,508	21,199	20,548	20,790
Unincorporated	150,747	151,783	153,143	155,321	156,878	158,949	158,910	158,620	157,873	157,253
Placer County	371,264	376,508	383,598	389,387	395,978	404,739	407,517	409,025	410,305	412,844
Auburn	14,025	14,135	14,223	14,342	14,440	13,781	13,795	13,608	13,365	13,218
Colfax	2,059	2,083	2,098	2,113	2,121	2,001	2,016	2,042	2,016	1,988
Lincoln	46,224	46,962	47,736	48,264	48,679	49,731	50,422	51,252	52,313	53,231
Loomis	6,646	6,697	6,775	6,803	6,828	6,814	6,833	6,739	6,607	6,601
Rocklin	60,475	61,646	64,205	66,410	68,806	71,290	71,644	71,663	71,179	71,609
Roseville	129,723	132,676	135,398	137,983	141,299	147,245	148,794	151,034	152,928	154,329
Unincorporated	112,112	112,309	113,163	113,472	113,805	113,877	114,013	112,687	111,897	111,868
Sacramento County	1,481,751	1,496,385	1,512,721	1,527,132	1,541,301	1,585,055	1,580,624	1,576,618	1,572,453	1,578,938
Citrus Heights	85,668	86,453	87,106	87,550	87,731	87,715	87,245	86,367	85,837	85,554
Elk Grove	164,648	167,395	170,103	171,774	173,170	176,337	176,769	176,972	177,005	178,679
Folsom	75,560	76,562	77,398	78,019	79,171	82,943	83,075	84,592	85,498	88,023
Galt	24,602	24,841	25,153	25,562	25,655	25,467	25,383	25,239	25,557	25,785
Isleton	812	814	817	825	827	795	790	780	759	767
Rancho Cordova	71,118	72,749	74,492	75,937	77,438	79,139	79,536	80,359	81,117	82,109
Sacramento	483,830	487,455	492,858	498,563	505,230	520,264	518,322	518,037	518,161	520,407
Unincorporated	575,513	580,116	584,794	588,902	592,079	612,395	609,504	604,272	598,519	597,614
Sutter County	96,056	96,868	98,607	100,634	102,914	99,633	98,908	99,145	98,952	100,110
Live Oak	8,451	8,459	8,850	8,973	9,164	9,159	9,191	9,394	9,515	9,668
Yuba City	66,916	67,669	68,753	70,336	72,005	70,181	69,614	69,663	69,478	70,256
Unincorporated	20,689	20,740	21,004	21,325	21,745	20,293	20,103	20,088	19,959	20,186
Yolo County	210,801	215,016	218,039	219,990	220,896	216,403	217,237	221,165	220,880	221,666
Davis	66,809	67,270	68,141	68,596	69,179	64,687	66,687	64,869	64,097	65,054
West Sacramento	51,540	53,089	53,384	53,876	53,995	52,787	53,776	52,837	54,187	54,278
Winters	6,951	6,990	7,130	7,204	7,169	6,954	7,399	7,422	7,534	7,587
Woodland	58,058	58,681	59,568	60,079	60,068	59,654	60,999	60,137	59,881	60,672
Unincorporated	27,443	28,986	29,816	30,235	30,485	32,321	28,376	35,900	35,181	34,075
Yuba County	74,093	74,720	75,971	76,733	77,342	81,575	81,988	82,275	82,677	83,721
Marysville	12,265	12,294	12,336	12,323	12,333	13,189	13,003	12,824	12,606	12,752
Wheatland	3,533	3,568	3,591	3,613	3,620	3,720	3,708	3,664	3,811	3,893
Unincorporated	58,295	58,858	60,044	60,797	61,389	64,666	65,277	65,787	66,260	67,076

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

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

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

Sacramento Area Council of Governments

Total Households by County

For Ten Fiscal Years Ended June 30

	2015		2016		2017	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	948,072	87,374	952,724	83,625	959,216	92,747
El Dorado County	89,293	18,156	89,675	18,145	90,353	18,422
Placer County	158,518	20,297	160,369	20,075	162,489	20,961
Sacramento County	562,950	40,539	564,517	37,254	567,281	44,636
Sutter County	34,140	2,239	34,205	2,244	34,339	2,253
Yolo County	75,231	3,457	75,869	3,247	76,449	3,793
Yuba County	27,940	2,686	28,089	2,660	28,305	2,682

	2018		2019		2020	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	966,695	96,697	974,711	97,388	997,519	68,989
El Dorado County	91,745	18,852	91,987	18,904	93,467	18,147
Placer County	164,820	21,415	167,548	21,637	172,356	20,255
Sacramento County	570,305	47,291	574,449	47,645	587,551	23,106
Sutter County	34,363	2,243	34,398	2,244	34,499	1,437
Yolo County	77,138	4,004	77,679	4,031	80,188	3,594
Yuba County	28,324	2,892	28,650	2,927	29,458	2,450

	2021		2022		2023	
	Total Units	Vacant	Total Units	Vacant	Total Units	Vacant
SACOG Region	1,004,712	69,642	1,014,896	70,207	1,026,463	104,114
El Dorado County	94,035	18,161	94,680	18,265	95,278	52,057
Placer County	174,035	20,622	177,369	20,813	181,012	20,816
Sacramento County	591,185	23,338	595,939	23,522	601,226	23,448
Sutter County	34,601	1,442	34,749	1,448	34,882	1,465
Yolo County	81,108	3,605	81,945	3,637	83,172	3,826
Yuba County	29,748	2,474	30,214	2,522	30,893	2,502

	2024	
	Total Units	Vacant
SACOG Region	1,036,065	71,342
El Dorado County	95,301	18,508
Placer County	184,178	21,109
Sacramento County	606,021	23,880
Yolo County	34,960	1,454
Yuba County	84,103	3,760
	31,502	2,631

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.

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

Sacramento Area Council of Governments

Labor Force & Unemployment by County

For Ten Fiscal Years Ended June 30

	2014				2015			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,122,000	1,038,000	84,000	7.5	1,133,100	1,063,600	69,600	6.1
El Dorado County	88,800	82,600	6,200	7.0	89,100	84,100	5,100	5.7
Placer County	176,500	165,400	11,100	6.3	178,200	169,200	9,000	5.0
Sacramento County	682,200	632,200	50,000	7.3	689,000	647,600	41,400	6.0
Sutter County	44,500	38,800	5,700	12.7	44,800	40,000	4,800	10.8
Yolo County	101,800	94,000	7,800	7.7	103,900	97,200	6,700	6.4
Yuba County	28,200	25,000	3,200	11.2	28,100	25,500	2,600	9.2
	2016				2017			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,146,800	1,084,100	62,600		1,156,100	1,101,300	54,900	
El Dorado County	89,700	85,200	4,500	5.1	89,900	86,000	3,900	4.4
Placer County	179,800	171,800	8,000	4.4	182,200	175,200	7,000	3.8
Sacramento County	697,400	660,100	37,300	5.4	702,000	669,500	32,600	4.6
Sutter County	45,300	41,000	4,300	9.6	45,700	41,800	3,900	8.6
Yolo County	106,300	100,100	6,100	5.8	107,800	102,400	5,400	5.0
Yuba County	28,300	25,900	2,400	8.5	28,500	26,400	2,100	7.4
	2018				2019			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,170,300	1,124,500	46,000		1,589,700	1,132,000	44,700	
El Dorado County	91,600	88,300	3,300	3.6	92,000	88,800	3,200	3.5
Placer County	185,200	179,400	5,800	3.1	187,900	182,100	5,800	3.1
Sacramento County	710,400	683,500	27,000	3.8	712,400	686,300	26,100	3.7
Sutter County	45,500	42,100	3,400	7.5	458,700	42,400	3,400	7.3
Yolo County	108,500	104,000	4,600	4.2	108,700	104,200	4,400	4.1
Yuba County	29,100	27,200	1,900	6.4	30,000	28,200	1,800	6.0
	2020				2021			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,163,400	1,060,700	102,800		1,175,200	1,098,100	77,200	7.0
El Dorado County	90,800	83,300	7,500	8.3	91,100	85,900	5,200	5.7
Placer County	184,900	171,300	13,600	7.3	188,000	178,700	9,400	5.0
Sacramento County	707,200	641,600	65,600	9.3	714,000	664,400	49,700	7.0
Sutter County	45,500	40,500	5,000	11.0	45,200	41,100	4,100	9.0
Yolo County	105,000	97,100	7,900	7.5	106,100	99,900	6,200	5.8
Yuba County	30,000	26,900	3,200	10.5	30,800	28,100	2,600	8.5
	2022				2023			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
SACOG Region	1,202,400	1,155,700	46,700	4.0	1,207,800	1,153,500	54,400	4.7
El Dorado County	93,400	90,200	3,200	3.4	93,700	90,000	3,700	4.0
Placer County	193,800	187,900	5,900	3.1	194,700	187,500	7,300	3.7
Sacramento County	728,300	699,800	28,500	3.9	731,000	698,500	32,500	4.4
Sutter County	46,300	43,300	3,000	6.6	46,700	43,100	3,600	7.8
Yolo County	109,000	104,600	4,400	4.0	109,800	104,600	5,200	4.7
Yuba County	31,600	29,900	1,700	5.5	31,900	29,800	2,100	6.7

Source: Labor Force Data for Sub-County Areas (Annual), State of California Employment Development Department Labor Market Information Division (<http://www.labormarketinfo.edd.ca.gov/>)
 Information for 2024 is not yet available.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2022 and 2023

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

Placer County

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

Sacramento County

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

2023		
Employer	# of Emps	%
El Dorado County	1,975	2.2%
Marshall Medical Center	1,442	1.6%
Red Hawk Casino	1,200	1.3%
Barton Health	907	1.0%
Safeway	843	0.9%
US Government	623	0.7%
State of CA	548	0.6%
Buckeye Union Elem School Dist	540	0.6%
Raley's	346	0.4%
Aerometal Inc.	178	0.2%

2023		
Employer	# of Emps	%
Sutter Health	6,672	3.6%
Kaiser Permanente	6,094	3.3%
Placer County	2,669	1.4%
Thunder Valley casino Resort	2,400	1.3%
Sierra Joint Community College District	1,900	1.0%
Roseville City School District	1,783	1.0%
City of Roseville	1,386	0.7%
Safeway	1,217	0.6%
PG&E	1,120	0.6%

2023		
Employer	# of Emps	%
State of California	113,610	16.3%
UC Davis Health	16,075	2.3%
Kaiser Permanente	12,301	1.8%
US Government	10,698	1.5%
Sutter Health	9,595	1.4%
Dignity Health	7,488	1.1%
Intel Corp	5,300	0.8%
San Juan Unified School District	5,126	0.7%
Los Rios Community College District	2,833	0.4%
CSUS	2,535	0.4%

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

Information for 2024 is not yet available.

Sacramento Area Council of Governments

Largest Employment Centers by County

For 2022 and 2023

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

Yolo County

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

Yuba County

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

2023		
Employer	# of Emps	%
Yuba City School District	1,325	3.1%
Sunsweet Growers	632	1.5%
Legend Transportation	650	1.5%
Sysco Sacramento, Inc	490	1.1%
Sutter County	500	1.2%
Sutter North Yuba City	500	1.2%
Yuba City	475	1.1%
Express Services	300	0.7%
Walmart	418	1.0%

2023		
Employer	# of Emps	%
State of California	21,818	20.1%
Yolo County	11,027	10.2%
University of California, Davis	9,673	8.9%
US Government	2,485	2.3%
Cache Creek Casino Resort	2,000	1.8%
Dignity Health	1,154	1.1%
PG&E	860	0.8%
Raley's	826	0.8%
City of west Sacramento	683	0.6%
Sutter Health	679	0.6%

2023		
Employer	# of Emps	%
Beale AFB	1,300	4.4%
Adventist Rideout Mem Hospital	2,109	7.1%
Marysville Joint Unified School Distri	1,211	4.1%
Hard Rock Casino & Hotel	1,135	3.8%
Caltrans	720	2.4%
Yuba College	708	2.4%
Bishop's Pumpkin Farm	450	1.5%
Walmart	405	1.4%
Bear River School District	170	0.6%

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

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

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

Information for 2024 is not yet available.

Sacramento Area Council of Governments

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

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

	2020	2021	2022	2023	2024
SACOG Region	424,666	418,374	417,218	438,243	431,919
El Dorado	31,126	30,131	30,637	32,180	31,895
Placer	75,208	73,926	74,446	70,522	76,050
Sacramento	249,540	246,069	243,002	264,502	253,331
Sutter	23,308	23,695	24,444	24,346	24,764
Yolo	30,569	29,839	29,689	31,652	30,050
Yuba	14,915	14,714	15,000	15,041	15,829

Source: County Reports (Annual), California Department of Education
(<http://www.ed->

Total Acreage by County

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

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

Sacramento Area Council of Governments

Average Weekly & Annual Wages by County

For Ten Fiscal Years Ended June 30

	2014		2015		2016		2017		2018	
	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages ¹	Average Weekly Wages	Average Annual Wages ¹	Average Weekly Wages	Average Annual Wages
SACOG Region	\$919	\$47,788	\$954	\$49,614	\$964	\$50,128	\$993	\$51,636	\$1,149	\$59,726
El Dorado County	\$805	\$41,860	\$837	\$43,524	\$871	\$45,292	\$899	\$46,748	\$1,032	\$53,664
Placer County	\$947	\$49,244	\$989	\$51,428	\$1,013	\$52,676	\$1,036	\$53,872	\$1,141	\$59,328
Sacramento County	\$948	\$49,296	\$983	\$51,116	\$986	\$51,272	\$1,015	\$52,780	\$1,192	\$61,980
Sutter County	\$682	\$35,464	\$714	\$37,128	\$727	\$37,804	\$739	\$38,428	\$828	\$43,056
Yolo County	\$847	\$44,044	\$872	\$45,344	\$891	\$46,332	\$928	\$48,256	\$1,032	\$53,676
Yuba County	\$774	\$40,248	\$823	\$42,796	\$835	\$43,420	\$877	\$45,604	\$948	\$49,296

	2019		2020		2021		2022		2023	
	Average Weekly Wages	Mean Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages	Average Weekly Wages	Average Annual Wages
SACOG Region	\$1,172	\$60,965	\$1,164	\$60,528	\$1,214	\$63,128	\$1,245	\$64,740	\$1,288	\$66,976
El Dorado County	\$1,019	\$52,992	\$1,058	\$55,016	\$1,087	\$56,524	\$1,178	\$61,256	\$1,188	\$61,776
Placer County	\$1,164	\$60,504	\$1,235	\$64,220	\$1,295	\$67,340	\$1,327	\$69,004	\$1,349	\$70,148
Sacramento County	\$1,222	\$63,552	\$1,183	\$61,516	\$1,232	\$64,064	\$1,425	\$74,100	\$1,307	\$67,964
Sutter County	\$833	\$43,308	\$852	\$44,304	\$911	\$47,372	\$989	\$51,428	\$972	\$50,544
Yolo County	\$1,030	\$53,580	\$1,098	\$57,096	\$1,132	\$58,864	\$1,377	\$71,604	\$1,211	\$62,972
Yuba County	\$1,017	\$52,872	\$1,032	\$53,664	\$1,074	\$55,848	\$1,174	\$61,048	\$1,155	\$60,060

Source: California Employment Development Department, Labor Market Information Division

¹ Average Annual Wages based upon Average Weekly Wages
Information for 2024 is not yet available.

Transit Providers by County

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

Source: SACOG

Sacramento Area Council of Governments

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FUNCTION										
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	-	-	-	-	2	2	2	2	2	2
Chief Operations Officer/ General Counsel	1	1	1	1	1	-	-	-	-	-
Administration	8	9	10	10	7	7	7	7	7	7
Finance	3	4	4	6	7	7	7	7	8	10
Research Analysts**	11	11	11	13	11	12	8	6	11	12
Information Technology	1	1	1	1	-	-	-	-	-	-
Planning	22	21	24	22	19	18	18	24	15	19
Public Affairs and Communications	6	7	7	6	8	8	6	9	8	9
Interns	3	1	5	8	2	1	2	1	3	7
Total Approved Full-Time Positions	56	56	64	68	58	56	51	57	55	67

*Formerly called Chief Executive Officer

** Formerly called Geographic Information Systems

Source: Individual internal fund statements

Summary of Full-Time Equivalent Employees By Project

For Ten Fiscal Years Ended June 30

	2015
Direct Projects	
Metropolitan Transportation Plan	11.1
Sustainable Communities Strategy Implementation Grant from Strategic Growth Council, Round #2	2.9
Services to Other Agencies (pass-through)	0.7
Misc Other Funding	1.1
Government Relations, Public Affairs & Administration	5.5
Long-Range Transportation Planning	1.7
Short-Range Transportation Planning & Studies	2.5
Continuing Transportation Implementation	6.7
Land Use & Housing Planning	4.2
Public Services	n/a
Member & Agency Services	5.7
Services to Other Agencies	1.6
Board and Advocacy	1.3
Subtotal - Direct Projects	45.0
Indirect	10.6
Total FTEs Based on Total Hours	55.6

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Projects									
Core and Long-Range Member, Agency and Transportation Services and Planning Activities	27.3	28.2	34.1	30.4	27.9	26.0	31.5	27.8	34.3
Discretionary Transportation Planning Grant Activities & Partnership Projects*	9.1	4.4	2.6	0.9	1.5	2.4	1.7	0.8	2.6
Regional Projects and Pass-Through Grants	-	6.2	2.1	0.5	0.2	0.7	1.9	3.0	1.9
Services to Other Agencies	2.9	1.8	2.7	1.7	1.6	1.2	0.8	0.5	1.9
Board and Advocacy	1.8	1.3	0.6	0.4	0.8	0.5	0.8	0.7	0.7
Subtotal - Direct Projects	41.1	42.0	42.1	33.9	32.0	30.8	36.9	32.8	41.4
Indirect	12.9	22.3	23.7	21.6	23.3	20.1	20.1	22.9	24.3
Total FTEs Based on Total Hours	54.0	64.2	65.8	55.6	55.3	50.9	57.0	55.7	65.7

Source: Individual internal fund statements

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

	2015	2016	2017	2018
INDIRECT COSTS				
Building Costs	\$ 595,752	\$ 627,635	\$ 662,936	\$ 675,365
Career Development Program	40,713	64,409	75,491	99,761
Consultants	156,099	193,000	153,126	234,109
Depreciation	49,658	61,358	62,831	80,237
Insurance	69,777	72,503	72,193	91,079
Legal	95,132	92,152	111,393	81,456
Maintenance	9,377	8,037	6,509	3,294
Meetings	1,916	1,655	1,628	13,741
Memberships	24,701	43,282	41,012	28,050
Miscellaneous	10,458	8,359	32,803	43,368
Office Equipment	48,062	43,835	61,122	34,093
Parking	8,607	7,510	8,070	11,360
Postage	3,819	5,028	12,473	6,018
Printing	2,209	22,944	17,250	18,974
Publications	2,057	2,442	4,222	3,335
Salaries and Benefits	1,683,761	991,498	1,048,707	1,224,653
Services - other	-	-	-	-
Software & Maintenance	120,135	121,058	99,682	171,244
Supplies	39,181	16,154	22,662	41,181
Travel Expense	12,799	14,869	13,345	13,712
Accounting Services	12,567	14,481	6,006	870
Unemployment Costs	4,520	5,333	-	-
Telephone/Telcommunications	25,512	22,940	28,228	28,286
Temporary services/Recruitment	20,154	37,880	48,916	92,365
Staff Training	-	-	-	-
Vehicle Lease	-	-	-	-
Miscellaneous (Gain)/Loss	-	-	-	-
Total Indirect Costs	\$ 3,036,966	\$ 2,478,361	\$ 2,590,606	\$ 2,996,551

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2019	2020	2021	2022	2023	2024
\$ 660,713	\$ 568,493	\$ 706,712	\$ 729,859	\$ 743,976	\$ 758,901
95,680	56,507	15,355	41,229	78,951	132,636
140,629	124,890	141,946	124,175	152,705	214,916
101,964	103,864	96,004	82,468	63,668	57,819
97,323	102,348	96,566	114,710	130,522	142,387
88,858	107,689	115,072	131,314	121,269	149,012
235	1,457	310	-	-	-
21,172	10,549	447	-	-	-
34,716	45,014	40,959	41,725	44,111	43,576
48,064	65,949	35,769	27,078	-	-
98,280	56,020	1,064	32,638	40,899	8,867
10,048	9,237	9,200	9,200	7,338	3,541
1,464	1,284	440	767	-	-
20,366	12,425	771	401	-	-
1,554	765	12,511	13,397	980	9,572
1,461,019	1,596,700	1,472,547	1,421,711	1,578,382	1,823,120
-	-	-	-	15,436	48,765
150,991	164,618	203,772	281,394	305,804	323,876
15,374	14,286	4,599	2,385	11,626	10,480
13,439	13,225	-	1,032	4,778	1,969
-	-	-	-	-	-
-	-	-	-	-	-
25,362	26,329	60,510	54,499	11,397	7,807
43,595	319	4,401	15,103	22,257	38,960
-	29,976	27,832	9,357	19,863	77,647
-	-	-	3,135	4,527	3,283
-	-	-	-	(10,099)	-
\$ 3,130,844	\$ 3,111,944	\$ 3,046,787	\$ 3,137,577	\$ 3,348,390	\$ 3,857,134

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

	2015	2016	2017	2018
Planning and Administration Fund:				
Computers, Equipment, Leasehold Improvements, and Automobiles	\$ 174,906	\$ 204,303	\$ 209,730	\$ 339,945
Right to use leased assets	-	-	-	-
Right to use subscription assets	-	-	-	-
Total	\$ 174,906	\$ 204,303	\$ 209,730	\$ 339,945

Source: Individual internal fund statements

Sacramento Area Council of Governments

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

2019	2020	2021	2022	2023	2024
\$ 288,240	\$ 967,986	\$ 830,170	\$ 713,633	\$ 676,425	\$ 579,996
-	-	-	5,429,987	4,679,376	3,928,766
-	-	-	719,135	1,044,529	1,296,628
<u>\$ 288,240</u>	<u>\$ 967,986</u>	<u>\$ 830,170</u>	<u>\$ 6,862,755</u>	<u>\$ 6,400,330</u>	<u>\$ 5,805,390</u>

Source: Individual internal fund statements

Ratios of Outstanding Debt

For Ten Fiscal Years Ended June 30

	2022	2023	2024
Lease liability	\$ 5,532,710	\$ 4,858,135	\$ 4,156,067
IT subscription liability	-	862,217	1,098,686
Total	\$ 5,532,710	\$ 5,720,352	\$ 5,254,753
Total Debt as a Percentage of County Personal Income (a)	0.01%	0.01%	(a)
Total Debt Per Capita	2.15	2.22	2.03

Source: Schedule 6 - Total Population, Schedule 8 - Labor Force and Schedule 12 - Annual Average Wages.

Notes

(a) Information not yet available.

Miscellaneous Statistics

For Fiscal Year Ended June 30, 2024

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

Source: SACOG

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Single Audit Section

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Sacramento Area Council of Governments

Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Grant Award Number or Pass- through Entity	Federal Expenditures	Amounts Passed- Through To Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants - Transit Asset Management	20.507	CA-2017-074-05	\$ 111,440	\$ -
Federal Transit Formula Grants - Regional Network Transit Plan	20.507	CA-2022-180-00	282,096	-
Federal Transit Formula Grants - Next Gen Regional Mobility Hub	20.507	CA-2023-217-00	250,000	-
Subtotal - Federal Transit Formula Grants			643,536	-
Subtotal - Federal Transit Cluster			643,536	-
National Infrastructure Investments - Mobility Zones (Raise Grant)	20.933	CA-2024-008-00	447,753	
Passed through the State of California,				
Department of Transportation				
Highway Planning and Construction - Planning	20.205	74A0816	3,782,422	-
Highway Planning and Construction - CMAQ - Transportation Demand Management	20.205	03-6085F15	595,038	773
Highway Planning and Construction - RSTP Transportation Demand Management	20.205	03-6085F15	936,043	503,932
Highway Planning and Construction - RSTP Transportation Demand Management	20.205	03-6085F15	153,080	124,434
Highway Planning and Construction - CMAQ Regional Bike Share	20.205	03-6085F15	36,126	-
Highway Planning and Construction - FHWA Partnership Planning	20.205	74A0816	857,758	-
Highway Planning and Construction - Regional Surface Transportation Program -Planning, Programming, and Monitoring	20.205	03-6085F15	259,005	-
Subtotal - Highway Planning and Construction:			6,619,472	629,139
Metropolitan Transportation Planning, and State Metropolitan Planning & Research				
Section 5303 - Metropolitan Transportation Planning	20.505	74A0816	1,317,912	-
Section 5304 - Statewide Transportation Planning	20.505	74A0816	228,592	228,592
Subtotal - Metropolitan Transportation Planning, and State Metropolitan Planning & Research			1,546,504	228,592
Total U.S. Department of Transportation			9,257,265	857,731
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Greenhouse Gas Reduction Fund: National Clean Investment Fund - Planning, Programming and Monitoring - Carbon Reduction Progr	66.957	03-6085F15	41,670	-
Greenhouse Gas Reduction Fund: National Clean Investment Fund - Trails Plan Implementation - Carbn Reduction Program	66.957	03-6085F15	6,381	-
Subtotal - Greenhouse Gas Reduction Fund: National Clean Investment Fund			48,051	-
Total Environmental Protection Agency			48,051	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 9,305,316	\$ 857,731

The notes to the SEFA are an integral part of this report.

Notes to the Schedule of Expenditures of Federal Awards

For Fiscal Year Ended June 30, 2024

NOTE #1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Sacramento Area Council of Governments (SACOG) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SACOG, it is not intended to and does not present the financial position, changes in net position, or cash flows of SACOG.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are reported on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE #3 – INDIRECT COST RATE

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



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise SACOG's basic financial statements and have issued our report thereon dated December 20, 2024. Our report included an emphasis of matter paragraph regarding SACOG's change in accounting principle, effective July 1, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Sacramento, California
December 20, 2024



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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Sacramento Area Council of Governments (SACOG)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on SACOG's major federal program for the year ended June 30, 2024. SACOG's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SACOG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Sacramento, California
December 20, 2024

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing Number</u>
Highway Planning and Construction	20.205
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Sacramento Area Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II – Financial Statement Findings

None reported.

Sacramento Area Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section III – Federal Award Findings and Questioned Costs

None reported.

None reported.

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WHAT WE DO

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

The Sacramento Area Council of Governments serves as a joint powers authority of city and county governments in El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties. As the only public agency with members from all 28 jurisdictions in the greater Sacramento region, SACOG plays a unique role as the place where local governments can come together to take on critical issues facing the region and to tackle problems that are too big for any one jurisdiction to solve on its own. SACOG is tasked by state and federal law with long-range planning for the region but also plays an important role in working with our local partners to advance more immediate solutions to some of the region's shared challenges of transportation, housing, air quality, climate change and the protection of the region's agricultural and natural resources.

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

EXECUTIVE STAFF

James Corless
Executive Director

Erik Johnson
Deputy Executive Director of
Operations

Kacey Lizon
Deputy Executive Director of
Planning & Programs

PROJECT STAFF

Loretta Su
Finance Director

Mayxay Xiong
Senior Accountant



1415 L Street, Suite 300
Sacramento, CA 95814
tel 916.321.9000
tdd 916.321.9550
sacog.org