



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**COUNTY OF SACRAMENTO**

**STATE OF CALIFORNIA**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**CHAD RINDE**

**DIRECTOR OF FINANCE**



**Photo Credit:**

**Edelmira Rodriguez, Account Clerk II  
Department of Finance**

**The cover image captures one of the murals and blossomed trees during summer at the County's Administration building in downtown Sacramento.  
This photo was taken in August 2023 when all the flowers had bloomed.**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For The Fiscal Year Ended June 30, 2023**



**COUNTY OF SACRAMENTO**  
**STATE OF CALIFORNIA**  
*Chad Rinde, Director of Finance*

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**COUNTY OF SACRAMENTO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## INTRODUCTORY SECTION

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**Department of Finance****Chad Rinde****Director****County of Sacramento**

Administration  
 Auditor-Controller  
 Consolidated Utility Billing & Services  
 Investments  
 Revenue Recovery  
 Tax Collection & Business Licensing  
 Treasury

November 28, 2023

To the Citizens of Sacramento County  
 Sacramento, California

Dear Citizens:

The Annual Comprehensive Financial Report (ACFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2023, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the County's financial statements are accurate in all material respects and presented as of a for the fiscal year ended June 30, 2023. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and bond disclosures. The introductory section includes this transmittal letter, a copy of the Fiscal Year Ended June 30, 2022 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, a list of public officials, and acknowledgment section. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and individual nonmajor fund financial statements and schedules to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year. This letter is designed to complement the County's MD&A and should be read in conjunction with it. The County's MD&A, which is unaudited, can be found on pages 5 - 22 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

**PROFILE OF SACRAMENTO COUNTY**

Sacramento County was incorporated in 1850 as one of the original 27 counties of the State of California. The County's largest city, the City of Sacramento, is the seat of government for the State of California and also serves as the County seat. Sacramento became the State capital in 1854.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost

portion of Sacramento County has direct access to the San Francisco Bay.

The geographic boundaries of the County include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County has a charter form of government. It is governed by a five-member Board of Supervisors (Board), who are elected on a non-partisan basis to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 1, District 2, and District 5 are elected in gubernatorial election years (2026, 2030, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2024, 2028, etc.). District boundaries are adjusted after every federal census to equalize district population.

Other elected officials include the Assessor, District Attorney and Sheriff. A County Executive appointed by the Board of Supervisors runs the day-to-day business of the County.

The County provides a full range of services including public protection, construction and maintenance of all public facilities, waste management, water, parks maintenance and operations, health and human services, human assistance, child, family and adult services, planning, tax collection, elections, airports and many others. Supporting the delivery of County-wide services are several departments and agencies. The financial reporting entity of the County includes all the funds of the primary government (i.e., County of Sacramento as legally defined), as well as all of its component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, these blended component units are accounted for in the governmental funds, enterprise funds, and fiduciary component unit as disclosed in the notes to the accompanying financial statements.

### **ECONOMIC CONDITION AND OUTLOOK**

At the national level, the economy continues to expand at a moderate rate, with Gross Domestic Product (GDP) increasing at an annual rate of 2.1 percent for the second quarter of 2023. As the Federal Open Market Committee continues to increase interest rates to slow historically high inflation, some economists expect a recession in the near term, while others point to signs of slowing inflation and a continued strong labor market. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers increased at an annual rate of 3.0 percent as of the twelve months ended on June 30, 2023, down from the June 30, 2022 12-month increase in overall prices of 9.1 percent.

#### **Housing Market**

The U.S. Census Bureau and U.S. Department of Housing and Urban Development jointly reported that housing starts in July 2023 decreased 2.5 percent from May 2023 and were 23.8 percent below the June 2022 level. Permits for new construction, a sign of future demand, have increased 0.1 percent from June to July 2023 but are 13.0 percent below the July 2022 level.

Active listings increased 7.1 percent nationally over the last year, according to a report from Realtor.com, while the total inventory of unsold homes decreased by 9.1 percent. The median home price decreased in June 2023 by 0.9 percent year-over-year nationally and the typical home spent 44 days on the market in June 2023, compared to the average 13 days during June 2022. In California, median home prices continued to stabilize, despite an increase in mortgage rates. A report from the California Association of Realtors showed that in July 2023 the median home price was \$838,260, an increase of 0.3 percent over the last year.



According to the Federal Reserve Bank of St. Louis, the House Price Index (HPI), a broad measure of the movement of single-family property prices, in the Sacramento, Roseville, and Folsom Metropolitan Statistical Area (MSA) was 378.57 in January 2023, down from 387.56 in January 2022. According to a recent report from the California Association of Realtors, the median home price within Sacramento County was \$530,000 as of June 2023, a 5.4 percent decrease over the prior year.

In FY 2022-23, the County's property tax assessment roll increased by 8.0 percent, following an increase of 5.2 percent in FY 2021-22. The County is expecting growth of 7.4 percent in FY 2023-24 property taxes, which are based on assessed values as of January 1, 2023. The recent growth in assessed values is due to a combination of factors, including construction of new homes, sales of existing property with higher values, and annual inflation of assessed values as permitted by State law.

### **Labor Market**

According to the Bureau of Labor Statistics, the national unemployment rate remained 3.6 percent when comparing June 2022 and 2023. The number of jobs added to nonfarm payroll from May 2023 to June 2023 was 209,000. Notable employment gains in June 2023 occurred in government, healthcare, social assistance, and construction. Both the unemployment rate, at 3.6 percent, and the number of unemployed person, at 6.0 million, changed little in June 2023.

According to a report by the California State Employment Development Department Labor Market Information Division, the unemployment rate in the Sacramento, Roseville, and Arden-Arcade MSA was 4.4 percent in June 2023, up from 4.0 percent in May 2023, and above 3.7 percent from June 2022. Between June 2022 and June 2023, total jobs in the region increased 3.1 percent, or 33,700 jobs, in the areas of public and private education, health services, social assistance, government, and professional services.

### **Tax Abatements**

The County currently offers two types of assessment that meet the tax abatement criteria. The tax abatements, justification and economic benefit are as follows:

Williamson Land Conservation Act which the County offers to restrict the usage of specific parcels to preserve agricultural and other open space lands. The future economic impact is approximately \$1,000,000 of abated revenue per year.

Mills Act which the County offers to promote the restoration and preservation of qualified historic buildings by private property owners. This requires the building owners maintain its historic character and to use it in a manner compatible with its historic features. The future economic impact is approximately under \$30,000 of abated revenue per year.

### **LONG-TERM FINANCIAL PLANNING**

Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to fund General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, County staff prepares a Multi-Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition under three different scenarios: a Baseline Scenario, that staff believes is the most realistic scenario to use for planning purposes, and More Conservative and More Optimistic Scenarios. Each of the scenarios makes different assumptions about what the General Fund's discretionary revenue and Net County Cost will be through FY 2031-32, with the following estimated results:

- The *Baseline Scenario* shows that the General Fund's unrestricted fund balance at the end of FY 2031-32 would be around \$230 million, representing a decrease of approximately \$60 million from the estimated FY 2023-24 unrestricted fund balance as Net County Cost is expected to exceed discretionary revenue in the near term.
- Under the *More Conservative Scenario*, the projected unrestricted fund balance would be a negative beginning in FY 2029-30. As a practical matter, the County would begin making significant reductions in General Fund programs earlier in the forecast period to ensure the unassigned would not become negative.
- Under the *More Optimistic Scenario*, the projected unrestricted fund balance at the end of FY 2031-32 would increase to approximately \$800 million.

The wide range of projected results in each of the three scenarios illustrates the sensitivity of the projections to the assumptions used in developing them. Additionally, future circumstances may vary widely from the assumptions made in developing these projections for a wide variety of reasons, with actual results falling outside the projection range.

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP) and a Technology Improvement Plan (TIP) for consideration by the Board of Supervisors. The most recent CIP and TIP was approved by the Board in June 2023 and identified capital and technology needs through FY 2027-28.

### **RELEVANT FINANCIAL POLICIES**

The Board of Supervisors has adopted two policies that provide key budget guidance:

#### **General Reserves Policy**

##### General Reserves Level Goal:

The County's goal is to have General Reserves equal to 10.0 percent of discretionary revenue and reimbursements. In accordance with State law, except in cases of a legally declared emergency, General Reserves may only be cancelled or decreased at the time of budget adoption. In addition to emergencies, in times of fiscal stress these funds can be used to help balance the General Fund budget as part of a plan to achieve structured balance. Any plan to achieve structural balance should include a provision to replenish the General Reserves to the 10.0 percent level.

##### General Reserves Funding Policies:

- Any existing discretionary reserves no longer needed for the stated purpose will be reclassified as General Reserves.
- In any fiscal year, the Budget Recommended for Adoption (September Budget Hearings), will include an increase in General Reserves in an amount equal to 10 percent of the General Fund's actual "Available" Fund Balance carry-forward (as determined in July following the close of the County's books), until the General Reserve level reaches 10 percent of discretionary revenues and reimbursements.

The FY 2023-24 Adopted Budget complied with this policy by increasing General Reserves in an amount equal to 10% of the General Fund Available Fund Balance carry-forward, for a total increase of \$16 million.

In September 2023, the Board adopted a new General Fund Reserve Policy that will be effective starting with the FY 2024-25 budget process.

**County Budget Priorities**

The following are the Board's Budget Priorities in order of priority:

1. Complying with the County's legal, financial, regulatory and policy obligations, including providing mandated services, ensuring collection of revenues, and complying with the General Reserves policy.
2. Maintaining existing service levels budgeted for County programs, improving effectiveness and efficiency where possible and limiting the extent to which reductions in categorical revenue are backfilled with discretionary resources.
3. Funding new or enhanced programs that focus on the most critical and urgent needs, with the following priority focus areas identified in a survey of County residents:
  - A Countywide focus area of addressing homelessness and its impacts, including housing, mental health and substance use.
  - An unincorporated focus area of improving the condition of streets and roads.

**MAJOR INITIATIVES**

In the FY 2023-24 budget, Sacramento County is implementing or continuing a number of initiatives in each of the major functional areas of Social Services, Community Services, Public Safety and Justice, Administrative Services, and General Government.

**Social Services:** Major Initiatives in County Social Services departments include:

- Continuing and new programs addressing homelessness, including implementation and operating of Safe Stay Communities and expansion of the Landlord Engagement and Assistance Program (LEAP);
- Continuing Behavioral health continuum of care build-out, including building out a second, 50-bed Mental Health Urgent Care, developing three new forensic outpatient centers, and expanding existing community-based outpatient services with a large focus on serving youth and the unsheltered community;
- Foster family home recruitment;
- Continued Public Health's implementation of SB 1383, the Edible Food Recovery Program along with the Community Health Improvement Plan (CHIP);
- Continued development and phase one implementation of the Social Health Information Exchange (SHIE).

Several of these initiatives, including Safe Stay Communities, LEAP, and SHIE, are partially funded with the County's allocation of State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA).

**Community Services:** Major initiatives in Community Services departments include:

- SMForward, \$1.3 billion expansion project at Sacramento International Airport, including a new pedestrian walkway, terminal expansions, a new parking garage, a consolidated ground transportation center, and a new rental car facility;
- Substantial investment in County road maintenance, including additional funding for road paving associated with utility projects;
- Continued development and adoption of the Communitywide Climate Action Plan;
- Updating the County's General Plan;
- Continued implementation of organic waste collection in compliance with new State law;
- Retooling the development review process;
- Streamlining the Building Permit process.

***Public Safety and Justice:*** Major initiatives in the Public Safety and Justice area include:

- Continued relationship and trust building with communities affected by law enforcement;
- Meeting the County’s obligations under the Mays Consent Decree related to conditions of confinement in the County’s jails, including alternatives to incarceration;
- Continued criminal Justice System Countywide mapping and data sharing.

***Administrative Services and General Government:*** Major initiatives in the Administrative Services area include:

- Continuing a multi-year implementation of a new property tax system;
- Additional funding for sustainability capital projects at County Facilities;
- Enhanced staffing and equipment in the County's Emergency Operations Center;
- Countywide diversity, equity and inclusion (DEI) cultural transformation;
- Organization culture change initiative.

### ***DEPARTMENT FOCUS***

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2022-23, we have selected the following activities:

#### ***Human Assistance (DHA)***

- Implemented the CalWORKs Intake Service Center on April 10, 2023. The CalWORKs Intake Service Center (CWISC) initiative was a two-year project that involved a comprehensive overhaul of the current intake process across Sacramento County. As a result, these efforts culminated in the successful establishment of a streamlined system that enables customers to conveniently apply for benefits through phone, in-person, and online channels, from initiation to completion.

#### ***Health Services***

- The Primary Health Services division continued to seek innovative service offerings to meet the needs of vulnerable populations including acquiring a grant to bolster HIV prevention and outreach work in collaboration with Public Health, expanding a School-Based Mental Health pilot program to improve the provision of accessible services to students, and continuing the Refugee Health Assessment Program that served a significant number of refugees, mostly from Afghanistan.
- The Behavioral Health Services division successfully implemented new adult Community Outreach, Recovery, Empowerment (CORE) programs, the Homeless Encampment and Response Team (HEART), Assisted Outpatient Treatment (AOT) programs, and a Fentanyl Awareness Campaign. The division served over 38,000 consumers in the Mental Health and Substance Use Prevention and Treatment (SUPT) programs.
- The Public Health Services division established a field nursing unit to provide support to the homeless encampment teams and another team to take referrals for families with at-risk young children. In addition, the division formed a Health and Racial Equity (HRE) Unit to expand and build health and racial equity programs, policies, and practices to eliminate, mitigate, and prevent existing and future health disparities and inequities that people of color and underserved communities face in the County.



**Finance**

- Expanded online capabilities to assist with electronic customer billing and payment services.
- In collaboration with the Department of Technology, completed the vendor selection process and contract negotiations for a new property tax system.

**Probation**

- Expanded the Valley Oak Youth Academy program, supported by Senate Bill 823 Division of Juvenile Justice Realignment in the Youth Detention Facility and Juvenile Field Services. Probation is responsible for care and custody of youth committed to the secure youth treatment facility as well as supervision of youth reentering the community, by order of the Juvenile Court. The expansion added two additional housing units, embedded staff from Department of Health Services, and directed supplies and services for realigned youth.

**Jail Diversion Efforts**

- Probation continued to increase programming capacity in the Jail Diversion Treatment and Resource Center, which opened in December 2021 and provides court referral, easily accessible, community-based, individualized support services, and linkages for adult Probation clients in need of substance abuse or mental health treatment.
- The Public Defender continued to expand its adult holistic service programs including mental health diversion, pretrial support, and record clearing. These programs seek to treat substance use disorders, mental illness, and overcome barriers to employment, housing, and educational opportunities.

**Emergency Services**

- Activated the Emergency Operations Center for a functional exercise involving 119 participants through a Federal Emergency Management Agency (FEMA) direct services grant for exercise development and technical assistance.
- Implemented an interdepartmental and community standing task force for Senate Bill 552, which imposes new drought planning requirements, and completed a draft drought resilience plan that meets requirements under the law.
- Implemented a public education campaign including the purchase of public educational materials, through the Public Safety Power Shut Off and Community Power Resilience Grants.

**Community Development**

- The Building Permit and Inspections division fully implemented the EZ Permit, which allows customers to apply and pay online for Residential and Commercial basic permits (water heaters, reroofs, electrical, etc.) without a Plan Review. This has allowed for a quicker turnaround time for customers and has given staff more time to work on larger permit applications.

**Budget and Debt Management**

- Issued the 2023 Refunding Pension Obligation Bonds that generated \$6.8 million in net present value savings and transitioned the prior 2008 Pension Obligation Bonds from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR) prior to the end of publication of LIBOR.
- Issued the 2022 Metro Air Park Community Facilities District Bonds obtaining \$37 million in new money proceeds while refunding the 2004A and 2007B Bonds for net present value savings of \$13.6 million.

**FINANCIAL INFORMATION**

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

The County's accounting records for governmental funds are maintained on the modified accrual basis of accounting. This essentially involves the recording of revenues when they become measurable and available and the recording of expenditures when the goods and services are received and the related liability incurred. Accounting records for the County's Proprietary Funds and Fiduciary Funds are maintained on the accrual basis of accounting.

**Single Audit**

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The FY 2022-23 Single Audit will be issued under a separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2024.

**Budgeting Controls**

In addition to accounting controls, the County maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. The County prepares and adopts a budget for each fiscal year in accordance with the provisions of Sections 29000 through 29144 of the Government Code and other statutory provisions. All County departments are required to submit their annual budget requests for the ensuing year. The County Executive Office reviews each request and a budget is presented to the Board of Supervisors. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

The budget is made available for public inspection through a public notice. On the dates stated in the notice, the Board of Supervisors conducts public hearings on the budget and at the conclusion of the hearings makes a final determination thereon. The budget, which includes the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, is adopted no later than October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures. The following funds are not subject to the California Budget Act, thus do not have a legally adopted budget: 1) Inmate Welfare Special Revenue Fund; 2) Tobacco Securitization Authority of Northern California Debt Service Fund; 3) Sacramento County Public Financing Authority Debt Service Fund; and 4) Improvement Bond Act of 1911 Capital Projects Fund.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled at the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board. During FY 2022-23, amendments were made to the final adopted budget. The budget data reflected in this ACFR includes the effect of all approved budget amendments.

**Cash Management**

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, Washington supranationals, and U.S. Treasury and Agency investments. The average yield on investments during FY 2022-23 was 3.31 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 4.42 percent.

The County Pooled Investment Fund Policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All collateral on deposits was held either by the County, its agents, or a financial institution's trust department in the County's name.

**Risk Management**

The County self-insures for liability/property', workers' compensation, unemployment and dental insurance claims. Self-insurance transactions are accounted for in internal service funds. It is the County's policy to fund current self-insurance liabilities for governmental funds by making provisions in the budget of the succeeding year. Proprietary fund premium charges are expensed in the year incurred.

**OTHER INFORMATION**

**Independent Audit** - Section 25250 of the Government Code requires an annual audit by independent certified public accountants. The firm of Macias Gini & O'Connell LLP was selected by the County to meet this requirement. The independent auditor's report on the basic financial statements is included in the financial section of this report.

**Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its annual comprehensive financial reports for each of the last 34 fiscal years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

**Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance, and the cooperation and assistance of all County departments. We would like to commend the Board of Supervisors for its interest, support, and leadership in planning and conducting the financial operations of the County in a responsive and progressive manner.

Respectfully submitted,



Chad Rinde  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Sacramento  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO





RESIDENTS

**THE BOARD OF SUPERVISORS**

District 1	District 2	District 3	District 4	District 5
SUPERVISOR Phil Serna	SUPERVISOR Patrick Kennedy	SUPERVISOR Rich Desmond	SUPERVISOR Sue Frost	SUPERVISOR Pat Hume

COUNTY EXECUTIVE  
Ann Edwards

ASSESSOR  
Christina Wynn

DISTRICT ATTORNEY  
Thien Ho

SHERIFF  
Jim Cooper

COUNTY COUNSEL  
Lisa Travis

ASSISTANT COUNTY EXECUTIVE<sup>1</sup>  
ADMINISTRATIVE SERVICES  
David Villanueva

DEPUTY COUNTY EXECUTIVE<sup>2</sup>  
PUBLIC SAFETY AND JUSTICE  
Eric Jones

DEPUTY COUNTY EXECUTIVE  
COMMUNITY SERVICES  
Dave Defanti

DEPUTY COUNTY EXECUTIVE  
SOCIAL SERVICES  
Chevon Kothari

**ASSISTANT COUNTY EXECUTIVE<sup>1</sup> ADMINISTRATIVE SERVICES**

- COUNTY CLERK RECORDER: Donna Allred
- FINANCE: Chad Rinde
- PERSONNEL SERVICES: Sylvester Fadal
- VOTER REGISTRATION & ELECTIONS: Hang Nguyen
- SACRAMENTO COUNTY EMPLOYEE RETIREMENT SYSTEM: Eric Stern
- EMERGENCY SERVICES: Mary Jo Flynn-Ne vins
- GENERAL SERVICES: Jeff Gasaway
- TECHNOLOGY: Rami Zakaria
- LIBRARY JPA: Peter Coyl
- SACRAMENTO COUNTY LAFCO: Jose Henriquez
- CIVIL SERVICE: Alice Dowdin Calvillo

**DEPUTY COUNTY EXECUTIVE<sup>2</sup> PUBLIC SAFETY AND JUSTICE**

- CORONER: Rosa Vega
- PUBLIC DEFENDER: Amanda Benson
- PUBLIC SAFETY & JUSTICE AGENCY ADVISORY COMMITTEE
- COMMUNITY CORRECTIONS PARTNERSHIP
- INSPECTOR GENERAL
- PROBATION: Marlon Yarber
- CONFLICT CRIMINAL DEFENDER: Theresa Huff
- COMMUNITY REVIEW COMMISSION
- CRIMINAL JUSTICE CABINET
- SUPERIOR COURT
- LAW LIBRARY

**DEPUTY COUNTY EXECUTIVE COMMUNITY SERVICES**

- AGRICULTURAL COMMISSIONER-SEALER OF WEIGHTS & MEASURES: Chrisandra Flores
- ANIMAL CARE & REGULATION: Annette Bedsworth
- ECONOMIC DEVELOPMENT: Crystal Bethke
- WASTE MANAGEMENT & RECYCLING: Keith Goodrich
- SANITATION DISTRICT: Christoph Dobson
- AIRPORTS: Cindy Nichol
- COMMUNITY DEVELOPMENT: Troy Givans
- REGIONAL PARKS: Liz Bellas
- TRANSPORTATION: Ron Vicari
- WATER RESOURCES: Michael Peterson
- SOUTHEAST CONNECTOR – JPA: Derek Minnema

**DEPUTY COUNTY EXECUTIVE SOCIAL SERVICES**

- CHILD, FAMILY AND ADULT SERVICES: Michelle Callejas
- ENVIRONMENTAL MANAGEMENT: Jennea Monasterio
- HUMAN ASSISTANCE: Ethan Dye
- SHRA: LaShelle Dozier
- CHILD SUPPORT SERVICES: Dalen Fredrickson
- HEALTH SERVICES: Timothy W. Lutz
- HOMELESS SERVICES AND HOUSING: Emily Halcon
- FIRST 5 SACRAMENTO: Julie Gallelo
- SACRAMENTO EMPLOYMENT & TRAINING AGENCY: D'et Saurbourne, Interim

**COUNTY COUNSEL**

- CLERK OF THE BOARD: Florence Evans
- BUDGET & DEBT MANAGEMENT: Amanda Thomas
- PUBLIC INFORMATION: Kim Nava
- LEGISLATIVE AFFAIRS: Elisia De Bord

**Legend**

<span style="background-color: #ADD8E6; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	ELECTED OFFICIALS	<span style="border-bottom: 1px solid black; display: inline-block; width: 20px;"></span>	LINE OF DIRECT AUTHORITY
<span style="background-color: #D3D3D3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	"OFFICE OF..."	<span style="border-bottom: 1px dashed black; display: inline-block; width: 20px;"></span>	COORDINATIVE RELATIONSHIP

Notes: 1 – Liaison to Assessor  
2 – Liaison to District Attorney and Sheriff

**COUNTY OF SACRAMENTO  
LIST OF PUBLIC OFFICIALS  
JUNE 30, 2023**

**ELECTED:**

Board of Supervisors:

Phil Serna	District 1
Patrick Kennedy, Vice Chair	District 2
Rich Desmond, Chair	District 3
Sue Frost	District 4
Pat Hume	District 5

Department Heads:

Christina Wynn	Assessor
Thien Ho	District Attorney
Jim Cooper	Sheriff

APPOINTED:

Ann Edwards	County Executive
David Villanueva	Assistant County Executive
Chad Rinde	Director of Finance

**THE ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE**  
**COUNTY OF SACRAMENTO**

For the Fiscal Year Ended June 30, 2023

**ACKNOWLEDGEMENT**

**Prepared by the County of Sacramento**  
**Department of Finance**

**Chad Rinde, Director of Finance**  
**Joyce Renison, Deputy Director of Finance**  
**Mark Aspesi, Assistant Auditor-Controller**  
**Sean Stoyanowski, Chief of Financial Reporting and Control**  
**Jun Nguyen, Senior Accounting Manager**  
**Olga Chernioglo, Accounting Manager**  
**Olga Bachylo, Accounting Manager**  
**Greg Cundari, Accounting Manager**  
**Zongchar Moua, Senior Accountant**  
**Brian Stangland, Senior Accountant**

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FINANCIAL  
SECTION**

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## Independent Auditor's Report

Honorable Board of Supervisors  
County of Sacramento, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal 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 Sacramento County Employees' Retirement System (SCERS), a fiduciary component unit, which represent 64.8% of the assets, 66.0% of the fund balances/net position, and 5.1% of the revenues/additions of the aggregate remaining fund information as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SCERS, is 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 the County, 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.



### ***Emphasis of Matter***

As discussed in Notes 1, 5, 7, and 8 to the basic financial statements, effective July 1, 2022, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The County's 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 the County'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 the County'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 the County'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 retirement plan - schedule of proportionate share of the net pension liability, the retirement plan - schedule of contributions, and the other postemployment benefits (OPEB) - schedule of changes in the total OPEB liability and related ratios 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 the County's basic financial statements. The combining and individual fund statements and schedules 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

The County’s management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and bond disclosures 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 November 28, 2023, on our consideration of the County’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 the County’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 the County’s internal control over financial reporting and compliance.



Sacramento, California  
November 28, 2023

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## FINANCIAL SECTION

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) annual comprehensive financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year (FY) 2022-23 by \$2,649,337 (net position). Of this amount, \$1,125,137 is restricted for specific purposes (restricted net position), and \$2,756,611 is the County's net investment in capital assets. The County's total net position increased by \$641,421 during the current fiscal year.
- As of June 30, 2023, the County governmental funds reported combined fund balances of \$1,430,597 for an increase of \$184,752, in comparison with the prior fiscal year. Total amounts available for spending include restricted, assigned, and unassigned fund balances, which totaled \$1,379,776 (96.4 percent), of the ending fund balance. Of this amount, \$1,033,523 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund increased \$42,976 to \$767,539, which equates to 24.8 percent of total General Fund expenditures for the current fiscal year.
- At the end of the fiscal year, assigned fund balance for the General Fund was a positive \$236,882 or 7.6 percent of total General Fund expenditures. Unassigned fund balance was \$109,371 or 3.5 percent of total General Fund expenditures. Restricted Fund Balance was \$370,465 or 12.0 percent of total General Fund expenditures.
- The County's investment in capital assets increased by \$73,813 or 1.7 percent in comparison with June 30, 2022.
- The County's total long-term obligations had a net decrease of \$79,094 in comparison with June 30, 2022 balances as the prior year balances were not restated in the MD&A, with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Per Note 8 with restated balances, the County's total long-term obligations, in fact, had a net decrease of \$84,151. This net decrease was comprised of a gross decrease of \$543,146 and a gross increase of \$458,995 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, teeter notes, and refunding of pension obligation bonds. The increase resulted primarily from the issuance of the refunding pension obligation bonds, Teeter note, implementation of GASB Statement No. 96, and issuance of a loan agreement.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all County assets and deferred outflows of resources and liabilities and deferred inflows 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 the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent 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 in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and culture. The business-type activities of the County include the Department of Airports (Airports), Solid Waste, Water Agency, Parking Enterprise and County Transit.

Blended component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and/or that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One; Water Agency; Sacramento County Groundwater Sustainability Agency; Sunrise, Carmichael, and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (Tobacco Authority) is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Tobacco Authority and the County. The liabilities of the Tobacco Authority belong solely to it, and the County is in no way responsible for those liabilities. The Sacramento County Public Financing Authority (PFA) is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the PFA and the County. The liabilities of the PFA belong solely to it, and neither the County nor the Agency are in any way responsible for those liabilities. The Public Facilities Financing Corporation (Corporation) was created by the County for the purpose of facilitating the financing of public projects within the County. For financial reporting purposes leases between the County and the Corporation have been eliminated and the financial data of the Corporation has been included within the County's reporting entity and is accounted for in a debt service fund. The Sacramento County Employees' Retirement System (SCERS) is a public entity legally separate from the County and is considered a fiduciary component unit of the County due to governing board control and financial burden due to employer contributions. Community Facility Districts (CFD) are also blended component units of the County due to the governing board being substantially the same, and due to a financial benefit from the construction of various assets within the Capital Projects Funds. The debts associated with the CFDs belong to the CFD, therefore none of the debt is reflected within these Financial Statements. The County also acts as the agent for the property owners in regards to these CFDs, which means the County reports the collection and payments of assessments to the bondholders in Custodial Funds. Examples are Laguna Stonelake CFD No. 1; Laguna Creek Ranch/Elliott Ranch No. 1 Improvement Area No.1 and No.2; and Metro Air Park CFD.

First 5 Sacramento Commission (Commission) is reported as a discretely presented component unit. Although the County Board of Supervisors (Board) has no control over the revenues, budgets, staff or funding decisions made by the Commission, the appointed Commission members serve at the will of the Board members who appoint them.

The government-wide financial statements can be found on pages 23 - 26 of this report.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds*.



**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 42 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements*.

The governmental funds financial statements can be found on pages 27 - 30 of this report. The General Fund statement of revenues, expenditures and changes in fund balance budget and actual statement is found on pages 31 - 32 of this report.

**Proprietary funds** are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Airports, Solid Waste, Water Agency, Parking Enterprise, and County Transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability/property self-insurance; telecommunication and information technology support; workers' compensation self-insurance; other self-insurance for unemployment claims and dental claims; regional radio communications; and centralized services provided by the Department of General Services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Airports, Solid Waste and Water Agency operations are considered to be major enterprise funds of the County. The County's six internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements*.

The proprietary funds financial statements can be found on pages 33 - 39 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Fiduciary funds report the Pension Trust Fund, Investment Trust Fund, Private-Purpose Trust Fund, and Custodial Funds.

The fiduciary fund financial statements can be found on pages 40 - 42 of this report.

**Notes to Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 43 - 144 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, enterprise, internal service, and custodial funds, and can be found on pages 151 - 227 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,649,337 at the close of the most recent fiscal year (see Condensed Statement of Net Position and analysis on page 9).

The County is allocated a proportion of the Sacramento County Employees' Retirement System (SCERS) pension plan net pension liability. The Net Pension Liability (NPL) is equal to the difference between the total pension liability and the pension plan's fiduciary net position. The pension plan's fiduciary net position includes the fair value of plan investments. The County's proportionate share of the SCERS NPL increased by \$1,162,714 in FY 2022-23 to \$1,566,246, primarily due to unfavorable investment return (about \$1.4 billion less than expected). Deferred outflows and inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, differences between expected and actual experience, and also contributions to the plan made subsequent to the liability's measurement date. Deferred outflows of resources related to pensions increased by \$12,787 in FY 2022-23 to \$568,543. Deferred inflows of resources related to pensions decreased by \$1,350,755 in FY 2022-23 to \$177,784.

**Governmental activities** increased the County's net position by \$497,737, from \$359,521 to \$857,258 in the current fiscal year. The County's long-term liabilities (excluding pension and OPEB) decreased by \$94,216, capital assets increased by \$32,610, and current and other assets increased by \$288,289. The County's improvement in net pension related items totaled \$190,798 and total OPEB related items improved \$5,489. The changes in capital assets and long-term liabilities are discussed in the Capital Assets and Debt Administration section of the Management's Discussion and Analysis (MD&A).

**Business-type activities** increased the County's net position by \$143,684 to \$1,792,079 in the current fiscal year. See page 15 for additional comments on changes to enterprise funds net position.

Condensed Statements of Net Position  
June 30, 2023 and 2022  
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>
<b>Assets:</b>						
Current and other assets	\$ 2,617,664	2,329,375	968,864	828,931	3,586,528	3,158,306
Capital assets, net of depreciation/amortization	2,142,692	2,110,082	2,286,723	2,245,520	4,429,415	4,355,602
<b>Total assets</b>	<b>4,760,356</b>	<b>4,439,457</b>	<b>3,255,587</b>	<b>3,074,451</b>	<b>8,015,943</b>	<b>7,513,908</b>
<b>Deferred outflows of resources:</b>						
Accumulated decrease in fair value of SWAP agreement	16,537	34,426	17,602	33,232	34,139	67,658
Deferred amounts related to refundings	18,565	20,146	25,293	27,697	43,858	47,843
Deferred outflows related to pensions	539,744	526,667	28,799	29,089	568,543	555,756
Deferred outflows related to OPEB	21,574	23,893	1,241	1,239	22,815	25,132
<b>Total deferred outflows of resources</b>	<b>596,420</b>	<b>605,132</b>	<b>72,935</b>	<b>91,257</b>	<b>669,355</b>	<b>696,389</b>
<b>Liabilities:</b>						
Current and other liabilities	1,046,261	950,299	154,226	142,254	1,200,487	1,092,553
Long-term debt obligations	1,562,433	1,656,649	1,254,493	1,239,371	2,816,926	2,896,020
Net pension liability	1,500,794	394,399	65,452	9,133	1,566,246	403,532
Total OPEB liability	129,157	139,988	7,080	7,218	136,237	147,206
<b>Total liabilities</b>	<b>4,238,645</b>	<b>3,141,335</b>	<b>1,481,251</b>	<b>1,397,976</b>	<b>5,719,896</b>	<b>4,539,311</b>
<b>Deferred inflows of resources:</b>						
Deferred amounts related to refunding			3,719	4,322	3,719	4,322
Deferred inflows related to pensions	169,381	1,453,497	8,403	75,042	177,784	1,528,539
Deferred inflows related to OPEB	66,945	63,922	4,047	4,074	70,992	67,996
Deferred inflows related to leases	24,547	26,314	39,023	35,899	63,570	62,213
<b>Total deferred inflows of resources</b>	<b>260,873</b>	<b>1,543,733</b>	<b>55,192</b>	<b>119,337</b>	<b>316,065</b>	<b>1,663,070</b>
<b>Net position:</b>						
Net investment in capital assets	1,536,121	1,513,277	1,220,490	1,177,876	2,756,611	2,691,153
Restricted	995,823	826,031	129,314	107,360	1,125,137	933,391
Unrestricted	(1,674,686)	(1,979,787)	442,275	363,159	(1,232,411)	(1,616,628)
<b>Total net position</b>	<b>\$ 857,258</b>	<b>359,521</b>	<b>1,792,079</b>	<b>1,648,395</b>	<b>2,649,337</b>	<b>2,007,916</b>

A) 2022 balances were not restated due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Net Position.** The largest portion of the County's net position totaling \$2,756,611, reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, right-to-use assets, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, net of depreciation/amortization and less any related debt used to acquire those assets that is still outstanding). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The \$65,458, increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt. Capital asset additions, net of construction in progress transfers totaling \$322,608 were related primarily to infrastructure (roads and road improvements), building projects, additions to equipment, and additions of the the right-to-use assets due the implementation of GASB 96. The County recorded depreciation/amortization of \$253,294 against its assets in the current fiscal year.

Another significant portion of the County's net position totaling \$1,125,137 is restricted and represents resources that are subject to external restrictions on how they may be used. The major categories of restricted net position are bond reserves \$34,885, capital projects \$210,929, health and sanitation programs \$195,852, public protection \$184,839, public assistance \$101,510, passenger facility charges \$51,935, transportation programs \$207,645, economic development programs \$47,659, and general government programs \$22,154. The County's restricted net position increased by \$191,746 from the prior year restricted net position amount of \$933,391. The increase is primarily due to increased governmental funding in law enforcement services as well as timing of revenues and expenses relating to road and roadway projects.

The remaining balance of total net position, a negative \$1,232,411 is unrestricted. Unrestricted net position increased by \$384,217 from the prior year. The increase is primarily the result of increased tax revenues and investment earnings due to favorable market conditions, and the aforementioned net changes in pension and OPEB related items.

The County's total net position increased by \$641,421 during the current fiscal year, which results in an increase of 31.9 percent of total net position from prior year.

**Revenues.** When compared to the prior year, government-wide revenues increased approximately \$347,121 (8.5 percent). Program revenues increased by \$274,283 (10.5 percent) mostly due to an increase in operating grants and contributions of \$187,860 (11.3 percent). As an arm of the State government, a significant portion of program revenues are tied to mandated programs such as public assistance and health and sanitation programs, as well as economic development and capital projects. Total program revenues represent 64.8 percent of the County's funding.

General revenues increased by \$72,838 (4.9 percent). These revenues provide the Board of Supervisors with the most discretionary spending ability. Programs such as public assistance, public protection, and health and sanitation consume most of these resources. The increase in general revenues is due primarily to increases in property taxes revenue of \$43,493 (7.0 percent), and unrestricted investment earnings \$90,853 (3,469.0 percent). These increases were offset by decreases in grants and contributions not restricted to a specific program (\$47,741) ((7.5) percent), sales and use tax of (\$8,498) ((4.7) percent). Total general revenues represent 35.2 percent of the County's funding.

**Expenses.** As a service delivery entity, the County's major cost component is salaries and benefits. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 414 FTEs from 13,009 in the prior year to 13,423 at June 30, 2023. When compared to the prior year, government-wide expenses increased \$531,710 (16.3 percent). The following functions provided the most significant increases in expenses in the current year: general government \$80,776 (46.2 percent); public assistance \$88,063 (12.0 percent); public protection \$172,549 (19.4 percent); health and sanitation \$125,652 (15.5 percent); and public ways \$21,138 (12.0 percent). These increases are due to changes in payroll cost other postemployment benefits, pension related items, road related projects/activities, and increased governmental funding in the fiscal year. The table on the following page indicates the changes in net position for governmental and business-type activities.

Condensed Statements of Activities  
For the Fiscal Years Ended June 30, 2023 and 2022  
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>
Revenues:						
Program revenues:						
Charges for services	\$ 453,540	442,388	455,840	418,881	909,380	861,269
Operating grants and contributions	1,828,897	1,601,501	14,377	53,913	1,843,274	1,655,414
Capital grants and contributions	55,303	29,901	68,857	55,947	124,160	85,848
General revenue:						
Taxes:						
Property	661,728	618,235			661,728	618,235
Transient occupancy	5,748	6,660			5,748	6,660
Sales and use	171,604	180,102			171,604	180,102
Unrestricted investment earnings	64,178	(371)	24,056	(2,248)	88,234	(2,619)
Grants and contributions not restricted to specific programs	588,307	636,048			588,307	636,048
Pledged tobacco settlement	14,672	17,690			14,672	17,690
Miscellaneous	34,301	35,640			34,301	35,640
Total revenues	<u>3,878,278</u>	<u>3,567,794</u>	<u>563,130</u>	<u>526,493</u>	<u>4,441,408</u>	<u>4,094,287</u>
Expenses:						
General government	255,607	174,831			255,607	174,831
Public assistance	821,921	733,858			821,921	733,858
Public protection	1,062,181	889,632			1,062,181	889,632
Health and sanitation	936,391	810,739			936,391	810,739
Public ways and facilities	197,513	176,375			197,513	176,375
Recreation and culture	52,201	42,941			52,201	42,941
Education	2,085	1,904			2,085	1,904
Interest and fiscal charges	58,808	67,058			58,808	67,058
Airports			231,997	208,680	231,997	208,680
Solid Waste			109,285	95,808	109,285	95,808
Water Agency			67,312	61,935	67,312	61,935
Parking Enterprise			1,801	1,708	1,801	1,708
County Transit			2,885	2,808	2,885	2,808
Total expenses	<u>3,386,707</u>	<u>2,897,338</u>	<u>413,280</u>	<u>370,939</u>	<u>3,799,987</u>	<u>3,268,277</u>
Changes in net position before transfers	491,571	670,456	149,850	155,554	641,421	826,010
Transfers	6,166	7,267	(6,166)	(7,267)		
Changes in net position	497,737	677,723	143,684	148,287	641,421	826,010
Net position (deficit), beginning of year	359,521	(318,202)	1,648,395	1,500,108	2,007,916	1,181,906
Net position, end of year	<u>\$ 857,258</u>	<u>359,521</u>	<u>1,792,079</u>	<u>1,648,395</u>	<u>2,649,337</u>	<u>2,007,916</u>

A) 2022 balances were not restated due to GASB Statement No. 96, *SBITA*.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** are comprised of general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *total fund balance less nonspendable* portion is a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2023, the County's governmental funds reported combined fund balances of \$1,430,597, an increase of \$184,752 in comparison with the prior year's total ending fund balance of \$1,245,845. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

- *Nonspendable fund balance*, \$50,821, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventories of \$2,826; 2) prepaid items of \$39,175; 3) long-term receivables/advances of \$2,089; 4) legally required Teeter Tax program loss reserves of \$6,135; and 5) Teeter Tax delinquencies of \$596.
- *Restricted fund balance*, \$1,033,523, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation. Examples of restrictions on funds are those for legislated amounts restricted for 1) health and sanitation of \$187,983; 2) capital projects of \$204,885; 3) public ways and facilities of \$200,853; 4) public protection of \$184,839; 5) debt service of \$55,814; 6) economic development of \$47,659; and 7) public assistance \$101,510.
- *Assigned fund balance*, \$236,882, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 96.4 percent, or \$1,379,776, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$50,821, \$1,033,523 is available for appropriation for restricted purposes, \$236,882 is assigned for County Board of Supervisors approved uses, and \$109,371 is unassigned.

The increase of \$184,752 in the governmental funds combined fund balance is attributable to an increase in the General Fund totaling \$42,976, special revenue funds totaling \$53,393, \$87,403 in the capital project funds, and \$980 in the debt service funds.

The General Fund is the principal operating fund of the County. The General Fund's total fund balance increased by 5.9 percent, or \$42,976, to \$767,539 at June 30, 2023. The nonspendable portion of fund balance was \$50,821, which is an increase of \$8,969 from the prior year balance of \$41,852 and the spendable portion was \$716,718, an increase of \$34,007 from the prior year spendable balance of \$682,711. General Fund revenues increased by \$244,115, while expenditures increased by \$377,851 when compared to FY 2021-22. See analysis beginning on page 13 for analysis of significant changes in revenues and expenditures for the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 24.8 percent of total General Fund expenditures while spendable fund balance equates to 23.1 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$370,465, or 51.7 percent, is restricted.



**Other governmental funds:** The total fund balances of the remaining governmental funds increased 27.2 percent, or \$141,776, to \$663,058. Other governmental funds revenues increased by \$105,168, while expenditures increased by \$67,201. See analysis beginning below for significant changes in revenues and expenditures for other governmental funds.

Revenues for total governmental funds totaled \$3,907,721 in FY 2022-23, which represents an increase of \$349,283 or 9.8 percent from FY 2021-22.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

Revenues Classified by Source Governmental Funds (amounts expressed in thousands)						
Revenue by Source	FY 2023		FY 2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 839,080	21.47 %	804,997	22.62 %	34,083	4.23 %
Use of money and property	62,866	1.61 %	2,564	0.07 %	60,302	2,351.87 %
Licenses and permits	72,026	1.84 %	76,472	2.15 %	(4,446)	(5.81)%
Intergovernmental	2,464,300	63.06 %	2,256,029	63.40 %	208,271	9.23 %
Charges for sales and services	346,149	8.86 %	327,276	9.20 %	18,873	5.77 %
Fines, forfeitures and penalties	35,500	0.91 %	38,571	1.08 %	(3,071)	(7.96)%
Pledged tobacco settlement	15,463	0.40 %	17,044	0.48 %	(1,581)	(9.28)%
Contributions from property owners	37,239	0.95 %			37,239	
Miscellaneous	35,098	0.90 %	35,485	1.00 %	(387)	(1.09)%
<b>Total</b>	<b>\$ 3,907,721</b>	<b>100.00 %</b>	<b>3,558,438</b>	<b>100.00 %</b>	<b>349,283</b>	<b>9.82 %</b>

The following provides an explanation of revenues by source that changed significantly over the prior year:

- Taxes increased \$34.1 million, of which the General Fund had an increase of \$26.1 million. The increase is primarily due to \$43.5 million increase in property tax revenue due to higher assessed property values and a decrease of \$9.5 million in sales/use taxes revenues due to lower spending during the fiscal year.
- Use of money and property increased by \$60.3 million primarily due to increased yield in fixed income investment markets and is comprised of a increase in the General Fund totaling \$32.2 million and \$28.1 million for other governmental funds.
- Intergovernmental increased \$208.3 million in FY 2022-23. Intergovernmental revenues for the General Fund increased by \$189.0 million and \$19.3 million for other governmental funds. The primary reasons for the increase in the General Fund is due to the County recognizing increased revenue from the following services: Proposition 172 \$4.0 million; 1991 & 2011 Realignment \$80.2 million; American Rescue Plan Act (ARPA) \$51.2 million; \$25.0 million in Housing and Community Development grants; and \$24.9 million in federal welfare funding. The increase from other governmental funds is caused by an increase of \$40.5 million in ARPA. This increase was offset by a decrease of \$9.0 million from federal construction monies for road projects; and a decrease of \$9.2 million from highway user tax.
- Charges for sales and services increased by \$18.9 million. The increase is comprised of a decrease of \$1.2 million in the General Fund and an increase of \$20.1 million in other governmental funds. The primary reason for the decrease in the General Fund is due to \$1.2 million in decreased

revenues from clerk recorder fees. The primary reason for the increase in other governmental funds is due to the following: 1) \$4.1 million increase in public work service revenues; 2) \$1.0 million in road projects; 3) \$6.6 million in development fees for capital projects; and 4) \$1.9 million in building maintenance.

- Contributions from property owners increased by \$37.2 million due to a new special assessment debt issued for Metro Air Park CFD in FY 2022-23; 100 percent of the increase relates to other governmental funds.

Expenditures for governmental funds totaled \$3,796,114 in FY 2022-23, which represents an increase of \$445,052 or 13.3 percent from FY 2021-22. The following table presents expenditures by function compared to prior year amounts:

Expenditures by Function	FY 2023		FY 2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 265,652	7.00 %	190,843	5.70 %	74,809	39.20 %
Public assistance	842,654	22.20 %	754,437	22.51 %	88,217	11.69 %
Public protection	1,166,694	30.74 %	1,050,490	31.34 %	116,204	11.06 %
Health and sanitation	965,090	25.42 %	841,339	25.11 %	123,751	14.71 %
Public ways and facilities	188,000	4.95 %	174,714	5.21 %	13,286	7.60 %
Recreation and culture	54,014	1.42 %	44,216	1.32 %	9,798	22.16 %
Education	1,617	0.04 %	1,618	0.05 %	(1)	(0.06)%
Capital outlay	58,413	1.54 %	47,119	1.41 %	11,294	23.97 %
Debt service:						
Principal	193,231	5.09 %	177,913	5.31 %	15,318	8.61 %
Interest and fiscal charges	60,117	1.58 %	68,373	2.04 %	(8,256)	(12.07)%
Bond issuance costs	632	0.02 %			632	
Total	<u>\$ 3,796,114</u>	<u>100.00 %</u>	<u>3,351,062</u>	<u>100.00 %</u>	<u>445,052</u>	<u>13.28 %</u>

The following provides an explanation of the expenditures by function that changed significantly over the prior year:

- General Government increased \$74.8 million with the majority of the increase in the General Fund. The increase in the General Fund is primarily due to a legal settlement of \$50 million. Other Governmental funds had a \$16.5 million increase due to contributions to external agencies arising from new programs funded by ARPA monies.
- Public protection increased by \$116.2 million. The increase is comprised of an increase in the General Fund totaling \$96.6 million and an increase in other governmental funds totaling \$19.6 million. The increase in the General Fund is primarily due to a \$71.3 million increase in salaries and benefits resulting from Cost of Living Adjustments (COLAs) and equity adjustments. The other governmental funds increase is primarily due to 1) \$2.3 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) \$8.1 million increase in inmate welfare cost due to increased commissary cost and personnel cost; and 3) increase of \$6.7 million relating to public works support services.

- Public assistance increased by \$88.2 million, with 100 percent of the increase within the General Fund. The increase is primarily due to 1) \$60.6 million associated with the welfare assistance payments; and 2) \$18.5 million increase in salaries and benefits resulting from COLAs and equity adjustments.
- Health and sanitation increased by \$123.8 million. The General Fund increase totaled \$126.6 million and other governmental funds decreased \$2.8 million. The increase in the General Fund is primarily attributable to following: 1) \$32.5 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) \$55.4 million increase in provider payments; 3) \$3.5 million increase in community outreach; and 4) \$5.7 million increase in the purchase of software and hardware. The other governmental funds decrease is primarily due to \$2.3 million reduction in contributions made to external agencies.

Other financing sources and uses are presented below to illustrate changes from the prior year:

	FY 2023	FY 2022	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 245,546	230,428	15,118	6.56 %
Transfers out	(230,177)	(212,613)	(17,564)	(8.26)%
Issuance of debt	56,962	26,170	30,792	117.66 %
Refunding debt issued	180,740		180,740	
Premiums on debt issued	445		445	
Payment to refunded bonds escrow agent	(180,371)		(180,371)	
Total other financing sources (uses)	<u>\$ 73,145</u>	<u>43,985</u>	<u>29,160</u>	66.30 %

- Transfers in/out: Decrease in net transfers is primarily due to decreased debt service activity and capital projects.
- Issuance of debt: Increase is due to the issuance of new Leases/SBITAs, along with the issuance of a Teeter note resulting from a slight reduction in property tax collections, as well as the timing of property tax collections, and with the issuance of Carmichael Park and Recreation District COP.
- Premiums on debt issued/refunding debt issued: During FY 2022-23 Carmichael issued its 2023 COP which had a premium, while FY 2021-22 no debt was issued with a premium.
- Payment to refunded bonds escrow agent: in FY 2022-23 proceeds from the 2023 POB direct placement were used to defease a portion of the 2008 POB, while no refunding debt was issued in FY 2021-22.

**Enterprise funds.** The County’s enterprise funds reported an increase in net position totaling \$137,481. The following provides an explanation of the operating and nonoperating activities that changed significantly over the prior year:

- Airport operating revenues increased from \$201.3 million to \$220.9 million mostly due to increased concessions revenue of \$12.8 million and increased building rents of \$7.3 million. Operating expenses increased by \$23.2 million largely due to an increase in services and supplies of \$17.3 million in addition to an increase in payroll expenses of \$4.5 million. Net nonoperating revenues decreased by \$20.5 million primarily due to a decrease of \$40.5 million in intergovernmental revenue, as Airports depleted the ARPA and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) grants in the prior year, offset by a \$3.1 million increase in passenger facility charges and a \$3.9 million increase in

customer facility charges.

- The Solid Waste operating revenues increased from \$119.2 million in FY 2021-22 to \$133.6 million in FY 2022-23, mostly due to an increase of \$12.8 million in service charges as rates for curbside collection were raised, and an increase in electricity sales of \$2.1 million. Operating expenses increased by \$13.3 million due to an increase of \$7.7 million in payroll costs and an increase of \$12.8 million in services and supplies, offset by a decrease of \$4.2 million in depreciation and amortization and a \$3.1 million decrease in landfill closure costs. Net nonoperating revenues (expenses) increased \$2.6 million primarily due to a \$2.4 million increase in interest revenue.
- The Water Agency had its operating income decrease from \$13.8 million in FY 2021-22 to \$7.1 million in FY 2022-23. Operating revenues declined by \$1.3 million mainly due to a decrease in service fees of \$1.2 million. Operating expenses increased by \$5.4 million mainly due to an increase of \$1.9 million in payroll costs and an increase of \$1.9 million in services and supplies. Net nonoperating revenues (expenses) increased \$5.9 million, largely a result of increased yields in fixed income investment markets which led to an increase in interest income of \$7.8 million.

The table below shows actual revenues, expenses and results of operations for the current fiscal year:

Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Funds  
(amounts expressed in thousands)

	Major Enterprise Funds			Nonmajor Enterprise Funds		Total
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit	
Operating revenues	\$ 220,869	133,583	63,833	2,440	101	420,826
Operating expenses	(200,873)	(112,319)	(56,742)	(1,960)	(2,886)	(374,780)
Operating income (loss)	19,996	21,264	7,091	480	(2,785)	46,046
Nonoperating revenues (expenses)	24,889	3,313	38,163	234	2,224	68,823
Income (loss) before capital contributions and transfers	44,885	24,577	45,254	714	(561)	114,869
Transfers in (out)	(2,953)	(2,040)	(1,148)	(25)		(6,166)
Capital contributions	16,344		11,947		487	28,778
Changes in net position	\$ 58,276	22,537	56,053	689	(74)	137,481

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget resulted in a \$270.7 million increase in expenditures. The increase is due to increases in budgeted salary and benefit costs, budgeting for ARPA eligible projects and programs, and various other adjustments. Changes are briefly summarized as follows:

General Government: Increased by \$24.3 million due to a increase in appropriation for contingency resulting primarily from semi-discretionary revenues coming in higher than anticipated, increases in negotiated personnel costs, as well as increased investments and re-budgeting of capital improvements.

Public Assistance: Increased by \$134.6 million primarily due to increases in budgeted salary and benefit costs, increases in semi-discretionary revenue

funded expenditures, and re-budgeting and expansion of programs in response to the homeless crisis including the Emergency Rental Assistance Program, Project Roomkey, and ARPA funded programs.

**Public Protection:** Increased by \$38.9 million primarily due to increases in budgeted salary and benefit costs, increases in semi-discretionary fund expenditures resulting from higher than anticipated revenues, re-budgeting of grant funds and expansion of services for the Valley Oak Youth Academy, and enhanced pretrial, mental health, and housing services in the Public Defender's office.

**Health and Sanitation:** Increased by \$69.0 million primarily due to increases in semi-discretionary revenue funded expenditures, an increase in ARPA allocations, estimated increases in CalWORKS assistance costs, and negotiated personnel costs.

**Recreation and Culture:** Increased by \$3.8 million primarily due to new ARPA funded projects and the re-budgeting of Transient Occupancy Tax funded projects.

Actual revenues in the General Fund were \$54.8 million less than the final budgetary estimates. The undercollection of revenues is due primarily to a \$85.1 million decrease in intergovernmental revenue including under collections in Mental Health Services Act revenue resulting from the income tax filing extension from April to November in California, and a decrease in ARPA and other federal and state revenues resulting from a reduction in eligible expenditures due to the timing of program implementations, reduced caseloads, and difficulty filling positions. There was also a \$9.9 million under collection in charges for services, primarily due to difficulties in filling vacancies resulting in fewer eligible expenditures, as well as under collections in Clerk-Recorder and Parks service fees. These under collections are partially offset by an \$8.1 million over collection in Property, Sales, and Transient Occupancy Tax revenues; a \$26.0 million over collection in interest earnings; and modest over collections in other areas.

Actual expenditures were \$302.8 million less than final budgetary estimates. Expenditures less than budget were due to lower than anticipated program costs for general government (\$5.1 million), public assistance (\$32.2 million), public protection (\$66.1 million), and health and sanitation (\$190.1 million) resulting primarily from the timing of program and project implementations, difficulties filling positions, reduced caseloads, and the establishment of restricted revenue budgets with unused appropriations for contingency. There were also under expenditures across other miscellaneous programs.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to \$4,429,415, net of accumulated depreciation/amortization. This investment in capital assets includes land and easements, leases, SBITA, computer software and other intangibles, water facility rights, infrastructure, building and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current year was 1.70 percent when compared to prior years net investment in capital assets.

Capital assets, net of accumulated depreciation/amortization, for the governmental and business-type activities are presented on the next page to illustrate changes from the prior year:

Schedule of Capital Assets  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	Percent of Change
Nondepreciable:							
Land	\$ 135,677	135,666	135,737	135,737	271,414	271,403	0.00 %
Construction in progress	48,120	47,829	155,958	115,391	204,078	163,220	25.03 %
Permanent easement	21,424	19,131	57	57	21,481	19,188	11.95 %
Water facility rights			200,692	199,499	200,692	199,499	0.60 %
Other intangibles			1,904	1,904	1,904	1,904	0.00 %
Intangible assets under project	66	66			66	66	0.00 %
Depreciable/amortizable:							
Buildings and improvements	338,175	351,881	1,515,633	1,548,104	1,853,808	1,899,985	(2.43)%
Infrastructure	1,193,546	1,167,881	208,554	182,155	1,402,100	1,350,036	3.86 %
Equipment	110,171	93,194	54,656	50,361	164,827	143,555	14.82 %
Computer software	1,881	2,516	78	206	1,959	2,722	(28.03)%
Water facility rights			716	741	716	741	(3.37)%
Intangible right-to-use lease buildings	276,359	290,185	4,452	5,056	280,811	295,241	(4.89)%
Intangible right-to-use lease equipment	587	1,733	7,576	6,309	8,163	8,042	1.50 %
Intangible right-to-use subscription-based IT arrangements	16,686		710		17,396		
Total	\$ 2,142,692	2,110,082	2,286,723	2,245,520	4,429,415	4,355,602	1.69 %

A) 2022 balances were not restated due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The following provides an explanation of significant changes in capital assets:

- **Buildings and improvements:** Decreased in total by approximately \$46.1 million. This is due to increases in completed projects in the governmental funds of \$16.6 million, which included \$2.8 million for remodeling and improvements of the Morgan Alternative Center, \$1.7 million replacing the diesel engine driven fire pump at the Rio Consumnes Correctional Center, and \$12.1 million in other various projects throughout the County. Airports capitalized \$21.5 million in project costs; \$16.6 million for the upgrade of the airfield apron, \$2.0 million for the Fire Station Rehabilitation, and \$2.9 million in various projects. Solid Waste completed \$0.3 million in project costs for North Collection can area. The Water Agency Enterprise Fund concluded \$14.0 million in structural improvements. The increases were offset by depreciation of \$30.3 million in governmental funds, \$52.2 million in Airports, \$0.4 million in Solid Waste, and \$15.7 million in the Water Agency Enterprise Fund.
- **Infrastructure:** Increased in total by approximately \$52.1 million. This is due to increases in completed projects for Road infrastructures of \$87.9 million, \$2.6 million in stormwater utility and an additional \$0.4 for Recreation and Parks infrastructure improvements. The roadway costs incurred included the following community facility districts: Florin Vineyard, Vineyard Roadways, and Metro Air Park. The Water Agency Enterprise Fund also had \$31.7 million in completed projects cost. The Water Agency infrastructure cost included \$9.9 million in the Arden service area, \$2.5 million in the North Douglas district, \$2.4 million in the Power Inn area, and \$16.9 million in various areas in the County. These increases were offset by depreciation of \$65.4 million in governmental activities and \$5.3 million in Water Agency Enterprise Fund.

- Construction in progress: Increased in total by approximately \$40.8 million. This is due to increases in construction projects totaling \$20.7 million for governmental activities, \$31.4 million for Airports, \$18.4 million for Solid Waste, and \$2.9 million for the Water Agency Enterprise Fund. A combination of decreases in governmental fund projects being capitalized to building costs and infrastructure of \$20.4 million, as well as decreases in other projects being capitalized to building costs and infrastructure for Airports of \$12.1 million and the Water Agency Enterprise Fund for \$0.1 million. More details can be found in the section below related to construction of capital projects.
- Equipment: Increased in total by approximately \$21.3 million. This is due to increases in governmental funds of \$3.1 million, General Services additional fleet vehicles for \$12.7 million, Regional Radio Communications System for \$0.8 million, and the Department of Technology for \$24.2 million to which \$22.0 million is related to the Cisco Networking equipment. Additions in equipment to Airports for \$8.8 million for electric buses and Solid Waste for \$6.6 million, which \$5.2 million was for three-axel automated side loaders. Decreases due to depreciation were as follows: governmental activities for \$3.8 million, General Services for \$12.1 million, Regional Radio Communications System for \$2.3 million, Department of Technology for \$5.5 million, Airports of \$4.6 million, and Solid Waste for \$5.9 million.
- Right-to-use lease assets: Decrease in total by approximately \$14.3 million. This is due the total increases in governmental and proprietary fund new lease inceptions of over \$28.2 million offset by depreciation and amortization of leases for \$42.2 million.
- Right-to-use subscription-based IT arrangements: Due to the implementation of GASB Statement No. 96 - SBITA, right-to-use subscription-based IT arrangements were added as capital assets, contributing to an overall increase of \$17.3 million.

Additional information on the County's capital assets can be found in Note 5 on pages 87 - 89.

The County has entered into several agreements related to the construction of capital projects. The governmental funds had \$20.7 million in various improvement projects throughout the County. This included \$2.3 million of improvements to the Morgan Alternative Center, \$3.4 million for stormwater utility operations, \$2.4 million improvements of Carmichael and Mission Oaks parks, and \$12.6 million of other improvements throughout the County. The Water Agency Enterprise Fund had \$38.0 million in agreements related to the construction of capital projects. Of this amount, \$10.7 million were related to the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project, \$11.1 million to the Poppy Ridge Phase 2 Expansion, and \$16.2 million for other various construction projects. Airport has \$31.3 millions in agreements: \$4.4 million for rehabilitation of the air cargo apron, \$2.3 million related to the extension of east vault bus lot and an additional \$6.7 million related to the expansion of Sacramento Airport baggage system upgrade. Airport has an additional \$17.9 million in various projects for replacements and upgrades. Solid Waste had projects totaling \$18.4 million: \$11.8 million for Kiefer Landfill liner and ancillary features, \$2.0 million for Kiefer Landfill infrastructure improvements, and \$4.6 million in other various construction projects.

Construction contract commitments as of June 30, 2023 for governmental and business-type activities were \$43.9 million and \$149.9 million, respectively.

**Debt Administration.** At June 30, 2023, the County's governmental activities had long-term obligations totaling \$1.6 billion. Of this amount, \$119.3 million are certificates of participation, \$259.0 million are revenue bonds for the securitization of the tobacco settlement agreement and revenue bonds issued by the Public Financing Authority to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento with associated accreted interest totaling \$10.0 million, and \$65.8 million as litigation liability. Other significant long-term obligations include \$22.3 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$180.7 million in direct placement bonds, \$359.8 million in pension obligation bonds and \$10.5 million associated accreted interest for pension obligation bonds. In addition, compensated absences amounted to \$155.0 million, financing obligations were \$32.2 million, lease liabilities were \$286.9 million, SBITA liabilities were \$16.0 million and a net premium/discount of \$42.2 million on bonds issued. The remaining represents various other debt obligations.

Business-type activities had long-term obligations of approximately \$1.3 billion. This includes \$876.7 million of Airports and Water Agency revenue bonds; \$309.2 million relating to revenue bond premiums, Airports PFC and subordinate debt, and Sacramento County Water Agency reimbursement agreements and water rights, and \$35.0 million in loans agreements to fund a new building and improvements for Solid Waste. In addition, compensated absences amounted to \$9.9 million, financing obligations were \$9.8 million, and lease liabilities were \$12.2 million. The remaining represents various other debt obligations.

For the fiscal year ended June 30, 2023, the County's total long-term obligations had a net decrease of \$79.1 million. The net decrease is primarily a result of scheduled principal retirements of pension obligation bonds and associated accreted interest in the amount of \$290.8 million, a litigation liability payment of \$5.6 million, a net decrease in lease liability of \$10.3 million, a net decrease in unamortized amounts of \$11.3 million and a net decrease in revenue bonds and associated accreted interest in the amount of \$20.4 million. The decreases were offset by a \$180.7 million increase related to newly issued direct placement bonds, a \$35.0 million increase in newly issued loans agreements, an \$18.5 million net increase in financing obligations, and an increase in compensated absences of \$13.6 million.

Due to the implementation of GASB Statement No. 96 - SBITA, in fiscal year ended June 30, 2023, the County recognized an increase of \$16.7 million in SBITA liabilities.

Long-term debt for the governmental and business-type activities are presented on the next page to illustrate changes from the prior year:



Schedule of Long-Term Debt  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	2023	2022 <sup>A</sup>	Amount	Percent
<b>Governmental activities:</b>								
Compensated absences	\$ 155,013	142,457	9,859	8,833	164,872	151,290	13,582	8.98 %
Certificates of participation	119,263	119,718			119,263	119,718	(455)	(0.38)%
Teeter notes	22,273	22,151			22,273	22,151	122	0.55 %
Pension obligation bonds	359,847	625,201			359,847	625,201	(265,354)	(42.44)%
Accreted interest	10,494	35,969			10,494	35,969	(25,475)	(70.82)%
Direct placement bonds	180,740				180,740		180,740	
Revenue bonds	258,984	271,194	876,650	887,525	1,135,634	1,158,719	(23,085)	(1.99)%
Accreted interest	9,953	7,313			9,953	7,313	2,640	36.10 %
Other long-term debt	2,738	2,393			2,738	2,393	345	14.42 %
Litigation liability	65,836	71,411			65,836	71,411	(5,575)	(7.81)%
Financed purchase obligations	32,198	17,600	9,755	5,823	41,953	23,423	18,530	79.11 %
Loan agreements			35,000		35,000		35,000	
Revolving line of credit agreement			1,080		1,080		1,080	
Lease liability	286,854	297,937	12,218	11,460	299,072	309,397	(10,325)	(3.34)%
SBITA liability	16,011		720		16,731		16,731	
Unamortized amounts								
Issuance premiums	43,065	44,987	99,501	109,702	142,566	154,689	(12,123)	(7.84)%
Issuance discounts	(836)	(1,682)			(836)	(1,682)	846	(50.30)%
PFC and subordinate revenue bonds			208,400	214,390	208,400	214,390	(5,990)	(2.79)%
Reimbursement agreements			1,310	1,638	1,310	1,638	(328)	(20.02)%
	<u>\$ 1,562,433</u>	<u>1,656,649</u>	<u>1,254,493</u>	<u>1,239,371</u>	<u>2,816,926</u>	<u>2,896,020</u>	<u>(79,094)</u>	<u>(2.73)%</u>

A) 2022 balances were not restated due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Additional information regarding the County's long-term debt can be found in Note 8 starting on page 95.

On November 3, 2022 Moody's Investors Services upgraded the following:

- Pension Obligation bonds rating from "A3" to "A1"

On November 4, 2022 S&P Global Ratings upgraded the following::

- Tobacco Securitization Authority of Northern California Series 2021 Senior Bonds from "A-" to "A"

On June 26, 2023 S&P Global Ratings upgraded the following:

- Issuer long term credit (ICR) rating from "AA-" to "AA"
- Pension Obligation Bonds ratings from "AA-" to "AA"
- Certificate of Participation rating from "A+" to "AA-"

## **Economic Factors and Next Year's Budget and Rates**

Five major sources of revenue generated from the performance of the economy are:

- Property tax revenue from all sources (secured, unsecured, delinquent, in lieu of Vehicle License Fee, supplemental), budgeted for FY 2023-24 in the amount of \$603,654, are projected to increase over the FY 2022-23 Adopted Budget by \$38,785 (6.9 percent). The FY 2023-24 projection is a \$37,591 (6.6 percent) increase over FY 2022-23 actual levels.
- Sales and use tax revenue budgeted for FY 2023-24 in the amount of \$143,983 is projected to increase from the FY 2022-23 Adopted Budget by \$1,359 (1.0 percent). The FY 2023-24 projection is a \$3,721 (2.5 percent) decrease from the FY 2022-23 actual levels.
- Utility user tax revenue budgeted for FY 2023-24 in the amount of \$22,055 is projected to increase from the FY 2022-23 Adopted Budget by \$1,080 (5.1 percent). The FY 2023-24 projection is a \$386 (1.8 percent) increase from the FY 2022-23 actual level.
- Proposition 172 revenue budgeted for FY 2023-24 in the amount of \$177,199 is projected to increase from the FY 2022-23 Adopted Budget by \$2,932 (1.7 percent). The FY 2023-24 projection is a \$4,471 (2.5 percent) decrease from the FY 2022-23 actual level.
- Non-CalWORKS Realignment revenue budgeted for FY 2023-24 in the amount of \$642,699 is projected to decrease from the FY 2022-23 Adopted Budget by \$23,678 (3.6 percent). The FY 2023-24 projection is a \$43,997 (6.4 percent) decrease from the FY 2022-23 actual level.

The County received \$300 million of ARPA funding across FY 2020-21 and FY 2021-22 with \$129.0 million having been expended as of June 30, 2023. The remaining ARPA funding will be expended on qualifying purposes in future years.

## **Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Sacramento, Department of Finance, 700 H Street, Room 3650, Sacramento, CA 95814.

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## FINANCIAL SECTION

### BASIC FINANCIAL STATEMENTS

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**COUNTY OF SACRAMENTO  
GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Assets:				
Current assets:				
Cash and investments	\$ 1,985,771	474,123	2,459,894	21,456
Restricted cash and investments		59,023	59,023	
Receivables, net of allowance for uncollectibles:				
Billed	99,666	35,850	135,516	
Interest	36,150	13,411	49,561	
Intergovernmental	370,487	5,946	376,433	3,109
Leases	1,907	6,691	8,598	
Prepaid items	44,063	148	44,211	
Internal balances	(54,771)	54,771		
Inventories	5,166	931	6,097	
Total current assets	<u>2,488,439</u>	<u>650,894</u>	<u>3,139,333</u>	<u>24,565</u>
Noncurrent assets:				
Restricted assets		284,722	284,722	
Loan receivable from County Successor Agency	51,629		51,629	
Loan receivable from City Successor Agency	4,134		4,134	
Long-term receivables	46,792		46,792	
Long-term receivable, leases	23,241	32,925	56,166	
Prepaid items	3,429	323	3,752	
Capital assets:				
Land and other nondepreciable assets	205,287	494,348	699,635	
Buildings and improvements, infrastructure, equipment and intangibles, net	1,937,405	1,792,375	3,729,780	520
Total capital assets, net	<u>2,142,692</u>	<u>2,286,723</u>	<u>4,429,415</u>	<u>520</u>
Total noncurrent assets	<u>2,271,917</u>	<u>2,604,693</u>	<u>4,876,610</u>	<u>520</u>
Total assets	<u>4,760,356</u>	<u>3,255,587</u>	<u>8,015,943</u>	<u>25,085</u>
Deferred outflows of resources:				
Accumulated decrease in fair value of SWAP agreements	16,537	17,602	34,139	
Deferred amounts related to refunding	18,565	25,293	43,858	
Deferred outflows related to pensions	539,744	28,799	568,543	708
Deferred outflows related to OPEB	21,574	1,241	22,815	13
Total deferred outflows of resources	<u>596,420</u>	<u>72,935</u>	<u>669,355</u>	<u>721</u>
Total assets and deferred outflows of resources	<u>5,356,776</u>	<u>3,328,522</u>	<u>8,685,298</u>	<u>25,806</u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Liabilities:				
Current liabilities:				
Warrants payable	\$ 31,628	11,489	43,117	1,556
Accrued liabilities	314,886	63,924	378,810	
Intergovernmental payable	74,689	27	74,716	1,593
Accrued interest payable	12,187	10	12,197	
Current portion of insurance claims payable	45,010		45,010	
Current portion of long-term debt obligations	205,727	24,764	230,491	191
Current liabilities payable from restricted assets		18,083	18,083	
Unearned revenues	329,010	5,458	334,468	
Total current liabilities	<u>1,013,137</u>	<u>123,755</u>	<u>1,136,892</u>	<u>3,340</u>
Noncurrent liabilities:				
Insurance claims payable	222,314		222,314	
Long-term debt obligations	1,356,706	1,229,729	2,586,435	759
Derivative instrument liability	16,537	17,602	34,139	
Landfill closure and postclosure care		36,814	36,814	
Other long-term liabilities		819	819	
Net pension liability	1,500,794	65,452	1,566,246	1,576
Total OPEB liability	129,157	7,080	136,237	105
Total noncurrent liabilities	<u>3,225,508</u>	<u>1,357,496</u>	<u>4,583,004</u>	<u>2,440</u>
Total liabilities	<u>4,238,645</u>	<u>1,481,251</u>	<u>5,719,896</u>	<u>5,780</u>
Deferred inflows of resources:				
Deferred inflows related to refunding		3,719	3,719	
Deferred inflows related to pensions	169,381	8,403	177,784	228
Deferred inflows related to OPEB	66,945	4,047	70,992	73
Deferred inflows related to leases	24,547	39,023	63,570	
Total deferred inflows of resources	<u>260,873</u>	<u>55,192</u>	<u>316,065</u>	<u>301</u>
Total liabilities and deferred inflows of resources	<u>4,499,518</u>	<u>1,536,443</u>	<u>6,035,961</u>	<u>6,081</u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 3 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Net position:				
Net investment in capital assets	\$ 1,536,121	1,220,490	2,756,611	
Restricted for:				
Bond reserves		34,885	34,885	
Landfill closure		10,956	10,956	
Kiefer Wetlands Preserve		1,212	1,212	
Debt service		855	855	
Passenger facility charges		51,935	51,935	
Customer facility charges		23,511	23,511	
Capital projects	208,568	2,361	210,929	
General government	22,154		22,154	
Public protection	184,839		184,839	
Public assistance	101,510		101,510	
Health and sanitation programs	195,852		195,852	
Transportation	206,301	1,344	207,645	
Lighting and landscape maintenance	5,482		5,482	
Economic development	47,659		47,659	
Other	23,458		23,458	
Endowments				
Expendable		225	225	
Nonexpendable		2,030	2,030	
Unrestricted	(1,674,686)	442,275	(1,232,411)	19,725
Total net position	<u>\$ 857,258</u>	<u>1,792,079</u>	<u>2,649,337</u>	<u>19,725</u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Function/Programs	Primary Government						Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		First 5 Commission
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities:							
General government	\$ 255,607	106,393	62,424		(86,790)	(86,790)	
Public assistance	821,921	267	824,709		3,055	3,055	
Public protection	1,062,181	177,501	172,679	3,213	(708,788)	(708,788)	
Health and sanitation	936,391	34,566	685,217	8	(216,600)	(216,600)	
Public ways and facilities	197,513	123,014	83,734	52,082	61,317	61,317	
Recreation and culture	52,201	11,799	134		(40,268)	(40,268)	
Education	2,085				(2,085)	(2,085)	
Interest and fiscal charges	58,808				(58,808)	(58,808)	
Total governmental activities	<u>3,386,707</u>	<u>453,540</u>	<u>1,828,897</u>	<u>55,303</u>	<u>(1,048,967)</u>	<u>(1,048,967)</u>	
Business-type activities:							
Airports	231,997	255,834	9,956	16,344		50,137	50,137
Solid waste	109,285	133,615	1,414			25,744	25,744
Water agency	67,312	63,850	826	52,026		49,390	49,390
Parking enterprise	1,801	2,440	6			645	645
County transit	2,885	101	2,175	487		(122)	(122)
Total business-type activities	<u>413,280</u>	<u>455,840</u>	<u>14,377</u>	<u>68,857</u>		<u>125,794</u>	<u>125,794</u>
Total primary government	<u>\$ 3,799,987</u>	<u>909,380</u>	<u>1,843,274</u>	<u>124,160</u>	<u>(1,048,967)</u>	<u>125,794</u>	<u>(923,173)</u>
Component unit							
First 5 Commission	\$ 18,785		17,373				(1,412)
General Revenues:							
Taxes:							
Property taxes					661,728	661,728	
Transient occupancy					5,748	5,748	
Sales/Use taxes					171,604	171,604	
Unrestricted investment earnings					64,178	24,056	88,234
Grants and contributions not restricted to specific programs					588,307	588,307	
Pledged tobacco settlement					14,672	14,672	
Miscellaneous					34,301	34,301	
Transfers					6,166	(6,166)	
Total general revenues and transfers					<u>1,546,704</u>	<u>17,890</u>	<u>832</u>
Changes in net position					497,737	143,684	(580)
Net position, beginning of year					359,521	1,648,395	20,305
Net position, end of year					<u>\$ 857,258</u>	<u>1,792,079</u>	<u>19,725</u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023  
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
<b>Assets:</b>			
Cash and investments	\$ 955,524	649,846	1,605,370
Receivables, net of allowance for uncollectibles:			
Billed	62,646	12,015	74,661
Interest	23,062	12,870	35,932
Intergovernmental	344,334	26,047	370,381
Leases	96	1,633	1,729
Prepaid items	39,175		39,175
Inventories	2,826		2,826
Loan receivable from County Successor Agency		51,629	51,629
Loan receivable from City Successor Agency		4,134	4,134
Long-term receivables	12,664	34,010	46,674
Long-term receivable, leases	5,296	17,040	22,336
<b>Total assets</b>	<b>\$ 1,445,623</b>	<b>809,224</b>	<b>2,254,847</b>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>			
<b>Liabilities:</b>			
Warrants payable	\$ 18,416	5,283	23,699
Accrued liabilities	240,919	33,199	274,118
Intergovernmental payable	61,309	13,375	74,684
Unearned revenues	315,389	2,151	317,540
<b>Total liabilities</b>	<b>636,033</b>	<b>54,008</b>	<b>690,041</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	36,853	73,877	110,730
Deferred inflows related to leases	5,198	18,281	23,479
<b>Total deferred inflows of resources</b>	<b>42,051</b>	<b>92,158</b>	<b>134,209</b>
<b>Fund balances:</b>			
Nonspendable	50,821		50,821
Restricted	370,465	663,058	1,033,523
Assigned	236,882		236,882
Unassigned	109,371		109,371
<b>Total fund balances</b>	<b>767,539</b>	<b>663,058</b>	<b>1,430,597</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,445,623</b>	<b>809,224</b>	<b>2,254,847</b>

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



**COUNTY OF SACRAMENTO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

Fund balances - total governmental funds	\$ 1,430,597
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not current financial resources, and therefore, are not reported in the funds.	2,037,355
Accrued interest payable is not reported in the funds.	(12,187)
Prepaid bond insurance and prepaid expenditures relating to SBITA assets of the governmental activities are not current financial resources, and therefore, are not reported in the funds.	3,429
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred amounts related to refunding, are not due and payable in the current period nor represent current financial resources, and therefore, are not reported in the funds.	(1,488,363)
Total OPEB liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(163,589)
Net pension liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(1,076,646)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as unavailable revenues in the funds.	110,730
Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications, and department of technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement net position.	<u>15,932</u>
Net position of governmental activities	<u><u>\$ 857,258</u></u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 770,676	68,404	839,080
Use of money and property	34,419	28,447	62,866
Licenses and permits	11,849	60,177	72,026
Intergovernmental	2,297,752	166,548	2,464,300
Charges for sales and services	131,897	214,252	346,149
Fines, forfeitures and penalties	21,699	13,801	35,500
Pledged tobacco settlement		15,463	15,463
Contributions from property owners		37,239	37,239
Miscellaneous	28,257	6,841	35,098
Total revenues	<u>3,296,549</u>	<u>611,172</u>	<u>3,907,721</u>
Expenditures:			
Current:			
General government	195,979	69,673	265,652
Public assistance	842,654		842,654
Public protection	1,068,499	98,195	1,166,694
Health and sanitation	924,451	40,639	965,090
Public ways and facilities		188,000	188,000
Recreation and culture	29,755	24,259	54,014
Education	451	1,166	1,617
Capital outlay		58,413	58,413
Debt service:			
Principal	33,811	159,420	193,231
Bond issuance costs		632	632
Interest and fiscal charges	3,318	56,799	60,117
Total expenditures	<u>3,098,918</u>	<u>697,196</u>	<u>3,796,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>197,631</u>	<u>(86,024)</u>	<u>111,607</u>
Other financing sources (uses):			
Transfers in	12,748	232,798	245,546
Transfers out	(190,907)	(39,270)	(230,177)
Issuance of long-term debt	23,504	33,458	56,962
Refunding debt issued		180,740	180,740
Premiums on debt issued		445	445
Payment to refunded bonds escrow agent		(180,371)	(180,371)
Total other financing sources (uses)	<u>(154,655)</u>	<u>227,800</u>	<u>73,145</u>
Changes in fund balances	42,976	141,776	184,752
Fund balances - beginning	724,563	521,282	1,245,845
Fund balances - ending	<u>\$ 767,539</u>	<u>663,058</u>	<u>1,430,597</u>

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

**COUNTY OF SACRAMENTO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

Changes in fund balances - total governmental funds	\$ 184,752
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.	(1,484)
Change in accrued interest payable.	2,064
Change in prepaid items	625
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. Also included is the change in compensated absences, which does not require the use of current financial resources. This amount is the net effect of these differences in the treatment.	126,372
Pension related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	176,046
OPEB related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	4,741
Some revenues will not be collected up to 120 days after the year-end, and therefore are not considered "available" and are reported as deferred inflows of resources in the governmental funds. Unavailable revenues decreased by this amount during the year.	(30,755)
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>35,376</u>
Change in net position of governmental activities	<u>\$ 497,737</u>

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

**COUNTY OF SACRAMENTO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 754,979	762,571	770,676	8,105
Use of money and property	7,710	8,467	34,419	25,952
Licenses and permits	11,411	11,631	11,849	218
Intergovernmental	2,120,751	2,382,820	2,297,752	(85,068)
Charges for sales and services	124,261	122,010	131,897	9,887
Fines, forfeitures and penalties	21,198	21,112	21,699	587
Miscellaneous	29,792	42,773	28,257	(14,516)
Total revenues	<u>3,070,102</u>	<u>3,351,384</u>	<u>3,296,549</u>	<u>(54,835)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	17,360	26,810	20,392	6,418
Finance	100,771	111,672	129,111	(17,439)
Counsel	5,489	6,419	5,862	557
Human resources	15,470	16,898	13,922	2,976
Elections	13,977	15,609	15,279	330
Other	23,647	23,647	11,413	12,234
Total general government	<u>176,714</u>	<u>201,055</u>	<u>195,979</u>	<u>5,076</u>
Public assistance:				
Administration	350,172	427,606	393,139	34,467
Aid programs	350,149	406,650	411,704	(5,054)
Other	39,868	40,576	37,811	2,765
Total public assistance	<u>740,189</u>	<u>874,832</u>	<u>842,654</u>	<u>32,178</u>

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

**COUNTY OF SACRAMENTO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public protection:				
Judicial	\$ 181,475	189,374	166,680	22,694
Police protection	432,760	444,774	440,058	4,716
Detention and correction	413,968	425,729	393,720	32,009
Protection and inspection	5,401	5,588	5,405	183
Other	62,110	69,125	62,636	6,489
Total public protection	<u>1,095,714</u>	<u>1,134,590</u>	<u>1,068,499</u>	<u>66,091</u>
Health and sanitation	1,045,521	1,114,520	924,451	190,069
Recreation and culture	35,235	39,083	29,755	9,328
Education	491	491	451	40
Debt service:				
Principal	33,811	33,811	33,811	
Interest and fiscal charges	3,318	3,318	3,318	
Total expenditures	<u>3,130,993</u>	<u>3,401,700</u>	<u>3,098,918</u>	<u>302,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,891)</u>	<u>(50,316)</u>	<u>197,631</u>	<u>247,947</u>
Other financing sources (uses):				
Transfers in	12,748	12,748	12,748	
Transfers out	(159,245)	(190,907)	(190,907)	
Issuance of long-term debt	23,504	23,504	23,504	
Total other financing sources (uses)	<u>(122,993)</u>	<u>(154,655)</u>	<u>(154,655)</u>	
Changes in fund balance	(183,884)	(204,971)	42,976	247,947
Fund balance - beginning	724,563	724,563	724,563	
Fund balance - ending	<u>\$ 540,679</u>	<u>519,592</u>	<u>767,539</u>	<u>247,947</u>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Assets:						
Current assets:						
Cash and investments	\$ 269,934	65,210	129,805	9,174	474,123	380,401
Restricted cash and investments	24,373	34,650			59,023	
Receivables, net of allowance for uncollectibles:						
Billed	8,582	20,628	6,623	17	35,850	25,005
Interest	8,013	2,450	2,757	191	13,411	218
Intergovernmental	2,525	622	655	2,144	5,946	106
Leases	6,321	196	174		6,691	178
Prepaid items	148				148	4,888
Inventories	869	62			931	2,340
Total current assets	<u>320,765</u>	<u>123,818</u>	<u>140,014</u>	<u>11,526</u>	<u>596,123</u>	<u>413,136</u>
Noncurrent assets:						
Restricted assets	151,180	21,805	111,737		284,722	
Prepaid items	323				323	
Long-term receivables						118
Long-term receivable, leases	22,766	2,681	7,478		32,925	905
Capital assets:						
Land and other nondepreciable assets	116,780	62,123	314,146	1,299	494,348	
Buildings and improvements, infrastructure, equipment and intangibles, net	<u>1,077,305</u>	<u>121,790</u>	<u>592,145</u>	<u>1,135</u>	<u>1,792,375</u>	<u>105,337</u>
Total capital assets	<u>1,194,085</u>	<u>183,913</u>	<u>906,291</u>	<u>2,434</u>	<u>2,286,723</u>	<u>105,337</u>
Total noncurrent assets	<u>1,368,354</u>	<u>208,399</u>	<u>1,025,506</u>	<u>2,434</u>	<u>2,604,693</u>	<u>106,360</u>
Total assets	<u>1,689,119</u>	<u>332,217</u>	<u>1,165,520</u>	<u>13,960</u>	<u>3,200,816</u>	<u>519,496</u>
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement			17,602		17,602	
Deferred outflows related to refunding	24,965		328		25,293	
Deferred outflows related to pensions	13,164	10,084	5,450	101	28,799	30,390
Deferred outflows related to OPEB	514	508	218	1	1,241	917
Total deferred outflows of resources	<u>38,643</u>	<u>10,592</u>	<u>23,598</u>	<u>102</u>	<u>72,935</u>	<u>31,307</u>
Total assets and deferred outflows of resources	<u>1,727,762</u>	<u>342,809</u>	<u>1,189,118</u>	<u>14,062</u>	<u>3,273,751</u>	<u>550,803</u>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 2 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Warrants payable	\$ 1,311	8,258	1,622	298	11,489	7,929
Accrued liabilities	32,804	17,573	13,526	21	63,924	40,768
Accrued interest payable		10			10	
Intergovernmental payable				27	27	5
Current portion of insurance claims payable						45,010
Current portion of long-term debt obligations	6,436	6,222	12,039	67	24,764	13,135
Current liabilities payable from restricted assets	18,083				18,083	
Unearned revenues	5,458				5,458	11,470
<b>Total current liabilities</b>	<b>64,092</b>	<b>32,063</b>	<b>27,187</b>	<b>413</b>	<b>123,755</b>	<b>118,317</b>
<b>Noncurrent liabilities:</b>						
Insurance claims payable						222,314
Long-term debt obligations	813,997	53,929	361,626	177	1,229,729	42,370
Derivative instrument liability			17,602		17,602	
Landfill closure and postclosure care		36,814			36,814	
Other long-term liabilities			819		819	
Net pension liability	32,052	20,987	12,195	218	65,452	72,344
Total OPEB liability	3,028	2,748	1,260	44	7,080	7,256
<b>Total noncurrent liabilities</b>	<b>849,077</b>	<b>114,478</b>	<b>393,502</b>	<b>439</b>	<b>1,357,496</b>	<b>344,284</b>
<b>Total liabilities</b>	<b>913,169</b>	<b>146,541</b>	<b>420,689</b>	<b>852</b>	<b>1,481,251</b>	<b>462,601</b>
<b>Deferred inflows of resources:</b>						
Deferred inflows related to refunding	1,203		2,516		3,719	
Deferred inflows related to pensions	3,847	2,756	1,724	76	8,403	11,831
Deferred inflows related to OPEB	1,792	1,516	701	38	4,047	4,600
Deferred inflows related to leases	28,835	2,799	7,389		39,023	1,068
<b>Total deferred inflows of resources</b>	<b>35,677</b>	<b>7,071</b>	<b>12,330</b>	<b>114</b>	<b>55,192</b>	<b>17,499</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>948,846</b>	<b>153,612</b>	<b>433,019</b>	<b>966</b>	<b>1,536,443</b>	<b>480,100</b>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Net position:						
Net investment in capital assets	\$ 438,214	157,989	622,059	2,228	1,220,490	62,877
Restricted for:						
Bond reserves	34,885				34,885	
Landfill closure		10,956			10,956	
Kiefer Wetlands Preserve		1,212			1,212	
Debt service	855				855	
Capital projects				2,361	2,361	
Passenger facility charges	51,935				51,935	
Customer facility charges	23,511				23,511	
Transportation				1,344	1,344	
Endowments:						
Expendable	225				225	
Nonexpendable	2,030				2,030	
Unrestricted	227,261	19,040	134,040	7,163	387,504	7,826
Total net position	<u>\$ 778,916</u>	<u>189,197</u>	<u>756,099</u>	<u>13,096</u>	<u>1,737,308</u>	<u>70,703</u>
Adjustment to reflect internal service fund activities related to enterprise funds					54,771	
Net position of business-type activities					<u>\$ 1,792,079</u>	

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



**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating revenues:						
Charges for sales and services	\$ 220,865	132,089	60,593	2,541	416,088	381,708
Other	4	1,494	3,240		4,738	3,742
Total operating revenues	<u>220,869</u>	<u>133,583</u>	<u>63,833</u>	<u>2,541</u>	<u>420,826</u>	<u>385,450</u>
Operating expenses:						
Salaries and benefits	39,869	37,711	13,062	282	90,924	98,262
Services and supplies	102,618	64,206	16,774	1,635	185,233	130,053
Cost of sales and services	861			2,047	2,908	3,160
Depreciation and amortization	57,091	11,168	21,379	670	90,308	24,844
Claim payments and actuarial estimates						81,165
Landfill closure costs		(766)			(766)	
Other	434		5,527	212	6,173	571
Total operating expenses	<u>200,873</u>	<u>112,319</u>	<u>56,742</u>	<u>4,846</u>	<u>374,780</u>	<u>338,055</u>
Operating income (loss)	<u>19,996</u>	<u>21,264</u>	<u>7,091</u>	<u>(2,305)</u>	<u>46,046</u>	<u>47,395</u>
Nonoperating revenues (expenses):						
Use of money and property	13,297	2,030	8,447	282	24,056	1,312
Intergovernmental	9,956	1,414	826	2,181	14,377	
Passenger facility charges	25,950				25,950	
Customer facility charges	9,015				9,015	
Development fees			40,079		40,079	
Interest expense	(32,137)	(163)	(11,206)	(5)	(43,511)	(28)
Other revenues (expenses)	(1,192)	32	17		(1,143)	2,103
Total nonoperating revenues (expenses)	<u>24,889</u>	<u>3,313</u>	<u>38,163</u>	<u>2,458</u>	<u>68,823</u>	<u>3,387</u>
Income before transfers and capital contributions	<u>44,885</u>	<u>24,577</u>	<u>45,254</u>	<u>153</u>	<u>114,869</u>	<u>50,782</u>
Transfers in						1,271
Transfers out	(2,953)	(2,040)	(1,148)	(25)	(6,166)	(10,474)
Capital contributions	16,344		11,947	487	28,778	
Changes in net position	58,276	22,537	56,053	615	137,481	41,579
Net position, beginning of year	720,640	166,660	700,046	12,481		29,124
Net position, end of year	<u>\$ 778,916</u>	<u>189,197</u>	<u>756,099</u>	<u>13,096</u>		<u>70,703</u>
Adjustment to reflect internal service fund activities related to enterprise funds					6,203	
Change in net position of business-type activities					<u>\$ 143,684</u>	

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 229,780	116,300	59,662	2,537	408,279	1,089
Receipts from interfund services provided						385,661
Receipts for other operating activities	280	11,842	3,241		15,363	2,525
Payments to suppliers	(71,073)	(54,464)	(16,003)	(3,652)	(145,192)	(186,736)
Payments to employees	(43,649)	(40,634)	(14,943)	(335)	(99,561)	(113,213)
Payments for other operating activities		(2,228)		(212)	(2,440)	(3,330)
Payments for interfund services used	(26,945)	(4,578)			(31,523)	(18,181)
Net cash provided by (used for) operating activities	<u>88,393</u>	<u>26,238</u>	<u>31,957</u>	<u>(1,662)</u>	<u>144,926</u>	<u>67,815</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from other funds						1,271
Transfers to other funds	(2,953)	(2,040)	(1,148)	(25)	(6,166)	(10,474)
Intergovernmental revenue	10,049	3,399		2,546	15,994	334
Net cash provided by (used for) noncapital financing activities	<u>7,096</u>	<u>1,359</u>	<u>(1,148)</u>	<u>2,521</u>	<u>9,828</u>	<u>(8,869)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Passenger facility charges	24,152				24,152	
Customer facility charges	7,755				7,755	
Capital contributions	13,989			281	14,270	
Development fees			39,128		39,128	
Acquisition and construction of capital assets	(53,710)	(25,017)	(37,224)		(115,951)	(21,781)
Principal paid on long-term obligations	(5,990)	(931)	(11,212)	(65)	(18,198)	(4,270)
Interest paid on long-term obligations	(36,337)	(163)	(15,718)	(5)	(52,223)	(28)
Proceeds from the sale of capital assets	118	82	16		216	1,883
Proceeds from loans		39,800			39,800	
Proceeds from revolving line of credit	1,080				1,080	
Net cash provided by (used for) capital and related financing activities	<u>(48,943)</u>	<u>13,771</u>	<u>(25,010)</u>	<u>211</u>	<u>(59,971)</u>	<u>(24,196)</u>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 2 of 3

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received and fair value adjustment on cash and investments	\$ 6,344	(165)	5,565	120	11,864	1,115
Net increase in cash and cash equivalents	52,890	41,203	11,364	1,190	106,647	35,865
Cash and cash equivalents, beginning of year	386,094	80,462	147,829	7,984	622,369	344,536
Cash and cash equivalents, end of year	<u>\$ 438,984</u>	<u>121,665</u>	<u>159,193</u>	<u>9,174</u>	<u>729,016</u>	<u>380,401</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>						
Cash and investments	\$ 269,934	65,210	129,805	9,174	474,123	380,401
Restricted cash and investments	24,373	34,650			59,023	
Restricted noncurrent assets	151,180	21,805	111,737		284,722	
Less: Long-term investments and receivables included in restricted assets	(6,503)		(82,349)		(88,852)	
Cash and cash equivalents	<u>\$ 438,984</u>	<u>121,665</u>	<u>159,193</u>	<u>9,174</u>	<u>729,016</u>	<u>380,401</u>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 19,996	21,264	7,091	(2,305)	46,046	47,395
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	57,091	11,168	21,379	670	90,308	24,844
Provision for uncollectible accounts	(37)				(37)	
Other nonoperating revenue	280				280	
Other nonoperating expense		(1,872)			(1,872)	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	1,859	(4,463)	(433)	(4)	(3,041)	(24,928)
Leases						30
Intergovernmental	(98)	(101)	(497)		(696)	(3)
Prepaid items	64				64	(2,700)
Inventories	(164)				(164)	(579)
Warrants payable	293	7,197	946	139	8,575	1,362
Accrued liabilities	5,665	6,528	5,502	(98)	17,597	30,455
Intergovernmental payable				(9)	(9)	4
Unearned revenues	770				770	3,698
Landfill closure and postclosure care		(5,412)			(5,412)	
Compensated absences	490	337	194		1,021	735
Insurance claims payable						3,036
Net pension liability and related deferred outflows and inflows	(4,080)	(3,696)	(2,199)	(53)	(10,028)	(14,752)
Net leases liability and related deferred outflows and inflows	6,321	(4,806)			1,515	(30)
Total OPEB liability and related deferred outflows and inflows	(57)	94	(26)	(2)	9	(752)
Total adjustments	68,397	4,974	24,866	643	98,880	20,420
Net cash provided by (used for) operating activities	\$ 88,393	26,238	31,957	(1,662)	144,926	67,815
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets	\$		11,947		11,947	
Amortization of bond premiums	6,209		3,991		10,200	
Capital assets purchases using long-term debt	8,635	5,358	559		14,552	16,489
Capital grants receivable	(2,355)				(2,355)	
Amortization of deferred outflows and inflows - bonds	2,273		473		2,746	

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

**COUNTY OF SACRAMENTO  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
<b>Assets:</b>					
Cash and investments	\$ 7,776	4,499,539	6,339	861,985	306,655
Other cash and cash equivalents	203,853				
Short-term investments with fiscal agents	376,949				
Receivables, net of allowance for uncollectibles:					
Billed					1,422
Interest		83,605	132		10,581
Intergovernmental					212
Member and employer contributions	37,869				
Accrued investment income	30,450				
Investment sales and other	314,364				
Investments					
Equity	4,781,134				
Fixed income	2,242,284				
Real assets	1,060,383				
Real estate	999,559				
Absolute return	845,895				
Private credit	415,913				
Private equity	1,652,724				
Securities lending collateral	195,198				
Prepaid items					180
Other assets	1,196				
Buildings and improvements, equipment and intangibles, net	4,883				
<b>Total assets</b>	<b>13,170,430</b>	<b>4,583,144</b>	<b>6,471</b>	<b>861,985</b>	<b>319,050</b>

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

**COUNTY OF SACRAMENTO  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
<b>Liabilities:</b>					
Warrants payable	3,329				13,523
Accrued liabilities	19,780		1,212		69,797
Intergovernmental payable			928		
Current lease liability	450				
Long-term lease liability	4,797				
Investment purchases and other	587,250				
Securities lending obligation	191,566				
Other long-term liabilities			3,897		
Loan due to County Public Financing Authority					
Due within one year			2,305		
Due after one year			49,324		
<b>Total liabilities</b>	<b>807,172</b>		<b>57,666</b>		<b>83,320</b>
<b>Net position (deficit) restricted for:</b>					
Pension	12,363,258				
Pool participants		4,583,144			
Individuals, organizations and other governments			(51,195)	861,985	235,730
<b>Total net position (deficit)</b>	<b>\$ 12,363,258</b>	<b>4,583,144</b>	<b>(51,195)</b>	<b>861,985</b>	<b>235,730</b>

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

**COUNTY OF SACRAMENTO  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
<b>Additions:</b>					
Property taxes	\$		6,592		5,520,281
Contributions on pooled investments		9,980,351			1,381,762
Contributions on non-pooled investments				4,426,004	
Member contributions	139,521				
Employer contributions	371,248				
Securities lending income, net	1,309				
Investment income (loss), net	709,597	196,890	36	22,647	17,400
Miscellaneous	1,816		1,391		
<b>Total additions</b>	<b>1,223,491</b>	<b>10,177,241</b>	<b>8,019</b>	<b>4,448,651</b>	<b>6,919,443</b>
<b>Deductions:</b>					
Distributions to taxing entities				4,252,002	5,524,999
Distributions from pooled investments		9,470,940			1,326,439
Benefits paid	655,591				
Withdrawal/refunds of contributions	6,815				
Administrative expenses	28,178				12,916
Services and supplies			1,066		
Interest expense			3,304		
<b>Total deductions</b>	<b>690,584</b>	<b>9,470,940</b>	<b>4,370</b>	<b>4,252,002</b>	<b>6,864,354</b>
<b>Changes in net position</b>	<b>532,907</b>	<b>706,301</b>	<b>3,649</b>	<b>196,649</b>	<b>55,089</b>
<b>Net position (deficit), beginning of year</b>	<b>11,830,351</b>	<b>3,876,843</b>	<b>(54,844)</b>	<b>665,336</b>	<b>180,641</b>
<b>Net position (deficit), end of year</b>	<b>\$ 12,363,258</b>	<b>4,583,144</b>	<b>(51,195)</b>	<b>861,985</b>	<b>235,730</b>

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

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## FINANCIAL SECTION

### NOTES TO BASIC FINANCIAL STATEMENTS

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**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Sacramento (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The County's significant accounting policies are described below.

**Scope of Financial Reporting Entity**

The County reporting entity includes all significant organizations, departments, and agencies over which the County is considered to be financially accountable. The County is a political subdivision of the State of California, and as such can exercise the powers specified by the Constitution and laws of the State of California. The County operates under a charter and is governed by a five-member Board of Supervisors (Board). In addition, as required by GAAP, the financial statements present the financial position of the County and its component units (entities for which the County is considered to be financially accountable).

Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these component units are combined with data of the primary government. All of the blended components have June 30 year-ends.

For the special districts and agencies listed below, the County Board of Supervisors is their governing board, or their governing boards are made up substantially of the Board of Supervisors. In addition, financial actions such as setting rates, adopting the annual budget, and determining the legal liability for the general obligation debt, if any, of most of the component units remain with the County.

Blended Component Units:

Lighting and Landscape Maintenance Districts Special Revenue Fund:

County Service Area Number One  
Sacramento County Landscape Maintenance District

Park Districts and Park Service Areas Special Revenue Fund:

Del Norte Oaks Park Maintenance District  
Mission Oaks Recreation and Park District  
Carmichael Recreation and Park District  
Sunrise Recreation and Park District  
County Service Area Number Four

Other Special Revenue Funds:

Natomas Fire District  
County Service Area No. 10  
Water Agencies Special Revenue Fund  
In-Home Support Services Authority  
Sacramento County Groundwater Sustainability Agency

Enterprise Fund:

Water Agency Water Supply

The *Tobacco Securitization Authority (Authority) of Northern California* is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Authority was created by a Joint Exercise of Powers Agreement effective July 15, 2001, between the County and the County of San Diego. The Authority was created for the purpose of empowering the Authority to finance the payments received by the County from the nation-wide Tobacco Settlement Agreement (Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of all Bonds secured by those Payments or the lending of money based thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such payments of the County. The Authority's board consists of two members of the County's Board of Supervisors and one member from San Diego County's Board of Supervisors, therefore the County has voting majority for the Authority.

The liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are in any way responsible for those liabilities. The Authority meets the criteria set forth in GAAP as a blended component unit of the County because the Authority is providing services solely to the County. The Authority is accounted for in debt service and special revenue funds.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

The *Sacramento County Public Financing Authority (PFA)* is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Board of Supervisors sits as the Board of Directors of the PFA. The PFA was created for the purpose of obtaining financing for various designated redevelopment and housing projects in the greater Sacramento area. The debts and liabilities of the PFA belong solely to it, thus the County is in no way responsible for those liabilities.

The PFA established an agreement with the Agency in which the Agency would pay back to the PFA those debt proceeds advanced to them. On December 29, 2011, the California Supreme Court upheld California Assembly Bill X1 26 (ABX1 26) that provides for the dissolution of all redevelopment agencies. On January 24, 2012, the Board elected to become the Successor Agency for the former County redevelopment agency in accordance with the ABX1 26 as part of County resolution number 2012-0051. As such, the Agency obligations with the PFA were transferred to the County Redevelopment Successor Agency Private-Purpose Trust Fund.

The *Public Facilities Financing Corporation (Corporation)* was created by the County for the purpose of facilitating the financing of public projects within the County. The Board appoints the governing board of the Corporation, which is responsible for the fiscal and administrative activities of the Corporation. For financial reporting purposes, leases between the County and the Corporation have been eliminated and the financial data of the Corporation has been included within the County's reporting entity and is accounted for in a debt service fund.

The *Successor Agency Private-Purpose Trust Fund* was created in accordance with ABX1 26 to transfer all of the assets, liabilities, and obligations of the former redevelopment agency. The Board elected to be appointed as the Successor Agency to the former Redevelopment Agency (RDA) of the County. The Successor Agency to the RDA accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency. The Successor Agency to the RDA activities are included in the Successor Agency Private-Purpose Trust Fund.

The *Sacramento County Employees' Retirement System (SCERS)* is a fiduciary component unit reported as a Pension Trust Fund. SCERS is a multiple-employer public retirement system organized under the 1937 Act. SCERS is governed by a nine-member retirement board that includes the County Director of Finance and four appointed members by the Board and four members elected by the SCERS membership. Although SCERS is legally separate from the County, it is reported as part of the County's reporting entity because the County has board control and there is a financial burden due to employer contributions.

The following *Community Facility Districts (CFD)* were established by a two thirds affirmative vote by property owners within the CFD boundaries. These CFDs are blended component units of the County, in that Mello-Roos law dictates that these districts are legal separate entities, but are governed by the local agencies. It is the County's responsibility through the Board to set direct levy rates and adopt annual budgets within these funds. The County is not obligated in any manner for any debt associated with these districts therefore, none of the debt is recorded in these financial statements. But the construction and assets associated with the districts are the County's, thus they are accounted for in the capital projects funds. The County also acts as an agent for the property owners of these CFDs; in which, the County collects and forwards the assessment fees to the bondholders, this activity is reported in other custodial funds.

North Vineyard Station No. 1  
North Vineyard Station No. 2  
Laguna Stonelake CFD No. 1  
Park Meadows CFD No. 1  
McClellan Park CFD No. 2004-1

Florin Vineyard No. 1  
Metro Air Park CFD No. 1998-1  
Metro Air Park CFD No. 2000-1  
Laguna Creek Ranch/Elliot Ranch CFD No. 1 Improvement Area No. 1  
Laguna Creek Ranch/Elliot Ranch CFD No. 1 Improvement Area No. 2

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

Discretely Presented Component Unit:

*First 5 Sacramento Commission (Commission)* is a discretely presented component unit. The Commission is administered by a governing board of seven members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County, funded by additional State taxes on tobacco products approved by California voters via Proposition 10 in November 1998. The Commission is reported as a discretely presented component unit of the County because, although the Board has no control over the revenues, budgets, staff, or funding decisions made by the Commission, the appointed Commission members serve at the will of the Board members who appoint them. A separate stand-alone annual financial report can be obtained by writing to the Commission, 2750 Gateway Oaks Drive, Suite 330, Sacramento CA 95833.

Excluded from the Reporting Entity:

The reporting entity excludes certain separate legal entities. Some of these entities may have “Sacramento” in their title or are required to keep their cash and investments with the County Treasurer or receive property tax apportionments from the County. Examples are school districts, community college districts, cities, joint powers agencies, and a variety of special-purpose independent districts for cemeteries, fire, recreation and parks, and reclamation. These entities are autonomous organizations with their own governmental powers and constituencies. The Board of Supervisors does not appoint a voting majority of their boards. Accordingly, they are not included in the accompanying basic financial statements.

**COUNTY OF SACRAMENTO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (amounts expressed in thousands)**

Joint Power Authorities or Jointly Governed Organizations

The County of Sacramento is a member of several Joint Powers Agencies (JPA) and/or jointly managed agencies. These are:

AGENCY

Sacramento Area Council of Governments  
 Sacramento Employment and Training Agency  
 Sacramento Area Flood Control Agency  
 Sacramento Metropolitan Cable Television Commission  
 Sacramento Housing and Redevelopment Agency  
 Sacramento Transportation Agency  
 Local Agency Formation Commission  
 Sacramento/Placerville Transportation  
 Sacramento Metropolitan Air Quality Management District  
 Library Joint Powers Authority  
 Sacramento Regional County Sanitation District  
 Sacramento Area Sewer District  
 Southeast Connector JPA

South Sacramento Conservation Agency  
 River City Regional Stadium Financing Authority  
 Sacramento Central Groundwater Authority  
 Groundwater Sustainability Agency

PURPOSE

Regional planning (primarily transportation)  
 Coordination of Federal and State funding for job programs  
 Regional flood control issues  
 Administration of the franchising and licensing of cable TV services  
 Housing projects  
 Administration of County-wide transportation projects  
 Formation of districts and cities within the County  
 Acquisition of rail lines for a transportation corridor  
 Monitor and enforce air quality  
 Library operations  
 Wastewater conveyance, treatment and disposal  
 Sewer service  
 Planning and development of the Elk Grove-Rancho Cordova-El Dorado Connector  
 Project  
 Administration of South Sacramento Habitat Conservation Plan  
 Finance the acquisition and construction of River Cats Stadium  
 Regulate and manage groundwater within the Central Basin of Sacramento County  
 To enhance local management of groundwater

The Sacramento County Director of Finance acts as the Auditor-Controller and as the Treasurer and depository for all the above agencies except for the Sacramento Housing and Redevelopment Agency, Library Joint Powers Authority, and Sacramento Metropolitan Air Quality Management District. Funding, if any, for each of these agencies from the County is based on annual appropriations. The County Board does not appoint a voting majority and cannot impose its will. Separate financial statements of the JPAs can be obtained by contacting the individual agencies or the County Department of Finance, Auditor-Controller Division.

Joint Ventures

The Sacramento County Water Enterprise Fund entered into a joint venture in 2002 with the East Bay Municipal Utility District establishing the Freeport Regional Water Authority (FRWA). The purpose of the FRWA was to construct a joint regional surface water supply project on the Sacramento River near the community of Freeport and adjacent to the City of Sacramento. The Sacramento County Water Enterprise Fund has no equity interest in the FRWA. As of June 30, 2023, this entity reported a net position of \$332.3 million. Copies of the FRWA's financial statements may be obtained from the FRWA Authority Treasurer, MS #801, P.O. Box 24055, Oakland, CA 94623-1055.

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the primary government, the County and its component units. These statements include financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. The County also includes certain indirect costs as part of the program expenses reported for various functional activities. Program revenues include 1) charges paid by the recipients of goods or services offered by programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category: governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental (special revenue, capital projects and debt service) and proprietary funds (Parking Enterprise and County Transit) are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental fund:

The General fund is used to account for all financial resources except those legally required or designated by the Board to be accounted for in another fund.

The County reports the following major enterprise funds:

The Airports fund is used to account for the facilities of the Airports, including the International, Executive, Franklin Field, and Mather airports.

The Solid Waste fund is used to account for the costs of the Solid Waste collection business, including the Solid Waste disposal site and transfer stations.

The Water Agency fund is used to account for the construction of major water supply treatment, transmission and distribution facilities, as well as, being the retail service provider of water to a portion of the unincorporated area.

The County also reports the following fund types:

Internal service funds are used to account for the financing of goods, services, or facilities provided by one department to other departments of the County, or to other governmental units, on a cost-reimbursement basis. Internal service funds include: General Services; Self-Insurance funds covering general liability and property damage; workers' compensation; Other which consists of Dental and Unemployment; Regional Radio Communications System for emergency communications services; and Department of Technology.

Investment Trust fund accounts for the assets of legally separate entities that deposit cash with the County Treasury. These entities include school districts, other independent special districts governed by local boards, regional boards and authorities. These funds represent assets, primarily cash and investments, held by the County in trust for these participants.

Custodial funds account for the assets held by the County on behalf of various individuals, private organizations and other governmental agencies. These include Non-Pooled Investments, Law Enforcement, Unapportioned Tax Collection and others.

Private-Purpose Trust fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Redevelopment Obligation Retirement Fund - Successor Agency. The fund was established effective February 1, 2012.

Pension Trust fund is a fiduciary component unit used by the County to report assets, liabilities and activities of SCERS.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund 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 at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property and sales taxes, grants, entitlements and donations. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes are recognized as revenues in the year for which they are levied, even if not collected within the availability period.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Taxes (other than property taxes), interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within one hundred twenty days of the end of the accounting period, so as to be both measurable and available. Licenses, permits, fines, forfeitures and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Capital assets are reported as expenditures in governmental funds. Proceeds of long-term debt, leases, and SBITAs are reported as other financing sources.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes and various other charges. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services including: water, solid waste, airline fees and charges, parking fees and public transit fees. The principal operating revenues for the County's internal service funds are charges for customer services including: fleet operations; purchasing; printing services; central stores; mail services; building maintenance; surplus property disposal; telecommunications; special district formation; real estate; surveyor; self-insurance for liability and property damages, workers' compensation claims; unemployment claims and dental claims; emergency communication functions; and telecommunication and data processing. Operating expenses for enterprise funds and internal service funds include cost of services, administrative expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expenditure/expense is incurred for purposes which both restricted and unrestricted fund balance/net position components are available, the County will first apply restricted resources and then unrestricted resources.

Implementation of New Governmental Accounting Standards

*GASB Statement No. 91, Conduit Debt Obligations*

Effective July 1, 2022, the County implemented Statement No. 91. The primary objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This statement required the County to analyze its conduit debt for the likelihood that it will be required to make a debt service payment with the recognition of a liability and expenditure. This standard had no material impact to the County, however see NOTE 8 - LONG-TERM OBLIGATIONS page 112 for additional disclosures details relating to Conduit Debt Obligations.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Effective July 1, 2022, the County implemented Statement No. 94. The primary objective of this statement is to improve financial reporting by addressing issues related to Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). This standard had no material impact to the County.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

Effective July 1, 2022, the County implemented Statement No. 96. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard required the County to report all of its SBITAs on the statement of net position/balance sheet with SBITA assets, SBITA liabilities, and inflows or outflows of resources based on the payment provision of the contract. See NOTE 5 - CAPITAL ASSETS, NOTE 7 - LEASES AND SBITAS, and NOTE 8 - LONG-TERM OBLIGATIONS starting on pages 87, 91, and 95 respectively for additional disclosures relating to SBITAs.

GASB Statement No. 99, *Omnibus 2022*

Effective July 1, 2022, the County implemented Statement No. 99 paragraphs 11-25 with the remaining paragraphs to be implemented the following year (except paragraphs 26-32 which were implemented for the fiscal year ended June 30, 2022). The objectives of this statement and these paragraphs are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements. These paragraphs of this standard had no material impact to the County.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the County considers all short-term highly liquid investments (including restricted assets) with maturities of three months or less at the time of purchase to be cash equivalents. Investments held in the County Treasurer's Pool are available on demand to individual entities, thus they are considered highly liquid and cash equivalents for purposes of the statement of cash flows.

**Property Taxes**

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for FY 2022-23 is July 1 and the lien date is January 1 (unsecured property taxes are due in one installment and become delinquent after August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

The Board adopted a resolution authorizing the "Alternative Method of Property Tax Apportionment" (Teeter Plan), under which the County converted to an accrual method of apportioning secured property taxes. Under the Teeter Plan, the County purchases the annual delinquent secured property taxes from the local taxing entities and selected special assessment districts in the County. The financing of the purchase of the delinquent secured property taxes under the Teeter Plan has been accomplished by five-year legal, secured medium-term note obligations of the County, which have been purchased by the Treasurer's Pool. The terms of the notes include a variable interest rate, adjusted on a quarterly basis, equal to the rate of interest on the U.S. Treasury Note for the number of years corresponding to the remaining term of each note.

For financial reporting purposes, a Teeter Plan debt service fund was created to account for the proceeds, subsequent purchase of delinquent taxes of the taxing entities, and the accumulation of financial resources to be used to repay the notes. Collections on the delinquent secured taxes including interest and penalties purchased from the various taxing entities will be the primary funding source. The delinquent secured taxes are recorded as a long-term receivable in the debt service fund.

A description of the debt related to the Teeter Plan can be found in NOTE 8 - LONG-TERM OBLIGATIONS on page 99.

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

**Deferred Outflows/Inflows of Resources**

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

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

The balance sheet of governmental funds also reports a separate section for deferred inflows of resources. Unavailable revenue reported consists primarily of revenues which have been earned but were not received. This separate financial statement element represents assets which are not yet available to finance expenditures of the current fiscal period and so will not be recognized as revenue until that time.

**Intergovernmental Revenues**

The federal government and State of California reimburses the County for costs incurred on certain capital asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a capital projects fund or to capital contributions revenue if administered by a proprietary fund. Additionally, the County receives reimbursement from the federal government and State of California for other programs, such as public assistance, administered by the County. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

The respective grant agreements generally require the County to maintain accounting records and substantiating evidence sufficient to determine if all costs incurred and claimed are proper and that the County is in compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future reimbursement claims or be directly remitted from the County back to the granting agency.

**Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either due to/from other funds or advances to/from other funds. Any remaining balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances to other funds reported in the fund statements are classified as nonspendable fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**Inventories**

Inventories for governmental funds consist of pharmacy supplies and jail inventory which consists of clothing for inmates, and supplies for jails and jail staff. Inventories are valued at cost, using the first-in/first-out method. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Inventories of supplies of proprietary funds are recorded at cost computed by the weighted average method. Proprietary fund inventories are comprised of materials and supplies held for consumption.

**Prepaid Items**

Payments made for services or future right-to-use assets in relation to SBITAs that will benefit future accounting periods are recorded as prepaid items. Prepaid items, as reported in the governmental funds balance sheet, are offset by a nonspendable fund balance account to indicate such amounts are not in spendable form. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.



**COUNTY OF SACRAMENTO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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**Restricted Assets**

Certain proceeds of proprietary fund obligations, as well as certain other resources set aside for obligation repayment and future construction or acquisition of assets are classified as restricted assets on the statement of net position. These amounts are restricted as their use is limited by applicable bond covenants or other external requirements.

**Capital Assets**

Capital assets, which include land, easements, buildings and improvements, infrastructure, machinery and equipment, computer software, water facility rights, right-to-use assets and other intangible assets, are reported in the applicable governmental or business-type activities columns in the proprietary fund financial statements. Capital assets are defined as assets with an initial useful life in excess of one year and an individual cost of more than \$5 for equipment, \$25 for buildings, improvements, and infrastructure, and \$100 for computer software. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The County has not reported infrastructure acquired prior to 1980. Donated capital assets are recorded at acquisition value at the date of donation subsequent to the implementation of GASB Statement No. 72. Prior to this implementation, donated capital assets were recorded at fair value. Right-to-use assets are initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before lease/SBITA commencement date, plus certain initial direct costs. Capital outlay is recorded as expenditures of the general, special revenue, and capital projects funds and as assets in the proprietary funds and government-wide financial statements to the extent the County's capitalization threshold is met. Buildings and improvements, infrastructure, equipment, intangible assets are depreciated using the straight line method over the following estimated used lives. Right-to-use lease and SBITA assets are amortized over the lesser of useful life or contract terms.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	4 to 50
Infrastructure	20 to 50
Machinery and Equipment	2 to 25
Computer Software	3 to 10
Water Facility Rights	40 to 50

**Compensated Absences**

County employees are granted vacation in varying amounts based on classification and length of service. Additionally, certain employees are allowed compensated time-off in lieu of overtime compensation and/or for working on holidays.

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. The County does not pay accumulated sick leave to employees who terminate prior to retirement. The County will pay certain employees a portion of their sick leave at retirement based on labor agreements.

The County accrues for compensated absences in the government-wide and proprietary fund statements which are liable to make payment. The liquidation of compensated absences occurs in the fund where the employee resides when the hours are used or upon retirement or termination from the County.

**Long-Term Obligations**

In the government-wide financial statements, proprietary fund and private-purpose trust fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund or private-purpose trust fund statement of net position. Issuance costs, are expensed in the year incurred, with the exception of prepaid insurance.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized in the period issued. Bond proceeds are reported as other financing sources. In the government-wide, proprietary funds and private-purpose trust fund financial statements, bond premiums and discounts are amortized on a straight-line basis over the life of related debt.

**Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (Resolution by the Board), and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the County’s intent to be used for specific purposes on an annual basis. The intent can be established at either the highest level of decision-making (Resolution from the Board), or by a body or an official designated by the Board for that purpose. The Board adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Executive in consultation with the County Director of Finance. This is also the classification for residual funds in the County’s special revenue, capital projects, and debt service funds.
- Unassigned fund balance – the residual classification for the County’s General Fund includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. The unassigned fund balance also includes \$88,444 of a service stabilization that was established during the recommended budget adoption by County resolution. At this time there is no condition under which this stabilization may be spent; however, should the County deem it necessary to use these funds, the Board will need to action another resolution allowing the use. To increase the stabilization amount the Board would need to approve an appropriation adjustment request authorizing the increase.

**Fund Balance Policy**

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the County’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the County’s policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

The Board, as the highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken (resolution). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment. Board action to commit fund balance needs to occur within the fiscal reporting period; but the amount, if any, which will be subject to the constraint, may be determined during a subsequent period.

**Net Position**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, intangible assets including leases and SBITAs, unspent proceeds,

**COUNTY OF SACRAMENTO**  
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and deferred outflows of resources, into one component of net position. Accumulated depreciation/amortization, outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets, and deferred inflows of resources reduce the balance in this category.

- *Restricted Net Position* – This category presents 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.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose, or not related to the net investment in capital assets.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Liability and Workers' Compensation Internal Service Funds (ISF) Deficit Net Position**

As of June 30, 2023, the Liability/Property and Workers' Compensation ISF have deficit net position of \$20,399 and \$75,744, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability/property and workers' compensation programs. The County is collecting additional amounts from the departments to eliminate the deficit in net position.

**Investments/Fair Value**

The County categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

**Pension**

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (See NOTE 14 - RETIREMENT PLAN and the Required Supplementary Information (RSI) section immediately following the Notes to Basic Financial Statements), regardless of the amount recognized as pension expenditures in the governmental fund statements, which uses the modified accrual basis of accounting.

In general, the County recognizes a net pension liability which represents the County's proportional share of the excess of the total pension liability over the fiduciary net position of the pension plan reflected in the actuarial report provided by SCERS. The net pension liability is measured as of the County's prior fiscal year-end. Employer pension contributions made subsequent to the measurement period are reported 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 the County's pension plan with SCERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SCERS. 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.

Projected earnings on pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings, changes in assumptions, and changes in proportions are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense over the expected average remaining service life.

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the accrual basis of accounting. The OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Total fund balances of the County's governmental funds of \$1,430,597 differs from net position of governmental activities of \$857,258 because of the long-term economic focus in the statement of net position versus the current financial resources measurement focus in the governmental funds balance sheet. The effect of the differences is illustrated below:

Balance Sheet/Statement of Net Position

	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 1,605,370		380,401		1,985,771
Receivables, net of allowance for uncollectibles:					
Billed	74,661		25,005		99,666
Interest	35,932		218		36,150
Intergovernmental	370,381		106		370,487
Leases	1,729		178		1,907
Prepaid items	39,175		4,888		44,063
Due from other funds/internal balances			(54,771)		(54,771)
Inventories	2,826		2,340		5,166
Total current assets	<u>2,130,074</u>		<u>358,365</u>		<u>2,488,439</u>
Noncurrent assets:					
Loan receivable from County Successor Agency	51,629				51,629
Loan receivable from City Successor Agency	4,134				4,134
Long-term receivables	46,674		118		46,792
Long-term receivable, leases	22,336		905		23,241
Prepaid items		3,429			3,429
Capital assets:					
Land and other nondepreciable assets		205,287			205,287
Buildings and improvements, infrastructure, equipment and intangibles, net		1,832,068	105,337		1,937,405
Total capital assets		<u>2,037,355</u>	<u>105,337</u>		<u>2,142,692</u>
Total noncurrent assets	<u>124,773</u>	<u>2,040,784</u>	<u>106,360</u>		<u>2,271,917</u>
Total assets	<u>2,254,847</u>	<u>2,040,784</u>	<u>464,725</u>		<u>4,760,356</u>
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement		16,537			16,537
Deferred amounts related to refunding		18,565			18,565
Deferred outflows related to pensions		509,354	30,390		539,744
Deferred outflows related to OPEB		20,657	917		21,574
Total deferred outflows of resources		<u>565,113</u>	<u>31,307</u>		<u>596,420</u>
Total assets and deferred outflows of resources	<u>2,254,847</u>	<u>2,605,897</u>	<u>496,032</u>		<u>5,356,776</u>

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities:					
Current liabilities:					
Warrants payable	\$ 23,699		7,929		31,628
Accrued liabilities	274,118		40,768		314,886
Intergovernmental payable	74,684		5		74,689
Accrued interest payable		12,187			12,187
Current portion of insurance claims payable			45,010		45,010
Current portion of long-term debt obligations		192,592	13,135		205,727
Unearned revenues	317,540		11,470		329,010
Total current liabilities	<u>690,041</u>	<u>204,779</u>	<u>118,317</u>		<u>1,013,137</u>
Noncurrent liabilities:					
Insurance claims payable			222,314		222,314
Long-term debt obligations		1,314,336	42,370		1,356,706
Derivative instrument liability		16,537			16,537
Net pension liability		1,428,450	72,344		1,500,794
Total OPEB liability		121,901	7,256		129,157
Total noncurrent liabilities		<u>2,881,224</u>	<u>344,284</u>		<u>3,225,508</u>
Total liabilities	<u>690,041</u>	<u>3,086,003</u>	<u>462,601</u>		<u>4,238,645</u>
Deferred inflows of resources:					
Unavailable revenues	110,730	(110,730)			
Deferred inflows related to pensions		157,550	11,831		169,381
Deferred inflows related to OPEB		62,345	4,600		66,945
Deferred inflows related to leases	23,479		1,068		24,547
Total deferred inflows of resources	<u>134,209</u>	<u>109,165</u>	<u>17,499</u>		<u>260,873</u>
Total liabilities and deferred inflows of resources	<u>824,250</u>	<u>3,195,168</u>	<u>480,100</u>		<u>4,499,518</u>
Fund balances/net position:					
Nonspendable	50,821			(50,821)	
Restricted	1,033,523			(1,033,523)	
Assigned	236,882			(236,882)	
Unassigned	109,371			(109,371)	
Net investment in capital assets		2,037,355	62,877	(564,111)	1,536,121
Restricted				995,823	995,823
Unrestricted		(2,626,626)	(46,945)	998,885	(1,674,686)
Total fund balances / net position	<u>\$ 1,430,597</u>	<u>(589,271)</u>	<u>15,932</u>		<u>857,258</u>

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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(a) Explanation of certain differences between the governmental funds balance sheet and the governmental activities statement of net position:

(1) When capital assets (land, construction in progress, infrastructure, building, equipment, and intangibles) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 4,838,463
Right-to-use assets	354,946
Accumulated depreciation/amortization	<u>(3,156,054)</u>
Total	<u>2,037,355</u>
Accrued interest payable	(12,187)
Prepaid items which consist of bond insurance costs and prepaid expense which related to future SBITA assets	3,429
<p>Long-term liabilities and related deferred outflows of resources applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current, long-term and deferred outflows, are reported in the statement of net position.</p>	
Compensated absences	(141,965)
Bonds, notes, COPs, leases, other payables	(1,278,680)
Derivative instrument liability	(16,537)
Accreted interest	(20,447)
Accumulated decrease in fair value of SWAP agreement	16,537
Deferred amounts related to refunding	18,565
Litigation liability	<u>(65,836)</u>
Total	<u>(1,488,363)</u>
Net Pension Liability:	
Deferred outflows related to pensions	509,354
Net pension liability	(1,428,450)
Deferred inflows related to pensions	<u>(157,550)</u>
Total	<u>(1,076,646)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	20,657
Total OPEB liability	(121,901)
Deferred inflows related to OPEB	<u>(62,345)</u>
Total	<u>(163,589)</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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Because the focus of governmental funds is on short-term financing, some deferred inflows of resources will not be available to pay for certain period expenditures.

Unavailable revenues		\$ 110,730	
Total		<u>\$ (589,271)</u>	
(2) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The assets and deferred outflows of resources, and liabilities and deferred inflows of resources, of certain internal service funds are included in governmental activities in the statement of net position.			
		<u>\$ 15,932</u>	

The net change in fund balances for governmental funds of \$184,752 differs from the change in net position for governmental activities of \$497,737 reported in the statement of activities. The differences arise from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences are as follows:

Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities

	Total Governmental Funds	Capital-Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Revenues:						
Taxes:						
Property	\$ 661,728					661,728
Transient occupancy	5,748					5,748
Sales / use taxes	171,604					171,604
Use of money and property	62,866			1,312		64,178
Licenses and permits	72,026				(72,026)	
Intergovernmental	2,464,300		(22,069)		(2,442,231)	
Charges for sales and services	346,149		(135)		107,526	453,540
Operating grants and contributions					1,828,897	1,828,897
Capital grants and contributions					55,303	55,303
Grants and contributions not restricted to specific programs			(6,963)		595,270	588,307
Contributions from property owners	37,239				(37,239)	
Fines, forfeitures and penalties	35,500				(35,500)	
Pledged tobacco settlement	15,463		(791)			14,672
Miscellaneous	35,098		(797)			34,301
Total revenues	<u>3,907,721</u>		<u>(30,755)</u>	<u>1,312</u>		<u>3,878,278</u>

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities

	Total Governmental Funds	Capital-Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Expenditures/expenses						
Current:						
General government	\$ 265,652	11,040	(16,546)	(4,539)		255,607
Public assistance	842,654	8,593	(21,397)	(7,929)		821,921
Public protection	1,166,694	22,170	(107,624)	(19,059)		1,062,181
Health and sanitation	965,090	2,684	(24,703)	(6,680)		936,391
Public ways and facilities	188,000	14,835	(2,978)	(2,344)		197,513
Recreation and culture	54,014	(67)	(1,311)	(435)		52,201
Education	1,617	642	32	(206)		2,085
Capital outlay	58,413	(58,413)				
Debt service:						
Principal	193,231		(193,231)			
Bond issuance costs	632				(632)	
Interest and fiscal charges	60,117		(922)	(2,075)	1,688	58,808
Total expenditures/expenses	<u>3,796,114</u>	<u>1,484</u>	<u>(368,680)</u>	<u>(43,267)</u>	<u>1,056</u>	<u>3,386,707</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>111,607</u>	<u>(1,484)</u>	<u>337,925</u>	<u>44,579</u>	<u>(1,056)</u>	<u>491,571</u>
Other financing sources (uses):						
Transfers in	245,546			1,271		246,817
Transfers out	(230,177)			(10,474)		(240,651)
Leases issued	22,709		(22,709)			
SBITA issued	837		(837)			
Issuance of long-term debt	33,416		(33,416)			
Refunding debt issued	180,740		(180,740)			
Premiums on debt issued	445		(445)			
Payment to refunded bonds escrow agent	(180,371)		179,315		1,056	
Total other financing sources (uses)	<u>73,145</u>		<u>(58,832)</u>	<u>(9,203)</u>	<u>1,056</u>	<u>6,166</u>
Changes in fund balances/net position	184,752	(1,484)	279,093	35,376		497,737
Fund balances/net position - beginning	1,245,845	2,038,839	(2,905,719)	(19,444)		359,521
Fund balances/net position - ending	<u>\$ 1,430,597</u>	<u>2,037,355</u>	<u>(2,626,626)</u>	<u>15,932</u>		<u>857,258</u>



**COUNTY OF SACRAMENTO  
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(b) Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the governmental activities statement of activities.

- (3) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. As a result, net position decreases by the amount of depreciation/amortization expense charged for the year. Donated assets result in an increase in net position.

Capital expenditures	\$ 113,112
Right-to-use assets	23,546
Depreciation/amortization expense	<u>(138,142)</u>
Total	<u><u>\$ (1,484)</u></u>

- (4) Bond issuance costs and prepaid SBITA assets are expended in governmental funds when paid, and prepaid insurance is capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities. Prepaid SBITA assets will be amortized once the asset is placed into service.

\$ 625

Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the governmental activities, however, the principal payments reduce the liabilities in the statement of net position. The County's bonded debt was reduced because principal payments were made to bond holders and to escrow agent for refunded bonds:

Certificate of participation	10,455
Teeter notes	23,294
Revenue bonds	12,210
Pension obligation bonds	265,354
Accreted interest	25,961
Financed purchase obligations	1,419
Lease liability	33,769
SBITA liability	1,833
Litigation liability	5,575
Other long-term debt	<u>762</u>
Total	<u><u>380,632</u></u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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(4) Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balance. In the governmental activities statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Proceeds were received from:

Teeter notes	\$ (23,416)
Pension Obligation Bonds	(180,740)
Certificate of participation	(10,000)
Issuance premium	(445)
Leases issued	(22,709)
SBITA issued	<u>(837)</u>
Total	<u>(238,147)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences	(11,820)
Accreted interest	(3,126)
Current year other long-term debt	(1,107)
Amortization of deferred amount on refunded debt	(1,581)
Amortization of issuance premiums/discounts	<u>1,521</u>
Total	<u>(16,113)</u>

Net effect of long-term debt and related items	126,372
Changes in net pension liability and related deferred outflows/inflows	176,046
Changes in total other postemployment benefits (OPEB) liability and related deferred outflows/inflows	4,741

Some revenues will not be collected within the County's availability period, and therefore are reported as unavailable revenues in the governmental funds. Deferred inflows of resources decreased by this amount during the year. (30,755)

Decrease in accrued interest payable	<u>2,064</u>
Total	<u><u>\$ 279,093</u></u>

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- (5) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The adjustments for internal service funds close those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year. \$ 35,376

**NOTE 3 - BUDGETARY PRINCIPLES**

As required by the laws of the State of California, the County prepares and legally adopts a final balanced operating budget on or before August 30 of each fiscal year. The Board may, by resolution, extend on a permanent basis or for a limited period, the date from August 30 to October 2. The final budget for FY 2022-23 was adopted on September 27, 2022. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board in June 2022. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

Operating budgets are adopted for the General Fund, special revenue funds, debt service funds, and capital projects funds on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the budget unit and object level (except for capital assets, which are controlled at the sub-object level), which classifies expenditures by organizational unit, and by type of goods purchased and services obtained. The statement/schedules of revenues and expenditures - budget and actual present revenues at the source level and expenditures at the function level. Negative variances on these statements/schedules are possible and are not indicative of the County's legal level of control, as the budget authority and subsequent expenditures can span across differing functional types causing negative variances. For instance, within the general fund public assistance function, the budget unit can place the budget authority to one functional type such as public assistance – administration, but the subsequent expenditures can be recorded in differing functional types such as public assistance – aid programs. The budgetary control is at the budget unit level and not the functional level, as long as the expenditures don't exceed the budget unit level appropriations, there is no instance of non-compliance with the budget act. The Inmate Welfare Special Revenue Fund is not subject to the California Budget Act and does not have a formally adopted budget. The Tobacco Securitization Authority of Northern California Debt Service Fund, the Sacramento County Public Financing Authority Debt Service Fund, the Improvement Bond Act of 1911 Capital Projects Fund likewise do not have a formally adopted budget. Therefore, no budget and actual schedules are included for those funds in the Combining and Individual Fund Statement and Schedules.

During FY 2023-24 the County settled the Schneider/Hardesty et al. lawsuit which resulted in the County accruing \$53.5 million in expenditures within the General Fund Finance function of these financial statements. However, due to the timing of the settlement the appropriations are budgeted in the FY2023-24.

It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Department of Finance, Auditor-Controller Division, titled "Governmental Fund Expenditure Status Report." Copies of this report may be obtained from the County of Sacramento, Department of Finance - Auditor Controller division, 700 H Street 3650, Sacramento, CA 95814. Significant amendments, appropriation transfers between departments or funds, and transfers from contingencies must be approved by the Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

During FY 2022-23, the original adopted budget was amended by the Board. The final budget data contained in the General Fund's budget and actual statement, as well as the budget and actual schedules for the nonmajor governmental funds reflects the effect of all approved budget amendments. During FY 2022-23, the appropriation limit for the FY 2022-23 budget year was reviewed and determined to be calculated in accordance with Article XIII B of the California Constitution.

Encumbrance appropriations lapse at the end of the fiscal year with no provisions made to include in the governmental funds restricted, committed or assigned fund balance for following year re-appropriation. Expenditures associated with the encumbrances anticipated to be paid in the next year will be included as part of the following fiscal year budget approval process.

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**NOTE 4 - CASH, INVESTMENTS, AND RESTRICTED ASSETS**

All investments are reported in the statement of net position/balance sheet are at fair value, except for the investment agreement(s), teeter notes, and certain money market mutual funds, which are reported at net asset value. The cash and investment pool (Treasurer’s Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net position/balance sheets as “Cash and investments”. The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain custodial funds accrues to the benefit of the General Fund. The County, acting in a fiduciary capacity, invests bond proceeds in accordance with long-term obligation covenants. The Treasurer’s Pool and funds managed in a fiduciary capacity are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer’s Pool.

Separately issued reports of the County Treasurer’s Internal and Non-Pooled investments are available at <https://finance.saccounty.gov/Investments/Pages/Reports.aspx>.

Cash, investments, and restricted assets as shown in the basic financial statements at June 30, 2023, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 2,459,894
Restricted cash and investments	59,023
Restricted assets, included in noncurrent assets	284,722
Fiduciary funds statement of net position:	
Pension Trust	7,776
Investment Trust	4,499,539
Successor Agency - Private-Purpose Trust Fund	6,339
Non-Pooled Investments	861,985
Other Custodial	306,655
Discretely presented component unit (First 5 Commission)	21,456
Total cash, investments, and restricted assets including receivables	8,507,389
Less receivables included in restricted assets	(10,866)
Total cash, investments, and restricted cash and investments	\$ 8,496,523

**Investments Authorized by Debt Agreements**

Cash and investments held by fiscal agents are restricted as to their use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2023, all cash and investments held by fiscal agents were covered by federal depository insurance, Securities Investor Protection Corporation Insurance, or the investments are held in the County's name.

**Investments Authorized by Government Code and County Investment Policy**

Investments by the County Treasurer are invested in accordance with Government Code Section 53600 et. seq. and 16429.1 and County Investment Policy. This Government Code requires that the investments be made with the prudent investor standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing.

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The Government Code also requires that when following the investing actions cited above, that the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, and then achieve a return on the funds under the trustee's control. Further, the intent of the Government Code is to minimize risk of loss on County held investments from:

- a. Interest rate risk
- b. Credit risk
- c. Custodial credit risk
- d. Concentration of credit risk

Specific restrictions of investments are noted below:

Government Code Section 53601 and the County Investment Policy lists the investments in which the Treasurer may invest. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, Washington supranational notes, treasury notes, or bonds of the State of California; registered treasury notes or bonds of any of the other 49 states in addition to California; bonds, notes, warrants or other forms of indebtedness of any local agency (Teeter Notes and Local Agency Investment Fund-LAIF) within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, or other instruments of, or issued by, a federal agency or United States government sponsored enterprise; money market mutual funds (not to exceed 20 percent of the total portfolio); bankers acceptances (not over 180 days maturity, not to exceed 40 percent of the total portfolio); commercial paper (not to exceed 40 percent of the total portfolio) of "prime quality" (the highest ranking provided by either Moody's Investors Service (Moody's) or S&P Global Ratings (S&P)) and these investments are further restricted as to capacity and credit rating of the company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks (not to exceed 30 percent of the total portfolio); repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service (not to exceed 30 percent of the portfolio); shares of beneficial interest issued by a diversified management company subject to certain limitations; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of the types listed in Government Code Section 53651; mortgage pass-through securities and other mortgage and consumer receivable backed bonds, not to exceed maturity of five years, subject to the credit rating of the issuer (not to exceed 20 percent of the portfolio); and shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized previously.

In addition to the restrictions and guidelines cited in the Government Code, the Board annually adopts an "Annual Investment Policy for the Pooled Investment Fund" (Investment Policy). The Investment Policy is maintained by the Department of Finance and is based on criteria cited in the Government Code. The Investment Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer or issuer.

The County was in full compliance with its own more restrictive Investment Policy, and therefore, was also in compliance with the above cited Government Code sections.

**Interest Rate Risk** – This is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the County's Investment Policy the dollar-weighted average maturity on all securities shall be equal to or less than three years. As of June 30, 2023, of the County's \$8.3 billion in investments held by the Treasurer and \$59 million held by fiscal agents, 72.0 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 256 days.

**Credit Risk** – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term ratings, the issuers' ratings must be A-1 and P-1, and the long-term ratings must be A and A2, respectively, by S&P's and

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Moody’s rating agencies. In addition, the County is permitted to invest in the State’s Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not rated. See schedule on page 65.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. The California Government Code and the County's Investment Policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following disclosures. As of June 30, 2023, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of \$250,000 and remaining cash deposits were collateralized by the pledging institutions as required by California Government Code Section 53652.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the amount of investment in a single issuer. U.S. Treasury and agency securities are considered to be of the best quality grade, as such, there is no limitation on amounts invested in U.S. Treasury or agency securities per California Government Code. Investments in any one issuer (other than U.S. Treasury securities, money market mutual funds and external investment pools) that represent 5 percent or more of the total County investments, is as follows:

	Reported Amount
Federal Home Loan Banks	\$ 2,503,951
Federal Farm Credit Bank	906,455
International Bank for Reconstruction and Development	463,717

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The following schedule indicates the credit and interest rate risk at June 30, 2023. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's and S&P, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Ratings	Maturity					Amount
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Imprest cash							\$ 557
Cash in banks							6,352
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							12
Cash in banks							103,693
Total cash and cash deposits in custody of the Treasurer							103,705
Investments held by Treasurer:							
Treasury bills	Aaa/AA+	\$ 471,630	3,600		48,051		523,281
Federal Farm Credit Bank (FFCB)	Aaa/AA+		19,739	19,351	196,023		235,113
FFCB discount notes	Aaa/AA+	333,616	143,663	194,063			671,342
Federal Home Loan Banks (FHLB)	Aaa/AA+		39,758	80,650	90,741		211,149
FHLB discount notes	P-1/A-1+	838,668	1,001,220	452,914			2,292,802
Federal National Mortgage Association	Aaa/AA+				91,402		91,402
Federal Home Loan Mortgage Corporation	Aaa/AA+				64,499		64,499
State and local government securities	Aaa/AA+				5,802		5,802
Commercial paper	P-1/A-1	304,420	1,170,059	314,026			1,788,505
Washington supranationals	Aaa/AAA	39,944	39,824	78,359	650,960		809,087
Washington supranationals discount notes	P-1/A-1+		49,066				49,066
Negotiable certificates of deposit	P-1/A-1	264,983	974,806				1,239,789
Negotiable certificates of deposit	NR			40,238			40,238
Bank money market mutual funds	NR	120,407					120,407
Other assets held by Treasurer (Teeter Plan notes)	NR		717		21,557		22,274
Local Agency Investment Fund	NR	75,000					75,000
Money market mutual funds	Aaa/AAAm	64,499					64,499
Guaranteed investment contracts	NR					22,595	22,595
Total investments held by Treasurer		2,513,167	3,442,452	1,179,601	1,169,035	22,595	8,326,850
Total in custody of Treasurer							8,430,555
Investments held by fiscal agents:							
Money market mutual funds	Aaa/AAAm	58,155					58,155
Negotiable certificates of deposit	A+				904		904
Total investments held by fiscal agents		58,155			904		59,059
Total investments		\$ 2,571,322	3,442,452	1,179,601	1,169,939	22,595	
Total cash and investments							\$ 8,496,523

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**Investment in State Investment Pool**

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the County's investment in this pool is reported at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The following are condensed statements of net position and changes in net position for the Treasurer's Pool and Non-Pooled Funds as of and for the year ended June 30, 2023:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	<u>\$ 7,432,162</u>	<u>1,081,998</u>	<u>8,514,160</u>
Equity of internal pool participants	\$ 2,849,018	220,013	3,069,031
Equity of external pool participants	<u>4,583,144</u>	<u>861,985</u>	<u>5,445,129</u>
Total equity	<u>\$ 7,432,162</u>	<u>1,081,998</u>	<u>8,514,160</u>
Statement of changes in net position			
Net position at July 1, 2022	\$ 6,357,492	835,880	7,193,372
Net changes in investments by pool participants	<u>1,074,670</u>	<u>246,118</u>	<u>1,320,788</u>
Net position at June 30, 2023	<u>\$ 7,432,162</u>	<u>1,081,998</u>	<u>8,514,160</u>

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2023, are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Interest Rate Range (%)</u>	<u>Maturity Range</u>
Governmental securities	\$ 4,095,390	4,088,961	0.320-5.230	7/23-5/28
Washington supranationals	858,153	905,406	0.500-4.550	7/23-6/28
Commercial paper	1,788,505	1,768,169	4.720-5.520	7/23-1/24
Negotiable certificates of deposit	1,280,027	1,280,245	4.750-5.700	7/23-5/24
Other assets held by Treasurer (Teeter Plan notes)	22,274	22,273	3.962	8/23-8/27
Local Agency Investment Fund	75,000	75,000	3.167	N/A
Bank money markets mutual funds	120,407	120,407	3.85-4.030	N/A
Money market mutual funds	64,499	64,499	0.609-4.833	N/A
Guaranteed investment contracts	22,595	22,595	5.301	5/31/39
Total investments held by Treasurer	<u>\$ 8,326,850</u>	<u>8,347,555</u>		



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Fair Value of Investments

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the County's management. County management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management's perceived risk of that investment.

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. The County'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 in governmental investment pools, such as LAIF, are made on the basis of one dollar and not fair value. Accordingly, the fair value of the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2023. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Market prices for assets held by the Treasurer are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated fair value. When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

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For investments classified within Level 2 of the fair value hierarchy, the County's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

Investments classified at Level 3 represent securities that are entirely owned by the County and have not traded publicly. The securities are priced using a yield-based matrix system or discounted cash flows technique, to arrive at an estimated fair value. Prices that fall between data points are interpolated.

The valuation of 2a-7 Money Market Mutual Funds and Bank Money Market Mutual Funds held by the Treasurer is at one-dollar net asset value (NAV) per share. The total value of these investments at June 30, 2023 was \$184,906. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

The valuation of 2a-7 Money Market Mutual Funds held by Fiscal Agents is at one-dollar NAV per share. The total value of these investments at June 30, 2023, was \$58,155. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury, government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities), agency mortgage-backed securities, and short-term high quality municipal obligations that provide income exempt from federal and California state income tax and federal alternative minimum tax.

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At June 30, 2023, the County had the following recurring fair value measurements:

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Treasury bills	\$ 523,281		523,281	
Federal Farm Credit Bank (FFCB)	235,113		235,113	
Federal Home Loan Banks (FHLB)	211,149		211,149	
Federal National Mortgage Association	91,402		91,402	
FFCB discount notes	671,342		671,342	
FHLB discount notes	2,292,802		2,292,802	
Federal Home Loan Mortgage Corporation (FHLMC)	64,499		64,499	
Washington supranationals	809,087		809,087	
Washington supranationals discount notes	49,066		49,066	
Commercial paper	1,788,505		1,788,505	
Negotiable certificates of deposits	1,280,027		1,280,027	
Negotiable certificates of deposits held by Fiscal Agent	904		904	
State and local government securities	5,802		5,802	
Other assets held by Treasurer (Teeter Plan notes)	22,274			22,274
Total Investments by fair value level	<u>8,045,253</u>		<u>8,022,979</u>	<u>22,274</u>
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy:				
Local Agency Investment Fund	75,000			
Guaranteed investment contracts	22,595			
Total Investments not measured at fair value or subject to fair value hierarchy	<u>97,595</u>			
Investments held by Treasurer measured at NAV:				
Bank money markets mutual funds	120,407			
Money market mutual funds	64,499			
Total Investments measured at NAV	<u>184,906</u>			
Total Investments held by Treasurer	8,326,850			
Total Investments held by Fiscal Agents at NAV:				
Money market mutual funds	<u>58,155</u>			
Total Investments	<u>\$ 8,385,909</u>			

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**SCERS Pension Trust Fund Deposits and Investment Risk Disclosures**

**Investment Policies**

Article XVI, Section 17 of the Constitution of the State of California provides that "...notwithstanding any other provisions of law or this Constitution, the Retirement Board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of monies and administration of the system..." Article XVI, Section 17(a) further provides that "...the Retirement Board of a public pension or retirement system shall have sole and exclusive fiduciary responsibility over the assets..." The investment authority for SCERS rests primarily through the "prudent person rule," as set forth in Section 31595 of the 1937 Act, which establishes a standard for all fiduciaries, including anyone with investment authority on behalf of SCERS.

Asset Allocation

SCERS maintains an overall investment policy designed to achieve a diversified investment portfolio. An integral part of the investment policy is the strategic asset allocation, which is designed to provide an optimal mix of asset classes with return expectations that correspond to expected liabilities. The strategic asset allocation also emphasizes maximum diversification of the portfolio to reduce the range of outcomes that the portfolio is subject, and to protect SCERS from the possibility that a particular asset class may experience poor investment performance in a given period. SCERS' adopted asset allocation policy as of June 30, 2023 is as follows:

Asset Class	Target Allocation
Equity	40.00 %
Fixed Income	18.00 %
Private Equity	11.00 %
Real Estate	9.00 %
Absolute Return	7.00 %
Real Assets	7.00 %
Private Credit	5.00 %
Cash	2.00 %
Liquid Real Return	1.00 %
	100.00 %

**Investment Summary**

Cash Invested with Sacramento County Treasurer:

SCERS invests cash held for benefit payments and general operations in the County Treasurer's pool. The County Treasury Oversight Committee is responsible for regulatory oversight of the pool. SCERS share of the County Treasurer's pool is separately accounted for, and interest earned, net of related expenses, is apportioned quarterly based on the proportion of SCERS average daily cash balance to the total of the pooled cash and investments.

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The value of SCERS pooled shares is determined on an amortized cost basis, which approximates fair value. The fair value of SCERS cash invested with the County Treasurer for both pension trust and custodial funds totaled \$10,510 at June 30, 2023. The pool was not rated, and the weighted-average maturity of the pool was 256 days at June 30, 2023.

Interest earned but not received from the County Treasurer at year end is reported as a component of accrued investment income on the Statement of Fiduciary Net Position. Cash and investments included within the County Treasurer's pool are described in the preceding section of this note.

Other Cash and Cash Equivalents:

At June 30, 2023, other cash and cash equivalents constituted balances in bank demand deposit accounts of \$203,853.

Short-Term Investments with Fiscal Agents:

Short-term investments, which include highly-liquid investments expected to be utilized by SCERS within 30-90 days, are reported at fair value. These investments may include securities that have a maturity in excess of 90 days but are readily marketable. At June 30, 2023, the fair value of SCERS short-term investments with fiscal agents was \$376,949. This total consisted of investments in the State Street Short-Term Investment Fund (STIF). The STIF is designed to provide qualified benefit plans with an investment vehicle that may be accessed on a daily basis. The STIF is limited to investing in securities that are rated A-1 by Moody's and P-1 by S&P at the time of issuance. As of June 30, 2023, the STIF is not rated by credit rating agencies. Most investments range in maturity from overnight to 90 days with 32 percent of the investment over 90 days. For the fiscal year ended June 30, 2023, the weighted-average maturity was 25 days. Investments in the STIF from all participating custodial clients of State Street was \$54.9 billion on June 30, 2023.

Fair Value of Investments:

SCERS measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 - Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities accessible on the measurement date.

Level 2 - Fair value is determined using quoted prices in inactive markets or significant observable inputs (including, but not limited to, quoted prices for similar investments, interest rates, foreign exchange rates, volatility and credit spreads), either directly or indirectly. These inputs may be derived principally from, or corroborated by, observable market data through correlation or by other means.

Level 3 - Fair value is determined using unobservable inputs, including situations where there is little market activity, if any, for the asset or liability.

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At June 30, 2023, SCERS had the following fair value measurements:

	Total	Fair Value Measurements by Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Communication Services	\$ 269,908	269,908		
Consumer Discretionary	415,607	415,404	203	
Consumer Staples	223,950	223,950		
Energy	161,042	161,042		
Financials	474,467	474,467		
Health Care	460,563	460,563		
Industrials	566,190	566,190		
Information Technology	648,517	648,517		
Materials	140,892	140,747	145	
Private Placement	572	311	261	
Real Estate	96,762	96,762		
Utilities	74,826	74,826		
Total Equity Securities	<u>3,533,296</u>	<u>3,532,687</u>	<u>609</u>	
Fixed Income Securities				
Securitized Obligations Asset-Backed Securities	339,928		339,928	
Credit Obligations				
Corporate Bonds	321,086	344	320,742	
Municipals	7,843		7,843	
Yankees	61,408		61,408	
Private Placement	204		204	
U.S. Government and Agency Obligations				
Agency Securities	44,648		44,648	
Treasury Bills	849,491		849,491	
International Government	3,347		3,347	
Collateralized Mortgage Obligations	127,109		127,109	
Mortgage Pass-Through				
Federal Home Loan Mortgage Corporation (FHLMC)	90,641		90,641	
Federal National Mortgage Association (FNMA)	314,976		314,976	
Government National Mortgage Association (GNMA)	67,450		67,450	
Total Fixed Income Securities	<u>2,228,131</u>	<u>344</u>	<u>2,227,787</u>	
Total Investments by Fair Value Level	<u>\$ 5,761,427</u>	<u>3,533,031</u>	<u>2,228,396</u>	

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Investments Measured at Net Asset Value (NAV):

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)*</u>	<u>Redemption Notice Period</u>
Equity Commingled Funds	\$ 1,247,838		Daily and Monthly	1-60 days
Fixed Income Commingled Funds	14,153		Monthly and Quarterly	30-90 days
Real Assets	1,060,383	307,065	Quarterly and 3-Years	90 days
Real Estate	999,559	217,155	Monthly and Quarterly	30-90 days
Absolute Return	845,895		Monthly and Quarterly	30-90 days
Private Credit	415,913	292,183		
Private Equity	1,652,724	820,879		
Securities Lending Collateral	195,198			
Total Investments Measured at NAV	<u>6,431,663</u>			
Total Investments	<u>\$ 12,193,090</u>			

\*Not applicable for closed end real assets and real estate, private credit and private equity funds.

Note: In the event of significant asset outflows for a particular fund, the timing of redemption proceeds could extend beyond those disclosed.

Investments Derivative Instruments:

	<u>Total</u>	<u>Fair Value Measurements by Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Forwards	\$ 868	868		
Options	21		21	
Swaps	73,809		73,809	
<b>Liabilities</b>				
Forwards	(321)	(321)		
Options	(190)		(190)	
Swaps	(73,187)		(73,187)	
Total Investment Derivative Instruments	<u>\$ 1,000</u>	<u>547</u>	<u>453</u>	

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Equity Securities:

The majority of SCERS domestic and international equity securities are actively traded on major stock exchanges or over-the-counter (OTC). Investments listed or traded on a securities exchange are valued at fair value as of the close of trading on the valuation day. Fair value is determined based on the last reported trade price on the exchange considered to be the primary market for such security. Listed investments that are not traded on a particular day are valued at the last known price which is deemed best to reflect their fair value. Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Fixed Income Securities:

Debt securities consist of investments in customized separate accounts and commingled funds which primarily invest in negotiable obligations of the U.S. Government and U.S. Government-sponsored agencies, U.S. and non-U.S. corporations, securitized offerings backed by residential and commercial mortgages, and non-dollar denominated sovereign states. Debt securities that are not actively traded are valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value, and are classified in Level 2. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the asset type.

Equity and Fixed Income Commingled Funds:

Certain equity and fixed income investments are invested in a commingled fund to provide dedicated exposure to a specific segment of the market and are valued at NAV. An example would be an emerging market equity mandate invested through a commingled fund, or a core plus fixed income mandate where SCERS receives the high yield credit exposure through a commingled fund that is managed by the investment manager. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the fund manager on a continuous basis and audited annually. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

Investments Measured at the Net Asset Value (NAV):

Investments valued using the NAV per share (or its equivalent) are investments in nongovernmental pooled investment vehicles (i.e., limited partner or non-managing member interest or LP/LLC interest). These alternative investments, unlike more traditional investments, generally do not have readily obtainable fair values and are generally valued at the most recent net asset value per unit or based on capital account information available from the general partners of such vehicles. If June 30 valuations are not available, the value is derived from the most recently available valuation taking into account subsequent cash flow activities.

Absolute Return:

Absolute return investments are made on a direct basis in limited partnerships, commingled funds, and separate accounts, and through externally managed customized separate accounts (CSA). Each CSA manager's investments consist of portfolio funds and co-investments as well as marketable securities held from time to time as a result of a distribution from a portfolio fund.

Absolute return investments include commingled funds that invest in domestic and international investment strategies including: (1) Market neutral strategies such as equity or fixed income market neutral, fixed income arbitrage, and convertible bond arbitrage; (2) Event driven strategies such as risk arbitrage, merger arbitrage, distressed debt, credit, and other event-driven strategies; (3) Equity and credit long/short strategies where there is a combination of long and short positions primarily in exchange traded securities, with a net market exposure less than 100% of that of the overall equity or fixed income market (strategies may be focused on U.S., non-U.S., and/or specialty mandates); (4) Global Macro strategies such as all market portfolios, opportunistic long-only, managed futures, currency, dedicated short selling strategies or other specialty strategies; and (5) Multi-strategies where absolute return managers invest using a combination of previously described strategies.



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Absolute return investments are generally less liquid as compared to equity and fixed income and more liquid as compared to private market investments, such as real assets, real estate, private credit, and private equity. Direct absolute return investments consist of securities traded on national security exchanges, as well as securities that do not have readily determinable fair values (illiquid securities). For CSAs, the fund manager's evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided to them by the portfolio funds, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any.

Typically, the fair value of investments is determined by the fund manager in good faith and in compliance with the following guidelines:

- The value of illiquid investments is determined by the fund manager in good faith and in compliance with the definition of fair value under U.S. GAAP; however, in some circumstances certain illiquid investments may require reporting financial information and valuations in accordance with accounting standards other than U.S. GAAP, such as under International Financial Reporting Standards.
- Securities that are traded on a national securities exchange are valued at their last reported sales prices on the valuation date on the national securities exchange on which such securities are principally traded or on a consolidated tape which includes such exchange, or, if there are no sales on such date on such exchange or consolidated tape, securities are typically valued at the mean between the last "bid" and "asked" prices at the close of trading on such date on the largest national securities exchange on which such securities are traded.
- Securities not traded on a national securities exchange, but traded over-the-counter, are valued at the last reported sales price as reported by the Nasdaq National Market of the Nasdaq Stock Market, or if such prices are not reported by the Nasdaq Stock Market, as reported by the National Quotation Bureau, Inc., or if such prices are not reported by the National Quotation Bureau, the valuation of options or notional principal contracts not traded on a national securities exchange may be determined in good faith by a reliable source selected by the fund manager.
- Commodity interests traded on a United States or foreign exchange are valued at their last reported settlement price on the valuation date on the exchange on which such interests were purchased or sold. Commodity interests not traded on a United States or foreign exchange are valued at the mean between their last "bid" and "asked" prices on the date as of which the value is being determined, as reported by a reliable source selected in good faith by the fund manager.
- Short-term money market instruments and bank deposits are valued at cost plus accrued interest to the date of valuation.

Real Assets and Real Estate:

Real assets and real estate investments are held in limited partnerships. Limited partner interest is valued using the NAV of the partnership. Core and core plus real estate is held typically as a limited partner in a commingled fund and is valued at NAV. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually, and periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment. Real assets and real estate investments are held in open-ended and closed-ended commingled funds. Closed-ended commingled funds are long-term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment. These investments cannot be redeemed with the funds unless sold in a secondary market. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over 2 to 15 years.

Private Credit and Private Equity:

Private credit investments include direct limited partnerships, commingled funds, and separate accounts that invest in direct lending, and opportunistic lending strategies. Private equity investments include limited partnerships, commingled funds, and fund of funds (FoF) that invest in domestic and international private buyouts, venture capital, growth equity, and distressed debt. Private credit and private equity investments are made both on a direct basis in limited partnerships, commingled funds, separate accounts, and through externally managed FoF. Each FoF manager's investments consist of portfolio funds and co-investments as well as marketable securities held from time to time as a result of a distribution from a portfolio fund.

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These investments are long-term and illiquid in nature. As a result, limited partners are constrained in their ability to exit a partnership investment prior to its dissolution, other than selling their interest in a private equity secondary market. Distributions are received through cash flows and the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund would be liquidated over 8 to 15 years.

Limited partner interest in commingled funds is valued by using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a recurring basis, audited annually, and periodically appraised by an independent third party.

Typically, the fair value of all investments is determined by the fund manager in good faith and in compliance with the definition of fair value under U.S. GAAP. In some circumstances, partnership agreements require reporting financial information and valuations in accordance with accounting standards other than U.S. GAAP, such as under International Financial Reporting Standards. The measure of fair value by the fund manager is typically conducted on a quarterly basis. Marketable securities are valued according to the most recent public market price with appropriate discounts to reflect any contractual or regulatory restriction upon sale.

The fair value of each investment as reported does not necessarily represent the amount that may ultimately be realized, since such amounts depend upon future circumstances that cannot reasonably be determined until the position is actually liquidated. The evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided by each fund, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any. The evaluation of the fair value of co-investments is based on the most recent information available at the time of valuation ascribed to such investments by the sponsor partnership. If the manager does not agree with this valuation, holds different securities than the sponsor partnership, is unable to obtain the sponsor partnership's valuation, or has information that results in a different valuation, the manager may use their own internal evaluation of fair value. The assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Investment Derivative Instruments:

The fair values of derivative contracts can be affected by changes in interest rates, foreign exchange rates, commodity prices, credit spreads, market volatility, expected return, liquidity and other factors. The majority of SCERS derivative instruments are traded in the Over The Counter (OTC) derivative market and are classified within Level 2. OTC derivatives classified within Level 2 are valued using models that utilize actively quoted or observable market input values from external market data providers, third-party pricing vendors and/or recent trading activity. The fair values of OTC derivatives for swaps and forward contracts are determined using discounted cash flow models. The fair values of option contracts and warrants are determined using Black-Scholes option pricing models. These models' key inputs include the contractual terms of the respective contract along with significant observable inputs, including interest rates, currency rates, credit spreads, equity prices, index dividend yield, volatility, and other factors. The fair value of rights is calculated using the same parameters used for pricing options, including the rights' subscription price, prevailing interest rates, time to expiration, and the share price of the underlying stock, taking into consideration the level of its volatility. Futures positions are exchange traded and settle in cash on a daily basis and thus have no fair value.

Annual Money-Weighted Rate of Return:

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 5.97 percent.

Securities Lending

State statutes permit SCERS to participate in securities lending transactions and, pursuant to a Securities Lending Authorization Agreement, SCERS has authorized State Street Bank and Trust Company (State Street) to act as its agent in lending SCERS securities to broker-dealers and banks pursuant to an approved loan agreement.

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During the fiscal year ended June 30, 2023, on behalf of SCERS, State Street loaned securities held by State Street as custodian, including U.S. government and agency obligations, domestic corporate bonds, and domestic and international equities and received, as collateral, U.S. and foreign currency, U.S. government bonds, U.S. corporate bonds, U.S. equity, and international equity securities. SCERS does not have the ability to pledge or sell security collateral absent a borrower's defaults. Borrowers are required to deliver collateral for each loan equal to a minimum of 100% of the fair value of the loaned security.

During the fiscal year ended June 30, 2023, SCERS did not impose any restrictions on the amount of the loans that State Street made on its behalf and there were no failures to return loaned securities or pay distributions thereon by any borrowers. Moreover, there were no losses resulting from a default of the borrowers or State Street.

SCERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. Since the collateral received from the borrowers was greater than the amounts borrowed, SCERS had minimal credit risk exposure to the borrowers. Furthermore, the lending agreement with State Street requires the custodian to indemnify SCERS if the borrower fails to return the loaned securities.

Additional information regarding the cash collateral investment pool (collateral pool) follows:

Method for Determining Fair Value - The fair value of investments held by the collateral pool is based upon valuations provided by a recognized pricing service.

Policy for Utilizing Amortized Cost Method - Because the collateral pool does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940, State Street has valued the collateral pool investments at fair value for reporting purposes.

Regulatory Oversight - The collateral pool is not registered with the Securities and Exchange Commission. State Street, and consequently the investment vehicles it sponsors (including the collateral pool), are subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of SCERS position in the collateral pool is the same as SCERS pro rata share of the collateral pool.

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Collateral and related securities on loan at June 30, 2023 is as follows:

<u>Security Description</u>	<u>Fair Value of Reinvested Cash Collateral</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>	<u>Fair Value of Securities on Loan</u>
Fixed Income	\$ 126,016	123,728	181,133	305,948
Equity	69,182	67,838	28,296	96,434
Total	<u>\$ 195,198</u>	<u>191,566</u>	<u>209,429</u>	<u>402,382</u>

Securities Lending Collateral Credit Risk:

All of the cash collateral received for securities lending is invested in the State Street Compass Fund Liquidity Pool (Compass Fund), which is not rated by credit rating agencies. At the time of purchase, all securities with maturities of 13 months or less must be rated at least A1, P1 or F1 and all securities with maturities in excess of 13 months must be rated A- or A3 by any two of the nationally-recognized statistical rating organizations or, if unrated, be of comparable quality. The fund may invest in other State Street managed vehicles provided they conform to the guidelines.

Securities Lending Collateral Interest Rate Risk:

The Compass Fund's Investment Policy Guidelines provide that the lending agent shall maintain the dollar-weighted average maturity of the Compass Fund in a manner that the lending agent believes is appropriate to the objective of the Compass Fund, provided that (i) in no event shall any Eligible Security be acquired with a remaining legal final maturity of greater than 18 months, (ii) the lending agent shall maintain a dollar-weighted average maturity of the Compass Fund not to exceed 75 calendar days and (iii) the lending agent shall maintain a dollar-weighted average maturity to final of the Compass Fund not to exceed 180 calendar days. As of June 30, 2023, the weighted average maturity was 7.15 days.

Deposit and Investment Risks:

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the following schedules disclose SCERS investments subject to certain types of risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally-recognized statistical rating organizations. The ratings used to determine the quality of the individual securities are the ratings provided by S&P. If there are no ratings provided by S&P, then the ratings provided by Moody's and Fitch Ratings are used, respectively.

SCERS utilizes external investment managers to manage its portfolios. SCERS' Investment Policy specifies that fixed income investments will include both active and passive index investments in U.S. Treasury and agency securities, corporate bonds, mortgage-backed and asset-backed securities and non-dollar denominated sovereign and corporate debt.

SCERS' portfolio is comprised of actively-managed investment strategies in which each strategy will have a minimum average credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO). Portfolio diversification is constrained by investment guideline parameters for each individual strategy in order to minimize overall market and credit risk.

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The following table depicts the fixed income assets by credit ratings as of June 30, 2023:

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
Aaa	\$ 189,217	98,620	1,652		6,250		82,695			
AA+	471,185	95	266		57,325		7,882	90,641	314,976	
AA-1	1,095	1,095								
AA	7,117	5,346	1,745				26			
AA-2	527	144	383							
AA-	6,998	192	6,608				198			
AA-3	1,901	698	410				793			
A+	18,558	642	17,337		321		258			
A-1	2,206	758	1,241				207			
A	25,773	2,907	22,823				43			
A-2	2,667	834	1,833							
A-3	918		582				336			
A-	74,248	74	74,037				137			
BBB+	73,141		71,586				1,555			
BAA-1	625		450				175			
BBB	80,609	917	77,675			1,833	184			
BAA-2	942	184					758			
BBB-	56,398	699	52,429			495	2,775			
BAA-3	2,134	415	862				857			
BB+	19,711	1,344	16,568		199	402	1,198			
BA-1	299						299			
BB	12,540	572	10,055				1,913			
BA-2	2,502	443	198			501	1,360			
BB-	14,091		11,884		176		2,031			
BA-3	1,070						1,070			
B+	8,065	1,129	6,136				800			
B-1	304		304							
B	6,579		6,216				363			
B-2	853		853							
B-	2,671	9	2,447				215			
CCC+	507		507							
Caa1	1,282		1,282							
CCC	1,604	631	356		70	116	431			
CCC-	680		680							

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Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
Caa3	237		237							
CC	1,880	1,880								
D	456	456								
NA	897,248				829,798					67,450
NR	253,446	219,844	899	14,153			18,550			
Total	\$ 2,242,284	339,928	390,541	14,153	894,139	3,347	127,109	90,641	314,976	67,450

NA represents securities explicitly guaranteed by the U.S. government, which are not subject to the GASB Statement No. 40 credit risk disclosure requirements. NR represents securities that are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2023, SCERS had no single issuer that exceeds 5% of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% or more of total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements.

SCERS investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer, and as of June 30, 2023, SCERS had no issuer that exceeds 5% of total portfolio fair value. As noted in the previous discussion of credit risk, manager investment guidelines place limitations on the maximum holdings in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, SCERS would not be able to recover the value of its deposits, investments, or securities. As of June 30, 2023, the bank balance of cash and cash equivalents on deposit with SCERS' custodian bank and financial institutions totaled \$182,871, of which \$182,621 was not insured by the Federal Depository Insurance Corporation (FDIC) and were exposed to custodial credit risk. SCERS believes that the risk is not significant because the cash is held with major financial institutions.

As of June 30, 2023, deposits held in SCERS name for the margin accounts of \$21,366 was not insured or not collateralized, and these deposits were exposed to custodial credit risk.

As of June 30, 2023, 100% of SCERS investments held with the custodian were held in SCERS name, and SCERS is not exposed to custodial credit risk related to these investments. There are no general policies relating to custodial credit risk.

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Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment guidelines negotiated with the actively-managed external portfolio managers give the managers the discretion to deviate within a particular range from the effective duration of the relevant Bloomberg Aggregate Bond Index benchmark.

The following tables depict the duration in years of the long-term fixed income portfolio vs. the benchmark as of June 30, 2023.

<u>Types of Securities</u>	<u>Fair Value</u>	<u>Effective Duration</u>	<u>Benchmark Duration</u>	<u>Difference</u>
Securitized Obligations				
Asset-Backed Securities	\$ 339,928	0.34	2.42	(2.08)
Credit Obligations				
Corporate Bonds	321,086	5.33	7.33	(2.00)
Municipals	7,843	0.25	9.94	(9.69)
Yankees	61,408	0.61	5.57	(4.96)
Private Placement	204		3.75	(3.75)
U.S. Government and Agency Obligations				
Agency Securities	44,648	0.17	3.25	(3.08)
Treasury Bills	849,491	7.17	7.43	(0.26)
International Government	3,347	4.08	6.50	(2.42)
Collateralized Mortgage Obligations	127,109	2.92	4.11	(1.19)
Mortgage Pass-Through				
FHLMC	90,641	6.34	5.01	1.33
FNMA	314,976	6.21	5.78	0.43
GNMA	67,450	5.40	5.29	0.11
No Effective Duration				
Commingled Fund	14,153	NA	NA	NA
Total Fair Value with Weighted Average	<u>\$ 2,242,284</u>	5.05	6.18	(1.13)

NA represents securities that have no effective duration.

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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following table represents cash and investments held in a foreign currency as of June 30, 2023:

<u>Local Currency Name</u>	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Equity</u>	<u>Fixed Income</u>	<u>Real Assets</u>	<u>Real Estate</u>	<u>Private Credit</u>	<u>Private Equity</u>	<u>Total</u>
Australian Dollar	\$ 716	55,779						56,495
Brazilian Real	2	1,433						1,435
Canadian Dollar	1,158	100,041	144					101,343
Chilean Peso		306						306
Czech Koruna	62							62
Danish Krone	1,091	79,048						80,139
Euro Currency	3,712	436,866	18,193	5,454	174,550	24,225	117,305	780,305
Hong Kong Dollar	1,101	44,543						45,644
Hungarian Forint	(362)							(362)
Japanese Yen	2,109	284,546			7,109			293,764
Mexican Peso	(588)							(588)
New Israeli Shekel	50	11,342						11,392
New Zealand Dollar	(343)	1,115						772
Norwegian Krone	(55)	10,474						10,419
Polish Zloty	(510)							(510)
Pound Sterling	573	154,236	3,150		471			158,430
Singapore Dollar	57	17,892						17,949
South African Rand	202							202
Swedish Krona	99	31,613						31,712
Swiss Franc	20	120,162						120,182
Yuan Renminbi	11							11
<b>Total</b>	<b>\$ 9,105</b>	<b>1,349,396</b>	<b>21,487</b>	<b>5,454</b>	<b>182,130</b>	<b>24,225</b>	<b>117,305</b>	<b>1,709,102</b>

Foreign currency is comprised of international investment proceeds and income to be repatriated into U.S. dollars and funds available to purchase international securities. SCERS does not have a foreign currency risk policy.



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Highly Sensitive Investments

As of June 30, 2023, SCERS' investments included Collateralized Mortgage Obligations and Mortgage Pass-Through securities totaling \$600,176. These securities are highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates. The resulting reduction in expected total cash flows affects the fair value of these securities.

As of June 30, 2023, total commodities investments were \$996. The investments consist of commodity futures hedge fund-of-funds and exposure through a customized, diversified real assets strategy.

Spot commodity prices have historically been a poor investment and have declined in real terms. However, investment in collateralized commodity futures can provide higher returns. The futures market is an efficient way for producers to hedge price risk by forward-selling commodities at lower prices relative to spot prices to investors and speculators generating a roll yield (backwardation).

In general, commodities are volatile investments that are prone to large price spikes. By investing in commodity futures, investors get exposure to short-term price movement and risk, as well as long-term price trends. This price volatility and the need for producers to hedge their production provides the fundamental rationale for why investment managers pay the risk premium to speculators and long-only investors in the commodity markets.

Derivative Instruments

SCERS investment portfolios contain individual securities as well as investments in external investment pools. SCERS investment policy allows investment managers to use derivative instruments for certain purposes and within certain parameters. Such instruments include futures contracts, currency forward contracts, option contracts, swap agreements, and rights and warrants. SCERS uses derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets, as an alternative to investments in the cash market in which the manager is permitted to invest, and as an additional yield curve and/or duration management strategy. SCERS does not use derivative instruments for speculative purposes or to create leverage, however, this does not apply to investments in external pools. As of June 30, 2023, the derivative instruments held by SCERS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

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The table below presents the related net appreciation/(depreciation) in fair value, the fair value and the notional value of derivative instruments outstanding at June 30, 2023:

Investment Derivative Instruments	Net Appreciation/ (Depreciation) in Fair Value of		Fair Value	Notional
	Investments	Financial Statement Classification		
Forwards	\$ 308	Investment Sales and Other	547	77,193
Futures	53,198	Investment Sales and Other		378,430
Options	(260)	Investment Purchases and Other	(169)	(2,979)
Rights/Warrants	20	Investment Sales and Other		2 *
Swaps	17,064	Investment Purchases and Other	622	73,280
Total Derivative Instruments	<u>\$ 70,330</u>		<u>1,000</u>	

\* Presented in number of shares

Futures contracts are financial instruments that derive their value from underlying indices or reference rates and are marked-to-market at the end of each trading day. Daily settlement of gains and losses occur on the following business day. As a result, the instruments themselves have no fair value at June 30, 2023, or at the end of any trading day. Daily settlement of gains and losses is a risk control measure to limit counterparty credit risk. Futures variation margin amounts are settled each trading day and recognized in the financial statements under Investment income, net as they are incurred.

Forward contracts are obligations to buy or sell a currency or other commodity at a specified exchange rate and quantity on a specific future date. The fair value of the foreign currency forwards is the unrealized gain or loss calculated based on the difference between the specified exchange rate and the closing exchange rate at June 30, 2023.

Counterparty Credit Risk:

The tables below presents the counterparty credit ratings of SCERS non-exchange traded investment derivative instruments outstanding and subject to loss at June 30, 2023:

S&P Rating	Forwards	Swaps	Total
A	\$ 61		61
A-	315		315
A+	451		451
AA-	22		22
BBB+		1,051	1,051
Investments in Asset Position	849	1,051	1,900
Investment in Liability Position	(302)	(415)	(717)
Total investments in Asset/(Liability) Position	<u>\$ 547</u>	<u>636</u>	<u>1,183</u>

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SCERS could be exposed to risk if the counterparties to derivative instruments are unable to meet the terms of the contracts. SCERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. SCERS anticipates that the counterparties will be able to satisfy their obligations under the contracts.

The aggregate fair value of investment derivative instruments in an asset position subject to counterparty risk at June 30, 2023, was \$1,899. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. SCERS did not have any master netting agreements with its counterparties at June 30, 2023, except that certain investment managers used netting arrangements at their discretion to minimize counterparty risks. The above schedules present exposure for similar instruments with the same counterparty on a net basis.

At June 30, 2023, SCERS did not have any significant exposure to counterparty credit risk with any single party.

Interest Rate Risk:

At June 30, 2023, SCERS is exposed to interest rate risk on its derivative instruments as presented in the following tables:

Investment Type	Total Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Credit Default Swaps Bought	\$ (425)		(425)		
Credit Default Swaps Written	523		523		
Fixed Income Options Bought					
Fixed Income Options Written	(1)	(1)			
Interest Rate Swaps	524		373	100	51
Total	\$ 621	(1)	471	100	51

Derivative Instruments Highly Sensitive to Interest Changes:

Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1%	\$ 352	\$ 2,911
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	100	426
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.2%	51	197
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 4.94625%	(4)	4,028
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 5.11%	8	5,300
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 5.088%	17	13,206
Total Interest Rate Swaps		\$ 524	26,068

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Foreign Currency Risk

At June 30, 2023, SCERS was exposed to foreign currency risk on its investments in forward contracts and swaps denominated in foreign currencies as presented in the following table:

Currency Name	Forward Contracts			Total Exposure
	Net Receivables	Net Payables	Swaps	
Australian Dollar	\$ 5	6		11
Brazilian Real	18	3		21
Canadian Dollar	140	(39)		101
Chilean Peso		(9)		(9)
Colombian Peso	64			64
Euro Currency	(13)	217	(15)	189
Hungarian Forint	45	(10)		35
Indian Rupee		(11)		(11)
Indonesian Rupiah	(13)			(13)
Japanese Yen	(16)			(16)
Mexican Peso	13			13
New Israeli Shekel	(2)	2		
New Taiwan Dollar	(14)	1		(13)
New Zealand Dollar	(2)	2		
Peruvian Sol	2			2
Polish Zloty	26	(40)		(14)
Pound Sterling	6	(62)	503	447
Singapore Dollar		13		13
South African Rand	58	(4)		54
South Korean Won	(16)	39		23
Thailand Baht		20		20
Yuan Renminbi	(33)	151		118
Grand Total	<u>\$ 268</u>	<u>279</u>	<u>488</u>	<u>1,035</u>

SCERS has investments in futures contracts. As indicated on the preceding pages, futures variation margin accounts are settled each trading day and recognized as realized gains/(losses) as they are incurred. As a result, the foreign futures contracts have no fair value at June 30, 2023.

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**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2023, is as follows:

	Balance July 1, 2022, as restated (a)	Additions	Deletions	Balance June 30, 2023
<b>Governmental activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,666	15	(4)	135,677
Construction in progress	47,829	20,687	(20,396)	48,120
Permanent easement	19,131	2,296	(3)	21,424
Intangible assets under project	66			66
Total capital assets not being depreciated	<u>202,692</u>	<u>22,998</u>	<u>(20,403)</u>	<u>205,287</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	980,972	16,678	(25)	997,625
Infrastructure	3,428,565	91,065		3,519,630
Machinery and equipment	313,534	40,960	(7,501)	346,993
Intangible - computer software	33,506			33,506
Intangible right-to-use lease buildings	326,882	22,709	(328)	349,263
Intangible right-to-use lease machinery and equipment	2,645			2,645
Intangible right-to-use SBITAs	4,763	17,326		22,089
Total capital assets being depreciated/amortized	<u>5,090,867</u>	<u>188,738</u>	<u>(7,854)</u>	<u>5,271,751</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(629,091)	(30,359)		(659,450)
Infrastructure	(2,260,684)	(65,400)		(2,326,084)
Machinery and equipment	(220,340)	(23,832)	7,350	(236,822)
Intangible - computer software	(30,990)	(635)		(31,625)
Intangible right-to-use lease buildings	(36,697)	(36,211)	4	(72,904)
Intangible right-to-use lease machinery and equipment	(912)	(1,146)		(2,058)
Intangible right-to-use SBITAs		(5,403)		(5,403)
Total accumulated depreciation/amortization	<u>(3,178,714)</u>	<u>(162,986)</u>	<u>7,354</u>	<u>(3,334,346)</u>
Total capital assets, being depreciated/amortized	<u>1,912,153</u>	<u>25,752</u>	<u>(500)</u>	<u>1,937,405</u>
Total governmental activities	<u>\$ 2,114,845</u>	<u>48,750</u>	<u>(20,903)</u>	<u>2,142,692</u>

(a) Beginning balances were restated to include the Right-to-Use Assets as part of the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*.

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	Balance July 1, 2022, as restated (a)	Additions	Deletions	Balance June 30, 2023
<b>Business-type activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,737			135,737
Construction in progress	115,391	52,705	(12,138)	155,958
Permanent easement	57			57
Water facility rights	199,499	1,193		200,692
Other intangible assets	1,904			1,904
Total capital assets not being depreciated/amortized	<u>452,588</u>	<u>53,898</u>	<u>(12,138)</u>	<u>494,348</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,555,130	35,602		2,590,732
Infrastructure	246,946	31,761	(42)	278,665
Machinery and equipment	124,601	16,119	(3,232)	137,488
Computer software	651			651
Water facility rights	1,273			1,273
Intangible right-to-use lease buildings	5,660			5,660
Intangible right-to-use lease machinery and equipment	9,884	5,467		15,351
Intangible right-to-use SBITAs	294	559		853
Total capital assets being depreciated/amortized	<u>2,944,439</u>	<u>89,508</u>	<u>(3,274)</u>	<u>3,030,673</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,007,026)	(68,482)	409	(1,075,099)
Infrastructure	(64,791)	(5,320)		(70,111)
Machinery and equipment	(74,240)	(11,406)	2,814	(82,832)
Computer software	(445)	(128)		(573)
Water facility rights	(532)	(25)		(557)
Intangible right-to-use lease buildings	(604)	(604)		(1,208)
Intangible right-to-use lease machinery and equipment	(3,575)	(4,200)		(7,775)
Intangible right-to-use SBITAs		(143)		(143)
Total accumulated depreciation/amortization	<u>(1,151,213)</u>	<u>(90,308)</u>	<u>3,223</u>	<u>(1,238,298)</u>
Total capital assets, being depreciated/amortized, net	<u>1,793,226</u>	<u>(800)</u>	<u>(51)</u>	<u>1,792,375</u>
Total business-type activities	<u>\$ 2,245,814</u>	<u>53,098</u>	<u>(12,189)</u>	<u>2,286,723</u>

(a) Beginning balances were restated to include the Right-to-Use Assets as part of the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*.

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Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

	Depreciation/ Amortization Expense
<b>Governmental activities:</b>	
General government	\$ 19,658
Public assistance	15,754
Public protection	28,360
Health and sanitation	12,503
Public ways and facilities	55,557
Recreation and culture	5,084
Education	1,226
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	24,844
Total depreciation expense - governmental activities	\$ 162,986
 <b>Business-type activities:</b>	
Airport	\$ 57,091
Solid Waste	11,168
Water Agency	21,379
Parking Enterprise	191
County Transit	479
Total depreciation expense - business-type activities	\$ 90,308

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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - INTERFUND TRANSACTIONS**

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the fiscal year ended June 30, 2023.

Transfers Out / In Other Funds for the fiscal year ended June 30, 2023, are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Description</u>
General	Nonmajor governmental	\$ 189,636	Transfer to cover debt service payments and to provide support for special revenue activities
Nonmajor governmental	General	12,748	Transfer to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	26,522	Transfer to cover debt service payments and fund capital projects
Internal service	Nonmajor governmental	10,474	Transfer to cover debt service and Pension Obligation Bond debt service payments
Enterprise - Water Agency	Nonmajor governmental	1,148	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	2,953	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	2,040	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	25	Transfer to cover Pension Obligation Bond debt service payments
General	Internal service	<u>1,271</u>	Transfer to cover extra security services at County Administration Building
	Total	<u>\$ 246,817</u>	



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**NOTE 7 - LEASES & SBITAS**

**Lease Income and Receivables**

The County leases out several of its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewal provisions at the option of the County, generally for 3 or 5 year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rates, ranging from 0.20 percent to 3.01 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be received during the lease term period.

Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new leases and therefore will not immediately realize any reduction in residual value at the end of its leases.

Minimum lease payments receivable on leases of properties and equipment are as follows:

For the Fiscal Year ending June 30, 2023	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,907	322	6,691	657
2025	1,762	298	5,943	559
2026	1,732	277	5,577	466
2027	1,762	255	3,758	380
2028	1,756	233	3,409	306
2029-2033	8,476	850	6,538	874
2034-2038	2,539	495	1,083	631
2039-2043	764	398	647	567
2044-2048	84	388	518	508
2049-2053	(101)	395	429	471
2054-2058	(62)	403	295	433
2059-2063	(15)	407	135	419
2064-2068	39	406	239	404
2069-2073	115	400	366	378
2074-2078	211	386	523	340
2079-2083	329	363	714	286
2084-2088	474	329	946	214
2089-2093	650	281	1,225	120
2094-2098	864	215	580	16
2099-2103	1,123	128		
2104-2108	739	26		
Total	\$ 25,148	7,255	39,616	8,029

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The total amount of revenue (inflows of resources) relating to leases recognized in the current fiscal year is as follows:

<u>For the Fiscal Year ended June 30, 2023</u>	Governmental Activities	Business-type Activities
Lease revenue	\$ 2,270	7,259
Interest revenue	343	525

The County's Airports Department has contracts which qualify to be treated as regulated leases in accordance with the requirements of GASB Statement No. 87. Regulated leases for airports are not subject to GASB Statement No. 87 financial reporting rules and are governed by the Federal Aviation Administration (FAA). Regulated leases include Airline Use and Lease Agreements (ULA), which address the rights, services, and privileges, including the lease of preferentially-assigned gates, which an airline has in connection with the use of the airport and its facilities. The Airports Department has 26 preferential and 6 common use gates. Of the 26 preferential gates, 15 are located in the Airport's Terminal B and 11 in Terminal A. There are 6 airlines with preferential gates. Other regulated leases include the lease of ground, terminal, hangar, and other premises. The Airports Department has not issued any debt for which the principal and interest payments are secured by lease payments.

The County recognized \$65,309 of total amount of inflows of resources during the current fiscal year related to these arrangements. The amount of inflows of resources recognized in the current fiscal year for variable payments is \$5,417.

As of June 30, the remaining amount of expected future payments under these contracts/arrangements amounts to \$333,325, which is expected to be received for each of the subsequent five years and in five-year increments thereafter, as stated below.

<u>For the Fiscal Year ending June 30</u>	<u>Expected Future Minimum Payments</u>
2024	\$ 74,587
2025	74,204
2026	73,986
2027	74,005
2028	2,692
2029-2033	12,248
2034-2038	5,999
2039-2043	4,905
2044-2048	3,133
2049-2053	3,133
2054-2058	3,133
2059-2063	1,085
2064-2068	215
Total	<u>\$ 333,325</u>

**COUNTY OF SACRAMENTO  
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**Lease Payable**

As a lessee, the County is obligated under leases covering buildings, land, and equipment that expire at various dates during the next 19 years.

The County entered into various contracts as lessee primarily for office space, land, heavy equipment, and office equipment. Most of the contracts have initial terms of up to 20 years, and some renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease contracts generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments, ranging from 0.20 percent to 3.13 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be paid during the lease term period.

The future principal and interest lease payments as of June 30, 2023 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 33,023	3,982	3,883	160	83	4
2025	31,767	3,465	2,893	113	103	3
2026	31,570	3,060	1,822	72	107	2
2027	30,619	2,651	967	41	110	1
2028	27,234	2,261	522	32	85	1
2029-2033	105,704	5,885	2,131	55		
2034-2038	23,952	681				
2039-2042	2,985	85				
Total	\$ 286,854	22,070	12,218	473	488	11

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**SBITAs Payable**

The County entered into various Subscription-Based Information Technology Arrangements (SBITAs). Most of the contracts have initial three-year terms, and the remainder of the contracts contain terms which range from two to ten years. Some contracts contain renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the SBITA term when it is reasonably certain that the renewal option(s) will be exercised. Many of the County's SBITA contracts also include options to extend contract terms upon mutual agreement with the vendor, and some contracts contain termination options where either party may terminate the contract at any time for any reason. Such period(s) are excluded from the subscription terms. Certain SBITAs require additional payments for infrastructure technology (IT) support, training, and maintenance fees, which are expensed as incurred. As the interest rate implicit in the County's SBITAs is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments, ranging from 1.87 percent to 2.53 percent depending on SBITA maturity dates, to measure the present value of the SBITA payments expected to be paid during the lease term period.

The County entered into a SBITA contract with Grant Street Group in February 2023 to provide property tax processing software for a period of ten years. Currently, this SBITA is in the implementation stage and is expected to be placed into service by September 2025. The County recognized initial implementation costs as a prepaid SBITA asset in the amount of \$2,026 and will capitalize these costs as an addition to the subscription asset once it is placed into service. Total implementation costs are expected to be \$26,301.

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,154	340	299	17	77	1
2025	5,588	183	209	10		
2026	4,222	45	212	4		
2027	47	1				
Total	\$ 16,011	569	720	31	77	1

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**NOTE 8 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2023:

	Balance July 1, 2022, as restated (a)	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 142,457	122,985	(110,429)	155,013	12,342
Certificates of participation	119,718	10,000	(10,455)	119,263	10,979
Teeter notes	22,151	23,416	(23,294)	22,273	6,176
Pension obligation bonds	625,201		(265,354)	359,847	106,887
Accreted interest	35,969		(25,475)	10,494	10,494
Direct placement bonds		180,740		180,740	405
Revenue bonds	271,194		(12,210)	258,984	6,418
Accreted interest	7,313	3,126	(486)	9,953	667
Other long-term debt	2,393	1,107	(762)	2,738	586
Litigation liability	71,411		(5,575)	65,836	5,743
Financed purchase obligations	17,600	22,000	(7,402)	32,198	8,003
Lease liability	297,937	22,709	(33,792)	286,854	33,023
SBITA liability	4,763	17,326	(6,078)	16,011	6,154
Unamortized amounts					
Issuance premiums	44,987	445	(2,367)	43,065	(2,377)
Issuance discounts	(1,682)		846	(836)	227
Total governmental activities - long-term obligations	<u>\$ 1,661,412</u>	<u>403,854</u>	<u>(502,833)</u>	<u>1,562,433</u>	<u>205,727</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 8,833	8,295	(7,269)	9,859	471
Revenue bonds	887,525		(10,875)	876,650	11,405
PFC and subordinate revenue bonds	214,390		(5,990)	208,400	6,290
Reimbursement agreements	1,638		(328)	1,310	328
Financed purchase obligations	5,823	4,800	(868)	9,755	1,502
Loan agreements		35,000		35,000	586
Revolving line of credit agreement		1,080		1,080	
Lease liability	11,460	5,467	(4,709)	12,218	3,883
SBITA liability	294	499	(73)	720	299
Unamortized amounts					
Issuance premiums	109,702		(10,201)	99,501	
Total business-type activities - long-term obligations	<u>\$ 1,239,665</u>	<u>55,141</u>	<u>(40,313)</u>	<u>1,254,493</u>	<u>24,764</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	Balance July 1, 2022, as restated (a)	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
<b>Component Unit (First 5 Commission):</b>					
Compensated absences	\$ 328	185	(128)	385	31
Lease liability	559		(71)	488	83
SBITA liability	154		(77)	77	77
Total component unit	<u>\$ 1,041</u>	<u>185</u>	<u>(276)</u>	<u>950</u>	<u>191</u>

(a) Beginning balances were restated to include the SBITA liabilities as part of the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$13,048 of the internal service funds compensated absences balance and \$27,698 of the internal service funds financed purchase obligations balance is included in governmental activities and \$4 in lease & SBITA obligations. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and internal service funds.

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2023 are as follows:

Governmental Activities:

Amount  
Outstanding at  
June 30, 2023

Certificates of Participation (COP):

<p>County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003, in an aggregate principal amount of \$36,150. Principal payments are due December 1, 2023 through December 1, 2034, escalating from \$1,295 to \$2,160, with an interest rate at 5 percent. This issuance is collateralized by the base rental payments from the Juvenile Courthouse project. There is no accelerated payment schedule if payment goes into default.</p>	\$ 20,165
<p>County of Sacramento 2018 Certificates of Participation issued on November 28, 2018, in an aggregate principal payment of \$89,125. The County issued the 2018 bonds to refund and defease \$39,703 of outstanding debt for 1994/97 Refunding Certificates of Participation as Series 2018A and Series 2018B for the three Certificates of Participation; \$9,729 for 2003 Public Facilities Projects - ADA Improvements; \$16,355 for 2006 Public Facilities Project; \$34,198 for 2007 Certificates of Participation to pay costs of issuance, and debt service reserve of \$798,240. Principal payments are due October 1, 2023 through the October 1, 2033. Payments escalate from \$3,890 to \$4,755 for Series 2018A and \$440 to \$2,755 for Series 2018B, with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Coroner/Crime Lab, Data Center, and a County-owned Fleet Facility. There is no accelerated payment schedule if payment goes into default.</p>	62,100
<p>County of Sacramento 2020 Certificates of Participation issued on October 22, 2020, in an aggregate principal payment amount of \$27,080. The County issued the 2020 bonds to refund and defease \$39,755 of outstanding debt for 2010 Certificates of Participation, and debt service reserve of \$3,231. Principal payments are due October 1, 2023 through October 1, 2029. Payments escalate from \$2,700 to \$3,645 with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Sacramento Detention Facility, Cherry Island Golf Course, and a County-owned parking garage. There is no accelerated payment schedule if payment goes into default.</p>	22,070
<p>On November 19, 2020 the Sunrise Recreation &amp; Park District (SRPD) Board approved the issuance of Certificates of Participation in an aggregate principal payment amount of \$5,421. SRPD issued the bonds to refund and defease \$5,485 of outstanding debt for SRPD's previous Certificates of Participation issued in June 2006. Principal payments are due September 1, 2023 through September 1, 2037, escalating from \$259 to \$408, with interest at 3.25 percent. There is no accelerated payment schedule if payment goes into default.</p>	4,928

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

The Carmichael Recreation and Park District (CRPD) has been authorized to issue \$31,900 of general obligation bonds to finance improvements and property of CRPD. On March 9, 2023, the CRPD Board issued \$5,360 Series 2023A-1 Bonds with an interest rate of 5.00 percent. Interest payments are due August 1, 2023 through August 1, 2052, with principal payments due August 1, 2044 through August 1, 2052 escalating from \$395 to \$830. On March 9, 2023, the CRPD Board also issued \$4,640 Series 2023A-2 Federally Taxable bonds with an interest rate escalating from 4.95 percent to 5.80 percent between August 1, 2023 to August 1, 2043. Principal payments are due August 1, 2024 through August 1, 2043, fluctuating from \$70 to \$690. At June 30, 2023, \$21,900 of authorized bonds remain unissued. There is no accelerated payment schedule if payment goes into default.

10,000

Total certificates of participation  
Add: Issuance premium

119,263  
12,291

\$ 131,554



**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

Teeter notes:

County of Sacramento, 2018 Teeter Loan Agreement Note, dated December 4, 2018, to purchase the delinquent property taxes receivables as of June 30, 2018, of \$20,372. Annual payments of principal and interest are due August 1st of each year and ending in 2023. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2023. Interest payments will be at a variable rate that averaged 3.302 percent in the FY 2022-23 and was 4.346 percent at June 30, 2023.

\$ 717

County of Sacramento, 2019 Teeter Loan Agreement Note, dated November 19, 2019, to purchase the delinquent property taxes receivables as of June 30, 2019, of \$20,639. Annual payments of principal and interest are due August 1st of each year and ending in 2024. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2024. Interest payments will be at a variable rate that averaged 3.302 percent in the FY 2022-23 and was 4.346 percent at June 30, 2023.

1,660

County of Sacramento, 2020 Teeter Loan Agreement Note, dated January 12, 2021, to purchase the delinquent property taxes receivables as of June 30, 2020, of \$25,131. Annual payments of principal and interest are due August 1st of each year and ending in 2025. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2025. Interest payments will be at a variable rate that averaged 3.302 percent in the FY 2022-23 and was 4.346 percent at June 30, 2023.

2,990

County of Sacramento, 2021 Teeter Loan Agreement Note, dated November 16, 2021, to purchase the delinquent property taxes receivables as of June 30, 2021, of \$22,967. Annual payments of principal and interest are due August 1st of each year and ending in 2026. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2026. Interest payments will be at a variable rate that averaged 3.302 percent in the FY 2022-23 and was 4.346 percent at June 30, 2023.

5,022

County of Sacramento, 2022 Teeter Loan Agreement Note, dated December 6, 2022, to purchase the delinquent property taxes receivables as of June 30, 2022, of \$23,416. Annual payments of principal and interest are due August 1st of each year and ending in 2027. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2027. Interest payments will be at a variable rate that averaged 3.801 percent in the FY 2022-23 and was 4.346 percent at June 30, 2023.

11,884

Total Teeter notes

\$ 22,273

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

Pension obligation bonds (POB):

County of Sacramento Pension Obligation Bonds issued July 15, 2003, \$152,321 of Series 2003 A & B Taxable Pension Refunding Bonds. The net proceeds, \$149,630 established an irrevocable escrow fund to defease to maturity a portion of the Series 1995 Taxable Pension Funding Bonds, from August 15, 2003 through August 15, 2008. The issue is composed of \$54,879 of Series 2003A, Capital Appreciation Bonds, \$97,441 of Series 2003B Convertible Capital Appreciation Bonds to provide budgetary relief (over three to seven years at the time bonds were issued) due to pension benefit enhancements and losses incurred by the SCERS. Final principal payment on the Series 2003A bonds was made on August 15, 2008, in the amount of \$26,500. Principal payment on the Series 2003B bonds was made August 15, 2022 for \$69,014, and the final principal payment commencing August 15, 2023, will be for \$28,427. The rate on Series 2003B bonds is 5.73 percent.

\$ 28,427

County of Sacramento Pension Obligation Bonds issued March 28, 2008, \$359,165 of Series 2008 Taxable Pension Refunding Bonds. The County issued the Series 2008 Bonds to refund and defease \$350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. The County entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901 percent, which remains in effect for the 2008 Taxable Pension Refunding Bonds. See Note 9, Derivatives – Interest Rate Swaps. On June 2, 2023 the County refunded the 2030 Maturing Series of the 2008 POB by issuing the 2023 Synthetic Fixed Bond Series which refunded with a direct placement principal amount of \$179,315. See page 101 for Pension Obligation Bonds – Direct Placement. The 2026 Maturing Series remains outstanding with an \$87,325 principal balance. Principal payments on the remaining Series 2008 bonds are due July 10, 2023 through July 10, 2026, fluctuating from \$17,650 to \$26,675.

87,325

County of Sacramento Taxable Pension Obligation Bonds, Series 2011A issued on September 22, 2011, \$183,365 of Series 2011A Taxable Pension Funding Bonds. The County issued the 2011 bonds to refund \$134,000 outstanding principal amount of its Taxable Pension Funding Bonds, Series 1995B & C, to pay costs associated with the termination of interest rate swaps relating to the refunded bonds of \$51,920, and to pay \$2,912 costs of issuance of the Series 2011A Bonds. The final principal payment on the 2011 bonds is due August 1, 2023, with a payment of \$58,260 at an interest rate of 6.420 percent.

58,260

County of Sacramento Taxable Pension Obligation Bonds, Series 2011B issued on October 6, 2011, \$73,875 of Series 2011B Taxable Pension Funding Bonds. The County issued the 2011B bonds to refund \$47,760 outstanding principal amount of its Taxable Pension Funding Bonds, Series 2009, to pay costs associated with the termination of interest rate swaps relating to the refunded bonds of \$24,629, and to pay \$1,665 costs of issuance of the Series 2011B Bonds. The 2011B bonds totaling \$73,875 are due on August 1, 2024 in full, at an interest rate of 6.625 percent.

73,875

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

County of Sacramento Pension Obligation Bonds issued on October 30, 2013, for \$111,960 of Series 2013 Taxable Pension Refunding Bonds. The County issued the Series 2013 Bonds to refund and defease \$62,402 of the fully accreted outstanding amount of its Taxable Pension Obligation Bonds, Series 2004 C-3 and to pay the costs of issuance of the Series 2013 Bonds. Principal payments on the Series 2013 Bonds are due commencing August 1, 2024, for \$27,310, and August 1, 2025, for \$84,650. The rate on Series 2013 bonds is 7.25 percent.

111,960

The total accreted interest balance at June 30, 2023, on the 2003B Pension Obligation Bonds is \$10,494. All pension obligation bond issuances are uncollateralized and have an accelerated payment schedule that if payment goes into default, all outstanding interest and principal becomes due and payable.

Total pension obligation bonds	359,847
Add: Accreted interest	10,494
Less: Issuance discount	<u>(547)</u>

\$ 369,794

Pension Obligation Bonds - Direct Placement:

County of Sacramento Pension Obligation Bonds issued June 2, 2023, \$180,740 of Series 2023 Taxable Pension Refunding Bonds. The County issued the Series 2023 Bonds to refund and defease \$179,315 of the Series 2008 Taxable Pension Refunding Bonds and to pay for the costs of issuance of the Series 2023 Bonds. The economic loss of the refunding (difference between the present value of the debt service payments on the refunded debt and the new debt) was \$6,764 and there was a cash flow savings of \$8,535. Principal payments on the Series 2023 Bonds are due July 10, 2023 through July 10, 2030, escalating from \$405 to \$47,695, with an interest rate of 6.375 percent attributable to \$166,950 current swap principal and an interest rate of 4.122 attributable to \$13,790 new swap principal. See Note 9, Derivatives - Interest Rate Swaps. The deferred outflows on refunding for the Series 2008 Taxable Pension Refunding Bonds amounted to \$2,176 attributable to the existing swap and \$155 to the new swap. These amounts will be amortized through July 10, 2030. The bonds contain a provision that if payment goes into default, the interest rate on the Bonds shall increase to the Default Rate until the event of default has been cured. The Default Rate is four percent plus a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent, (b) the Federal Funds Rate plus two percent and (c) seven percent.

\$ 180,740

**COUNTY OF SACRAMENTO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (amounts expressed in thousands)**

Amount  
 Outstanding at  
June 30, 2023

Revenue Bonds:

On February 18, 2021, the Tobacco Securitization Authority of Northern California issued \$230,706 of Series 2021 Refunding bonds. The Authority used the proceeds from the issuance of the Series 2021 Refunding Bonds, together with other available funds, to refund on a current basis \$264,391 of the Authority's outstanding Tobacco Settlement Asset-Backed Series 2005 Bonds through defeasance and redemption, and fund a deposit to the Senior Liquidity Reserve Account held under the Indenture and pay costs of issuance in connection with the issuance of the Series 2021 Bonds. The Series 2021 Refunding Bonds are payable solely from pledged Tobacco Settlement Revenues and interest earnings on amounts on deposit. The Authority issued \$124,625 of Series 2021A Senior Current Interest Bonds. The Series 2021A Serial Bonds are for \$87,120 with interest rates ranging from 3.0 percent to 5.0 percent and a final maturity date of June 1, 2040. The Series 2021A Term Bonds are for \$37,505 with an interest rate of 4.0 percent and a final due date of June 1, 2049. The Authority issued \$35,000 for the Series 2021B-1 Class 2 Current Interest Bonds. The first Series 2021B-1 turbo Term Bonds are for \$7,500 with an interest rate of 0.45 percent, with an expected final turbo redemption date of June 1, 2022, with a due date of June 1, 2030. The second Series 2021B-1 Turbo Term Bonds are for \$27,500 with an interest rate of 4.0 percent, with an expected final turbo redemption date of June 1, 2027, with a due date of June 1, 2030. The Authority issued \$71,081 for the Series 2021B-2 Class 2 Senior Capital Appreciation Bonds with an interest rate of 3.75 percent, with an expected final turbo redemption date of June 1, 2043, with a due date of June 1, 2060. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the Authority is unable to make payment.

\$ 199,781

The Sacramento County Public Financing Authority (PFA) issued three series of Revenue Bonds issued December 23, 2003 totaling \$54,921, for the purpose of allowing the PFA to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are distributions made by the County's Redevelopment Property Tax Trust Fund (RPTTF). Total principal and interest remaining on the bonds is \$32,447, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$1,985 and \$1,063, respectively. The PFA issued \$33,696 of Series A Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,940 in serial bonds, maturing from December 2004 to 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020 to 2030. The PFA issued \$8,345 of Series B Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

Sacramento County Public Financing Authority (PFA) issued two series of Tax Allocation Revenue Bonds on March 5, 2008, totaling \$48,545, for the purpose of loaning the proceeds to the Sacramento Housing and Redevelopment Agency. The loan proceeds will finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is tax increment and/or housing set-aside tax increment revenues, depending upon the project. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Total principal and interest remaining on the bonds is \$58,424, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$965 and \$2,022, respectively. The PFA issued \$24,765 of Series A Mather/McClellan (Tax Exempt) Redevelopment Area improvements. The bonds were structured with one serial maturity in 2028 and three term bonds. The \$950 2028 serial bonds were priced with a 4.5 percent coupon to yield 4.66 percent. The \$4,930 2032 term bond was priced with a 4.625 percent coupon to yield 4.8 percent. The \$18,885 2038 term bond was split into two: \$5,000 was priced with a 5.0 percent coupon to yield 4.76 percent; the balance of \$13,885 was priced with a 4.625 percent coupon to yield 4.85 percent. The PFA issued \$23,780 of Series B Mather/McClellan (Taxable) Redevelopment Area and Housing Project. The bonds were structured with serial maturities in 2008 through 2014 and three term bonds - all sold as par bonds with coupon equal to yield. Yields on the \$4,500 serials ranged from 3.33 percent in 2008 to 4.52 percent in 2014. The \$2,815 2018 term bonds were priced to yield 5.317 percent; the \$9,795 2028 term bonds were priced to yield 6.227 percent; and the \$6,670 term bonds were priced to yield 6.577 percent. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the PFA is unable to make payment.

Redevelopment agencies were dissolved as of January 31, 2012. See Note 22 – Successor Agency Trust for Assets of Former Redevelopment Agency.

Principal payments on both Series are due December 1st through final maturity in 2038. Interest payments are due on June 1st and December 1st. The tax-exempt Series A bonds maturing on or after December 1, 2019 are subject to redemption in whole, or in part among such maturities as designated by the PFA. The taxable Series 2008B Bonds are subject to optional redemption on any date, with a “make-whole premium” determined at the time of optional redemption on the basis of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points.

	<u>59,203</u>
Total revenue bonds	258,984
Add: Accreted interest	9,953
Add: Issuance Premium	30,774
Less: Issuance discount	<u>(289)</u>
	<u>\$ 299,422</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

Other long-term debt:

Sacramento County Water Agency's reimbursement agreements with interest at the net County Treasury Pool Rate, is to be paid on the unpaid balance after County's acceptance of project completion, unless paid within 90 days of acceptance and maturities ranging from 30 days to 5 years to be repaid from drainage permit revenues in the Water Agency's Special Revenue Fund. \$ 2,738

Financed purchase obligations:

The County entered into various financing arrangements for the acquisition of Information Technology equipment. Payment terms range from 4 to 10 years with annual payments due. The interest rates range from 2.5 percent to 6.6 percent. \$ 32,198

Litigation liability:

On November 19, 2009, the Regents of the University of California (Regents) filed an action against the County of behalf of its University of California, Davis Health System (UCD), for breach of contract and for a Peremptory Writ of Mandate.

The Petition's causes of action for breach of contract were brought under the following two theories: 1) that UCD had an implied contract with the County - UCD claims that the alleged contract with UCD was manifested by the conduct of the County in its execution of the County's contract with Benefit and Risk Management Services (BRMS); and 2) that UCD is a "third party beneficiary" of the County's contract with BRMS. Pursuant to these theories, UCD alleges the County must pay for hospital care rendered to County Medically Indigent Program (CMISP) patients that were referred to UCD hospital.

The County entered into a settlement agreement with UCD in November 2017, with the County agreeing to pay a net amount of \$93,620 plus interest over a 15 year period. Payments made in the first 11 fiscal years, which include principal and interest, range from \$7.7 million to \$8.2 million, with the first payment having commenced on July 1, 2018. The remaining principal balance after the 11th payment will be paid in 5 equal annual payments starting on July 1, 2029 at an interest rate equal to the 5-year Treasury bill rate plus 6 percent, with a cap of 9.5 percent. As of June 30, 2023, the outstanding balance is \$65,836. In the case of default, the entire unpaid portion of the settlement amount plus interest shall become immediately due. Also, the prejudgment interest will immediately begin to accrue on the default amount from the acceleration date at the rate of 9.5 percent.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

Long-term debt obligation maturities for governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2023.

Fiscal Year ending June 30	Certificates of Participation		Teeter Notes		Pension Obligation Bonds		Pension Obligation Bonds- Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 10,979	5,227	6,176	1,118	106,887	30,847	405	10,136
2025	12,223	5,017	5,459	620	123,985	12,451	680	10,098
2026	12,251	4,407	4,629	414	111,325	4,215	705	10,058
2027	12,866	3,795	3,632	236	17,650		13,650	9,291
2028	13,540	3,152	2,377	90			34,730	7,339
2029 - 2033	38,279	9,068					130,570	7,817
2034 - 2038	11,750	2,586						
2039 - 2043	1,595	1,758						
2044 - 2048	2,265	1,237						
2049 - 2053	3,515	558						
	<u>\$ 119,263</u>	<u>36,805</u>	<u>22,273</u>	<u>2,478</u>	<u>359,847</u>	<u>47,513</u>	<u>180,740</u>	<u>54,739</u>

Fiscal Year ending June 30	Revenue Bonds		Other		Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,418	9,189	586	37	8,003	195
2025	6,424	8,718	511	31	7,655	114
2026	6,673	8,402	416	24	6,540	43
2027	7,005	8,069	311	19	5,000	
2028	7,318	7,716	311	14	5,000	
2029 - 2033	39,656	31,787	603	16		
2034 - 2038	45,340	19,813				
2039 - 2043	28,394	11,086				
2044 - 2048	20,620	6,466				
2049 - 2053	20,055	802				
2054 - 2058						
2059 - 2060	71,081	234,869				
	<u>\$ 258,984</u>	<u>346,917</u>	<u>2,738</u>	<u>141</u>	<u>32,198</u>	<u>352</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Amount  
Outstanding at  
June 30, 2023

Business-type Activities:

Revenue, Passenger Facility Charges (PFC) and Subordinate Revenue Bonds:

On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rate on the 2007A bonds is 5.0 percent. The variable interest rates on the 2007B bonds range from 2.239 percent to 2.259 percent at June 30, 2023. Proceeds from this debt issue were used to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Water Agency’s Water System and to advance refund the majority of the 2003 revenue bonds, which have been subsequently paid in full. Principal payments on the Series 2007B bonds are due June 1, 2023 through June 1, 2039 ranging from \$1,905 to \$21,675. The Water Agency entered into a swap agreement effective May 9, 2007 on the Series 2007B bonds fixing the interest rate between 4.193 percent to 4.221 percent. See Note 9, Derivatives - Interest Rate Swaps. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

\$ 227,015

On October 31, 2019, the Sacramento County Water Financing Authority issued \$88,790 of Revenue Bonds for the Sacramento County Water Agency Zones 40 and 41 2019 Refunding Project Series. The Series 2019 Bonds were issued to refund and defease \$103,185 of outstanding debt for Sacramento County Water Agency Zones 40 and 41 2007A (Fixed Rate) Series Water System Project Revenue Bonds. Principal payments on the Series 2019 bonds are due June 1, 2021 through June 1, 2028 and range from \$7,115 to \$10,900, with an interest rate of 5 percent. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

47,710

On February 1, 2022, the Sacramento County Water Financing Authority issued \$81,215 of Water Agency Revenue Bonds, Series 2022A for the Sacramento County Water Agency Zones 40 and 41 Interim Financing. The proceeds of the Series 2022A Bonds are used to finance on an interim basis a portion of costs of the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project, which will provide for improvements for the Arden Service Area. Interest payments on the Series 2022A are due on June 1 and December 1 of each year, commencing on June 1, 2022, with an interest rate of 4 percent and ending on November 1, 2025 with a final principal payment of \$81,215. The Agency and the Authority have entered into a Water Infrastructure Finance and Innovation (WIFIA) Credit Agreement with the United States Environmental Protection Agency on December 8, 2021. The Agency expects to draw on the WIFIA Credit Agreement to reimburse it for eligible project costs thereby providing funds to pay the principal of the Series 2022A Bonds at maturity or early redemption. In the event of default, the Authority or the Agency would likely need to issue bonds, notes or other obligations to pay the principal of the Series 2022A bonds. Debt service on such bonds, notes or other obligations could be materially higher than payments on the WIFIA Credit Agreement.

81,215

On May 1, 2008, the County issued \$496,195 of Department of Airports Senior Revenue Bonds, Series A, B and C, and \$89,430 of Airport Subordinate and PFC Revenue Refunding Bonds, Series D and E. Series 2008A fully refunded Series 1992B Bonds, Series 1998A Bonds and advance refunded Series 2002A Bonds. Series 2008A also provided \$56.5 million to finance a portion of the costs of Terminal Modernization Program at the Sacramento International Airport. Series 2008B refunded 45.4 percent of the Series 2006A Bonds and provided \$266.5 million to finance a portion of the costs of Terminal Modernization Program at Sacramento International Airport. Series 2008C advance refunded Series 2002B Bonds. Series 2008D fully refunded Series 1998B Bonds. Series 2008E refunded 54.6 percent of the Series 2006A Bonds.



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On July 28, 2009, the Department of Airports issued additional bonds in the amount of \$480,050 to continue the financing of the Terminal Modernization Program, Department of Airports Senior Revenue Bonds Series 2009A \$31,115, and Series 2009B \$170,685; Subordinate and PFC/Grant Revenue Bonds Series 2009C \$112,860, and Series 2009D \$165,390. The Department of Airports issued the Series 2009 Senior Bonds as Senior Obligations pursuant to the Master Indenture approved on May 1, 2008, and Third Supplemental Indenture, approved on July 1, 2009. On August 25, 2010, the County issued additional Department of Airports Senior Revenue Bonds in the amount of \$128,300 to complete the financing of the Terminal Modernization Program. The Series 2010 Senior Bonds were issued pursuant to the Master Indenture approved on May 1, 2008, as supplemented and amended by a Fifth Supplemental Indenture of Trust, dated as of August 1, 2010. The Series 2010 Senior Bonds are to be secured by the Trust Estate and payable from Net Revenues. The bonds are issued under the terms of supplemental indentures adopted by the Board and are subject to call and redemption at the option of the Airport prior to their respective maturity dates.

On December 21, 2016, the County issued \$89,000 of Department of Airports Senior Revenue Refunding Bonds, Series 2016A and \$92,790 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2016B. The Series 2016A Senior Bonds were issued to advance refund a portion of the outstanding County of Sacramento Department of Airports Senior Revenue Bonds, Series 2008A and all of the outstanding County of Sacramento Department of Airport Senior Revenue Bonds, Series 2009A. Principal payments are due July 1, 2035 through July 1, 2041. The Series 2016B Subordinate Bonds were issued to advance refund all of the outstanding County of Sacramento Department of Airports Subordinate and PFC/Grant Revenue Bonds, Series 2009C. The term of the 2016 Bond series is twenty-five years with an average coupon rate of 5 percent. The deferred outflows related to refunding amounted to \$18,228 and will be amortized through July 1, 2041.

On May 3, 2018, the County issued \$61,710 of Department of Airports Senior Revenue Refunding Bonds, Series 2018A, \$118,875 of Department of Airports Senior Revenue Refunding Bonds, Series 2018B, \$254,925 of Department of Airports Senior Revenue Refunding Bonds, Series 2018C, \$22,365 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018D, \$99,745 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018E and \$15,480 of Department of Airports Subordinate Revenue Refunding Bonds, Series 2018F. Principal payments are due July 1, 2022 through July 1, 2039. The Series 2018 Senior Bonds were issued to refund the outstanding Senior Series 2008A, 2008B and 2009B. The Series 2018 Subordinate Bonds were issued to refund the outstanding Subordinate Series 2008D, 2008E and 2009D. The deferred outflows related to refunding totaled \$10,962 and will be amortized through July 1, 2039.

On June 25, 2020, the County defeased the 2021 and 2022 maturities of the Series 2010 Department of Airport Senior Bonds and Series 2018 Department of Airports Senior Bonds for a total of \$33,100 to lower the debt service payments for FY 2020-21 and FY 2021-22, and consequently reduce the fees and charges related to the debt service payments. The Department of Airports has used its existing cash resources for the defeasance and subsequently submitted a reimbursement request to the Federal Aviation Administration to recover the defeasance cost which was an eligible expense under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. The Department of Airports has placed an amount of \$35,940 with the escrow agent to provide for the debt service payments of the 2021 and 2022 maturities of the 2010 and 2018 Senior Bonds and their related interest obligations. The transaction resulted in a gain on defeasance of \$1.3 million.

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On August 13, 2020, the County issued \$79,705 of Department of Airports Senior Revenue Refunding Bonds, Series 2020 to refund the outstanding Department of Airports Senior Revenue Bonds, Series 2010. The refunding was undertaken to reduce total debt service payments by an average of \$2.0 million annually and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$34.6 million. The deferred amounts on refunding totaled \$1,474 and will be amortized through July 1, 2040. Principal payments are due July 1, 2023 through July 1, 2040. The Series 2020 Senior Refunding Bonds were issued pursuant to a Master Indenture of Trust, dated as of May 1, 2008, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee as supplemented by a Tenth Supplemental Indenture of Trust, dated as of August 1, 2020, between the County and the Trustee. The Series 2020 Senior Refunding Bonds are secured by the Trust, subject to the application of the moneys included in the Trust Estate on the terms and conditions and for the purposes set forth in the Indenture. The primary component of the Trust Estate is the Net Revenues derived by the County from the operation of the Airport System. The Series 2020 Senior Bonds constitute Senior Obligations pursuant to the Indenture and are secured by the Trust Estate and payable from Net Revenues on a parity basis with Senior Obligations previously issued by the County.

On January 25, 2022, the County defeased the 2023 and 2024 maturities of the Series 2020 Airport System Senior Bonds and Series 2018 Airport System Senior Bonds in the amount of \$35,010 to lower the debt service payments for fiscal years 2023 and 2024, and consequently reduce the fees and charges related to the debt service payments. Airports used its existing cash resources for the defeasance and subsequently submitted a reimbursement request to the Federal Aviation Administration to recover the defeasance cost which was an eligible expense under the provisions of the American Rescue Plan Act (ARPA). Airports has placed an amount of \$37,811 with the escrow agent to provide for the debt service payments of the 2023 and 2024 maturities of the 2020 and 2018 Senior Bonds and their related interest obligations. The transaction resulted in a gain on defeasance of \$2.5 million. The prepaid insurance, bond premiums, and the deferred amounts on prior refunding transactions related to the defeased maturities have been written off. The entire \$35,010 of the defeased debt remains outstanding as of June 30, 2023.

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The County has irrevocably pledged the net revenues of the Department of Airports for payment of these revenue bonds. As long as any senior obligation bonds remain outstanding, no event of default shall exist or may be declared with respect to any subordinate obligations or junior subordinate obligations. As long as any subordinate obligations remain outstanding, no event of default shall exist or may be declared with respect to any junior subordinate obligations. Senior obligations shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture. The subordinate obligation is not subject to this acceleration if any senior obligations are then outstanding. Junior subordinate obligations are not subject to this acceleration if any subordinate or senior obligations are then outstanding.

520,710

Total Revenue Bonds	876,650
PFC and Subordinate Bonds	208,400
Add: Issuance premiums	99,501
	<u>\$ 1,184,551</u>

Reimbursement agreements:

Sacramento County Water Agency (Water Agency) Enterprise fund enters into various reimbursement agreements with developers for construction of water supply facilities within the Water Agency's jurisdiction. Impact fees are established within the zone to pay for the construction of new water supply facilities. A reimbursement agreement is established when the amount of impact fees applied to the water supply facilities exceed the amount of the fees due to the contractors for performing the service of construction for the water supply facilities. These agreements are secured by the net revenues of the Water Agency.

\$ 1,310

Financed purchase obligations:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on August 13, 2021 for the acquisition of 14 automatic side loading garbage collection trucks. Semi-annual payments are due from August 13, 2022 to August 23, 2028. The interest rate is 7.45 percent. Of the \$6.254 million debt issued, only \$5.840 million was used to purchase and finance the equipment. The remaining \$414 is held in escrow as restricted cash to be used towards payments due.

\$ 4,955

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on March 8, 2023 for the acquisition of 9 automatic side loading garbage collection trucks. Semi-annual payments are due from September 8, 2023 to March 8, 2030. The interest rate is 3.14 percent.

4,800

Total Financed Purchase Obligations	<u>\$ 9,755</u>
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Loan agreements:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on January 17, 2023 for the improvement of the North Area Recovery Station and for the construction of a new Commercial Waste Transfer Building. The projects are funded by the IBank Loan for \$35,000 at an interest rate of 4.37 percent. Principal payments are due from August 1, 2023 through August 1, 2052, escalating from \$586 to \$2,027.

\$ 35,000

Revolving line of credit:

On December 8, 2022, the County entered into a Revolving Credit Agreement with Wells Fargo Bank, N.A. to obtain interim financing, in aggregate not to exceed \$50,000, for the Department of Airports SMForward Projects. The principal of each Revolving Loan shall be repaid in full by the commitment expiration date of December 8, 2025. As of June 30, 2023, the outstanding loan balance was \$1,080. This has a variable interest rate which is based on the applicable spread ranging from 35 to 113 basis points (based on credit ratings) plus daily simple SOFR, with a maximum interest rate of 12 percent.

\$ 1,080

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Long-term debt obligation maturities for business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2023.

<u>Fiscal Year ending June 30</u>	Revenue Bonds and PFC Revenue			
	Bonds		Reimbursement Agreements	
	Principal	Interest	Principal	Interest
2024	\$ 17,695	51,242	328	
2025	18,555	50,286	328	
2026	121,465	46,953	654	
2027	42,240	43,595		
2028	43,825	41,478		
2029 - 2033	265,555	172,189		
2034 - 2038	324,350	102,570		
2039 - 2042	251,365	24,323		
	<u>\$ 1,085,050</u>	<u>532,636</u>	<u>1,310</u>	

<u>Fiscal Year ending June 30</u>	Financed Purchase Obligations		Loans Agreements	
	Principal	Interest	Principal	Interest
	2024	\$ 1,502	199	586
2025	1,531	169	612	1,490
2026	1,562	139	639	1,463
2027	1,593	108	667	1,435
2028	1,625	76	696	1,405
2029 - 2033	1,942	61	3,963	6,530
2034 - 2038			4,908	5,564
2039 - 2043			6,078	4,369
2044 - 2048			7,528	2,888
2049 - 2053			9,323	1,053
	<u>\$ 9,755</u>	<u>752</u>	<u>35,000</u>	<u>27,773</u>

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for the fiscal year ended June 30, 2023.

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Non-Exchange Financial Guarantees

River City Regional Stadium Financing Authority; Taxable Lease Revenue Bonds, Series 1999

The Board executed the board resolution in May 1999 authorizing the execution and delivery of a joint exercise of powers agreement of the River City Regional Stadium Financing Authority (the Authority). The County is a member of the Authority. The Authority issued taxable lease revenue bonds in the amount of \$39,990 to finance the site acquisition and construction of a privately owned and operated baseball stadium and related improvements, known as Sutter Health Park. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay up to 66 percent of these annual obligations. The stadium lease obligates the River City Companies to repay the County for any payments made by the County.

As of June 30, 2023, the principal amount of bonds outstanding was \$18,675 and 66 percent of the average annual lease obligation amount is \$2,337. The guarantee will be in effect until the bonds mature in 2029, or until all bonds are fully paid. Ticket receipts have been sufficient since the bonds were issued in 1999 to meet all lease obligations.

Conduit Debt Obligations

*Airports Special Facilities Revenue Bonds*

Variable Rate Demand Special Facilities Airport Revenue Bonds, Series 1998 (Special Facility Bonds), totaling \$9,900 were issued on November 3, 1998 to finance the demolition of an existing facility and construction and installation of a replacement aircraft maintenance hangar and associated facilities at the Sacramento International Airport for Cessna. Although taking the legal form of a financing lease between the County and Cessna, the substance of these arrangements is that the Special Facility Bonds constitute a special obligation of the Airports payable from and secured by certain revenues under its lease with Cessna and certain proceeds pledged under the Indenture. The bonds do not constitute a debt, liability or general obligation of the the County or a pledge of the faith and credit of the Airports. Airports will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2023, the outstanding balance of the debt was \$8,800. The Special Facility Bonds mature on November 1, 2028.

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**NOTE 9 - DERIVATIVE INSTRUMENT - INTEREST RATE SWAPS**

All five of the County's interest rate swap agreements are considered to be effective hedging derivative instruments. The County used the consistent critical terms method to evaluate hedge effectiveness for the \$127,060 and \$99,955 Water Agency Revenue bonds, Series 2007B Swaps, and the regression analysis method for the \$87,325 Taxable Pension Bonds - 2008 C-1 Swap, and the \$166,950 and \$13,790 refunding 2023 POBs.

Hedging derivative instruments are classified as Level 2 fair value measurement within the fair value hierarchy established by GAAP and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. The payments are then discounted using the spot rates of LIBOR (London Interbank Offered Rate) or SOFR (Secured Overnight Financing Rate) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. As of June 30, 2023 LIBOR still existed, therefore, the two water swaps and the Series 2008 C-1 swap are discounted using LIBOR. Starting July 1, 2023, these swaps will be discounted using SOFR.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2023, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year ended June 30, 2023 financial statements are as follows.

	Notional Amount	Changes in Fair Value		Fair Value - as of June 30, 2023	
		Classification	Amount	Classification	2023
<b>Governmental Activities:</b>					
<i>Cash Flow Hedges:</i>					
<b>Series 2008 C-1 Swap</b>					
Pay-fixed interest rate swap	\$ 87,325	Deferred outflow of resources	\$ 10,483	Debt	\$ (1,340)
<b>Series 2023 POB refunding</b>					
Pay-fixed interest rate swap	166,950	Deferred outflow of resources	7,181	Debt	(15,422)
<b>Series 2023 POB refunding</b>					
Pay-fixed interest rate swap	13,790	Deferred inflow of resources	<u>225</u>	Debt	<u>225</u>
		Total Governmental Activities	<u>\$ 17,889</u>		<u>\$ (16,537)</u>
<b>Business-Type Activities:</b>					
<i>Cash Flow Hedges:</i>					
<b>Series 2007 B Swap</b>					
Pay-fixed interest rate swap	\$ 127,060	Deferred outflow of resources	\$ 8,006	Debt	\$ (7,308)
<b>Series 2007 B Swap</b>					
Pay-fixed interest rate swap	99,955	Deferred outflow of resources	7,624	Debt	(10,294)
		Total Business-Type activities	<u>\$ 15,630</u>		<u>\$ (17,602)</u>

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**Objective and Terms of Hedging Derivative Instruments:**

The following table displays the objective and terms of the County's hedging derivative instruments outstanding at June 30, 2023, along with the credit rating of the associated counterparty:

**Governmental Activities:**

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
<b>Series 2008 C-1 Swap</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 87,325	6/10/2023	7/10/2026	County pays 5.901% fixed; receives USD LIBOR - BBA adjusted monthly; 5.191%	Aa1 Moody's A+ S&P AA- Fitch
<b>Series 2023 POB refunding</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	166,950	6/10/2023	7/10/2030	County pays 6.375% fixed; receives SOFR + 0.56448%; 5.618	Aa1 Moody's A+ S&P AA- Fitch
<b>Series 2023 POB refunding</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	13,790	6/2/2023	7/10/2030	County pays 4.122% fixed; receives SOFR + 0.56448%; 5.619	Aa1 Moody's A+ S&P AA- Fitch

**Business-Type Activities:**

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
<b>Series 2007 B Swap</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$ 127,060	5/9/2007	6/1/2034	Water Agency pays fixed 4.193%; receives 67% of USD LIBOR-BBA plus 55 bps	Aa2 Moody's A+ S&P AA Fitch
<b>Series 2007 B Swap</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B Bonds	99,955	5/9/2007	6/1/2039	Water Agency pays fixed 4.221%; receives 67% of USD LIBOR-BBA plus 57 bps	Aa2 Moody's A+ S&P AA Fitch

**Taxable Pension Funding Bonds Refunding 2008 C-1 Swap and 2023 Refunding POBs:**

Credit Risk:

*2008 Pension Obligation Refunding Bonds:* Other than the risk of the County being required to make a termination payment described below, the County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swaps have an aggregate negative fair value. However, should interest rates change and the fair value of the swaps become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value.



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*2023 Pension Obligation Refunding Bonds:* The Bonds are subject to a rate increase based on ratings assigned to the County’s Certificates of Participation (COPs) bonds. The Bonds are currently calculated at the interest rate of Daily SOFR Index Rate + 45 basis points (0.45%) (Tier 1), and are subject to an Applicable Spread based on the following ratings of the COPs:

<b>Tier</b>	<b>Credit Ratings(Moody's/S&amp;P/Fitch)</b>	<b>Applicable Spread</b>
I	A2/A/A and above	.45
II	A3/A-/A-	.55
III	Baa1/BBB+/BBB+	.77
IV	Baa2/BBB/BBB	.90

In the event the County maintains two or more ratings, and in the case of a split rating or differing ratings among the Rating Agencies, the rating corresponding to the highest numbered tier identified above shall apply for determining the Applicable Spread. At least one outstanding issue of COPs, rated by at least two of the following three nationally recognized ratings agencies, must maintain ratings at or above the following levels: Baa2 (or equivalent) by Moody’s, BBB (or equivalent) by S&P, or BBB (or equivalent) by Fitch. Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).

**Interest Rate Risk:**

The County is exposed to interest rate risk on its interest rate swaps. On its pay-fixed receive-variable interest rate swap, as the LIBOR or SOFR index decreases, the County’s net payment on the swap increases.

**Basis Risk:**

The basis risk is the difference between the rate paid on the variable-rate bonds and the floating amount received from the interest rate swap of the 1-Month LIBOR. Since the 2008 bond refunding the variable-rate payments were fixed to the 1-Month LIBOR as well, and both reset on the same day of the month, the basis risk became fixed. The basis risk for the 2026 Term bonds is 1.30 percent, however, both the of the indices for the Bonds and the swap payments are now tied to the 1-month Fallback Rate (SOFR) with a 5-day London banking day lookback. There is no basis risk associated with the 2023 Pension Obligation Refunding Bonds as both the bond and the associated swaps are tied to SOFR plus 0.56448 percent.

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Contingencies:

Should the County be downgraded below Baa2 by Moody's or BBB by S&P and Fitch and an insurer event has occurred, then the counterparty has the option to terminate the swap.

Termination Risk:

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swap is terminated, other than by the counterparty exercising its option under the agreement, and at the time of termination, the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value, which as of June 30, 2023 was \$16,537.

**Water Agency Revenue Bonds, Series 2007B Swaps:**

Credit Risk:

Other than the risk of the Sacramento County Water Agency (Water Agency) being required to make a termination payment described below, the Water Agency is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, if the swap had a positive fair value greater than \$10 million, the Water Agency would be exposed to credit risk from the counterparty. The swap counterparty was rated Aa2 by Moody's Investors Service, A+ by S&P Global Ratings and AA by Fitch.

Interest Rate Risk:

The Water Agency is exposed to interest rate risk on its interest rate swaps. On its pay-fixed receive-variable interest rate swap, as the LIBOR index decreases, the Water Agency's net payment on the swap increases.

Basis Risk:

The swaps are not exposed to basis risk since there is no difference between the rates paid on the variable-rate bonds and the floating amounts received from the interest rate swaps of the USD-LIBOR.

Contingencies:

The Water Agency's swap assignment agreement includes provisions relating to the posting of collateral for the swap counterparty and the Water Agency. The swap Credit Support Annex (CSA), which is part of the swap agreement, is a one-way CSA where the counterparty has the obligation to post collateral depending on the valuation thresholds. Conversely, the Water Agency does not have to post collateral unless 1) a rating event occurs if the Water Agency gets downgraded below A2 by Moody's or A by S&P; and 2) an insurer event occurs which could be a combination of several events, but most likely a) the insurer gets downgraded; and b) the insurer has failed to payout an obligation of greater than \$30 million; and 3) the Water Agency chooses the option to post collateral. The two other options available to the Water Agency are to provide a letter of credit or to assign the agreement to another entity.

Should the Water Agency be downgraded below Baa2 by Moody's or BBB by S&P and an insurer event has occurred, the counterparty has the option to terminate the swap.

Termination Risk:

The Water Agency or the counterparty may terminate the swaps if the other party fails to perform under the terms of the contract. If the swaps are terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swaps are terminated, other than by the counterparty exercising its option under the agreement, and at the time of termination, the swaps have a negative fair value, the Water Agency would be liable to the counterparty for a payment equal to the swaps fair value, subject to netting arrangements.

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**Derivative Instrument Payments and Hedged Debt:**

Using the rates as of June 30, 2023, debt service requirements for governmental activities and business-type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented below:

Governmental Activities:

<u>Fiscal Year ending June 30</u>	<u>Pension Refunding Bonds</u>			Net Cash Flows
	Principal	Interest	Interest Rate Swaps, Net	
2024	\$ 20,605	14,604	1,552	36,761
2025	23,480	13,102	1,402	37,984
2026	27,380	11,352	1,224	39,956
2027	31,300	9,450	1,034	41,784
2028	34,730	7,502	817	43,049
2029 - 2031	130,570	8,429	911	139,910
	<u>\$ 268,065</u>	<u>64,439</u>	<u>6,940</u>	<u>339,444</u>

Business-Type Activities:

<u>Fiscal Year ending June 30</u>	<u>Sacramento County Water Agency Enterprise Fund</u>			Net Cash Flows
	Principal	Interest	Interest Rate Swaps, Net	
2024	\$ 1,985	9,628	(81)	11,532
2025	2,065	9,544	(80)	11,528
2026	2,150	9,456	(79)	11,527
2027	2,245	9,365	(79)	11,532
2028	6,675	9,270	(78)	15,867
2029 - 2033	91,315	37,527	(306)	128,536
2034 - 2038	98,905	17,303	(129)	116,079
2039	21,675	922	(7)	22,590
	<u>\$ 227,015</u>	<u>103,015</u>	<u>(839)</u>	<u>329,191</u>

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**NOTE 10 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES**

At June 30, 2023, special assessment improvement bonds outstanding for all assessment districts totaled \$195,523. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects is accounted for in the capital projects funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the other custodial funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999, the District issued \$13,025. On May 12, 2005, the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75 percent to 4.50 percent, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30 percent. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in the original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. At June 30, 2023, \$6,975 of authorized bonds remains unissued. The outstanding balance at June 30, 2023 was \$2,120.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue \$90,000 of Special Tax Bonds. On September 28, 2004, the District issued \$10,250 Series 2004 Special Tax Bonds with interest rates ranging from 3.00 percent to 6.25 percent. On December 8, 2011, the District issued \$10,395 Series 2011 Special Tax Bonds with interest rates ranging from 2.25 percent to 6.00 percent. On December 14, 2017, the District issued \$29,470 of Series 2017 Special Tax Bonds with interest rates ranging from 2.00 to 5.00 percent, a portion of the proceeds were used to defease the outstanding 2004 bonds and the outstanding 2011 bonds. The remaining proceeds were used to pay the costs of acquiring and constructing certain public facilities. The 2017 bonds constitute the entire bonded indebtedness as of June 30, 2023. At June 30, 2023, \$57,235 of authorized bonds remain unissued. The outstanding balance at June 30, 2023 for the Series 2017 bonds was \$26,745.

The Metro Air Park Community Facilities District No. 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004, the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 percent. On December 14, 2007, the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00 percent. On September 15, 2022, the District issued \$121,710 of Series 2022 Special Tax Bonds with an interest rate of 5.00 percent. Bond proceeds were used to refund the outstanding 2004A Bonds and 2007B Bonds, pay (or reimburse the County for) the costs of acquiring and constructing certain public facilities, fund a deposit to the Bond Reserve fund, and pay costs of issuance of the 2022 Bonds. The 2022 Special Tax Bonds constitute the entire bonded indebtedness. The outstanding balance as of June 30, 2023 for the 2022 Special Tax Bonds was \$121,710.

The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue \$30,000 of Special Tax Bonds. On September 6, 2007, the District issued \$14,415 of Special Tax Bonds with interest rates ranging from 4.40 percent to 6.00 percent. On June 8, 2016, the District issued \$23,155 of Special Tax Bonds 2016 Series, of which the proceeds were used to defease the outstanding 2007 bonds and to fund certain public facility construction projects. The interest rates relating to these bonds range from 2.00 percent to 5.00 percent. The 2016 Special Tax Bonds constitute the entire bonded indebtedness. As of June 30, 2023, \$6,845 of authorized bonds remains unissued. The outstanding balance as of June 30, 2023, for the 2016 Special Tax Bonds was \$20,740.

The County of Sacramento Community Facilities District No 2014-2 (North Vineyard Station No. 2) (District) has been authorized to issue \$50,000 of Special Tax Bonds. On June 8, 2016, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. On June 30, 2021, the District issued \$3,895 of Special Tax Bonds with a interest rate of 4.00 percent to provide funds to pay cost of acquisition and construction, deposit to a Bond Reserve fund, and pay certain cost of issuing. The Series 2016 and the Series 2021 Bonds, constitute the entire bonded indebtedness of the District. As of June 30, 2023, \$31,880 of authorized bonds remains unissued. The outstanding balance as of June 30, 2023 for the 2016 Special Tax Bonds was \$13,580 and for the 2021 Special Tax Bonds was \$3,825.

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The Park Meadows Community Facilities District No. 1 (District) has been authorized to issue \$1,200 of Special Tax Bonds. On June 28, 2000, the District issued Current Interest Bonds in the amount of \$230 at the interest rate of 7.75 percent, and Convertible Capital Appreciation Bonds in the original principal amount of \$892 at the interest rate of 8.25 percent. These bonds constitute the entire bonded indebtedness. As of June 30, 2023, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2023 was \$383.

The County of Sacramento Community Facilities District No. 2016-2 (Florin Vineyard District No. 1) (District) has been authorized to issue \$15,000 of Special Tax Bonds. On August 16, 2018, the District issued \$6,610 of Series 2018 Special Tax Bonds with interest rates ranging from 3.00 percent to 5.00 percent. The Series 2018 Special Tax Bonds constitute the entire bonded indebtedness of the District. As of June 30, 2023, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2023 was \$6,420.

**NOTE 11 - PLEDGED REVENUES**

The County has pledged a portion of delinquent property tax revenues to repay \$22,273 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on December 4, 2018, November 19, 2019, January 12, 2021, November 16, 2021 and December 6, 2022. The notes are due and payable to the County of Sacramento Pooled Investment Fund and are payable solely from the collection of delinquent property taxes. Total principal of \$22,273 and interest of \$2,478 remain on the notes and are payable through August 1, 2027. For the current year, net revenues pledged were equal to the total principal and interest paid of \$23,294 and \$372, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Department of Airports through fiscal year 2041. The total principal and interest remaining to be paid on senior bonds is \$821,212. Principal and interest paid in the current fiscal year was \$25,746 and the total net revenues were \$99,160. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding the depreciation of capital assets.

Total principal and interest remaining to be paid on the subordinate bonds is \$323,521. Principal and interest paid for the current year was \$16,560 and the Passenger Facility Charges (PFC) cash generated in FY 2022-23 was \$25,144. Although PFC revenues are not pledged pursuant to the Master Indenture, the County intends to continue using PFCs to pay subordinate lien debt service, which will decrease significantly as a result of the refunding savings.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Water Agency through fiscal year 2039. The total principal and interest remaining to be paid on the bonds is \$472,953. Principal and interest paid in the current fiscal year was \$22,093 and the total net revenues were \$70,173. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding depreciation of capital assets.

**NOTE 12 - COMMITMENTS**

The County has entered into several agreements related to the construction of capital projects and other activities.

Governmental Funds – The County’s governmental funds had approximately \$43,881 in outstanding construction contract commitments at June 30, 2023.

Airports Enterprise Fund – The Airports had approximately \$27,002 in outstanding construction contract commitments at June 30, 2023.

Solid Waste Enterprise Fund – Solid Waste had approximately \$69,848 in outstanding construction contract commitments at June 30, 2023.

Water Agency Enterprise Fund – The Water Agency had approximately \$50,169 outstanding construction contract commitments at June 30, 2023.

Nonmajor Enterprise Funds - The nonmajor enterprise funds had \$2,889 in outstanding construction contract commitments at June 30, 2023.

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**NOTE 13 - CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations that place specific requirements on the Solid Waste Fund (Fund) regarding closure and postclosure maintenance and monitoring for the Fund landfills. These functions are required for 30 years after closure of the landfill sites. Although closure and postclosure care costs will be paid only near or after the date that a site is closed, the Funds recognizes these costs (as described below) as operating expenses each year.

Solid Waste operates one active landfill (Kiefer) and maintains postclosure care for two closed landfills (Elk Grove and Grand Island).

Management of the fund has deemed the capacity of the Kiefer Landfill will be the basis of recognizing its closure and postclosure care costs. Kiefer Landfill closure and postclosure care liabilities at June 30, 2023, were \$17,398. The Fund will recognize costs of \$35,982 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2023 the capacity of the Kiefer Landfill used to date was 33 percent and the estimated remaining landfill life is 51 years. As required by applicable laws, management has established a fund for the postclosure Kiefer Landfill, in which \$10,956 is considered restricted at June 30, 2023. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

A portion of the property on which the Elk Grove Landfill is located (22.1 acres) was deeded to the County in 1936. In 1969 an additional 14.9 acres was added by eminent domain condemnation proceedings. The property was used as a municipal solid waste facility until 1978 and in 1979 it was officially closed. A final cover was placed on the landfill in 1993.

The Grand Island Landfill is a closed 10.4 acre disposal site that was leased to and operated by the County from 1971 to 1979. It is owned by the U.S. Army Corps of Engineers. A final cover was placed on the landfill in 1998.

Sections of Title 27 of the California Code of Regulations, Chapter 6, Subchapter 2, Article 2, require the operator of a disposal facility to demonstrate financial responsibility to the California Department of Resources Recycling and Recovery (CalRecycle) for maintenance. The Elk Grove and Grand Island Landfills are exempt from requiring a fund to demonstrate financial responsibility because these sites were not operated after January 1, 1988.

Title 27 also specifies that at sites where CalRecycle does not require a fund, the Regional Water Quality Control Board (RWQCB) shall require the establishment of an irrevocable fund (or to provide other means) pursuant to CalRecycle promulgated sections, to ensure maintenance. The RWQCB required the County to provide evidence of financial responsibility for initiating and completing corrective action for all known and reasonably foreseeable releases for the Elk Grove and Grand Island Landfills in 1999 and 2004, respectively.

State law provides that the County can choose any alternative financial assurance mechanism acceptable to CalRecycle for the Elk Grove and Grand Island Landfills. The County has chosen the pledge of revenue approach because it best fits the local conditions present in Sacramento County. The Board of Supervisors has approved pledges of Solid Waste revenues to provide financial assurance for the postclosure maintenance costs of the Elk Grove and Grand Island Landfills.

The Elk Grove Landfill postclosure care liabilities were fully paid as of June 30, 2023, with all future maintenance costs expensed in the period incurred.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2023, of \$161. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2023, the reported liabilities represent postclosure costs for the remaining 6 years. The portion of the postclosure costs expected to be paid during the next year is \$32.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2023. Actual costs may be different due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations.

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The Fund is responsible for the costs associated with permanently covering all waste buried at the Kiefer Landfill. The funding for such closure is earned during the operating life of the site. Landfill partial final cover costs are those costs incurred during the life of the landfill which are expected to be spent prior to the day the landfill stops accepting waste, and do not include the costs associated with the final phase of closure activity occurring on or near the date the landfill stops accepting waste.

Based on the percentage used of the total capacity available with the open and active area of the Kiefer Landfill, the partial final cover liability as of June 30, 2023, is estimated to be \$23,968.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2023 were as follows:

	<u>July 1, 2022</u> <u>Beginning</u>	<u>Expense/change</u> <u>in estimate</u>	<u>Payments</u>	<u>June 30, 2023</u> <u>Ending</u>	<u>Due within One</u> <u>Year</u>
Kiefer	\$ 19,124	(1,726)		17,398	
Elk Grove	259		(259)		
Grand Island	181	12	(32)	161	32
Kiefer Final Cover	<u>27,376</u>	<u>948</u>	<u>(4,356)</u>	<u>23,968</u>	<u>4,681</u>
	<u>\$ 46,940</u>	<u>(766)</u>	<u>(4,647)</u>	<u>41,527</u>	<u>4,713</u>

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**NOTE 14 - RETIREMENT PLAN**

**General Information about the Pension Plan**

Plan Description - All County full-time and part-time employees participate in the Sacramento County Employees' Retirement System (SCERS or the System), a multiple-employer and cost-sharing, public employee retirement system. SCERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). SCERS main function is to provide service retirement, disability, death and survivor benefits to the Safety and Miscellaneous members employed by the County. SCERS also provides retirement benefits to the employee members of the Superior Court of California (County of Sacramento), Sacramento Employment and Training Agency and eight Special Districts.

The management of SCERS is vested with the Sacramento County Board of Retirement (Retirement Board). The Retirement Board consists of nine members and two alternates. The County Director of Finance is appointed by the County Executive, subject to confirmation by the Board of Supervisors. Four members are appointed by the County Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the Miscellaneous membership; one member and one alternate are elected by the Safety membership, one member and one alternate are elected by the retired members of the System. All members of the Retirement Board serve terms of three years except for the County Director of Finance whose term runs concurrent with the term as Director of Finance.

SCERS issues a publicly available financial report that can be obtained at <http://www.SCERS.org>.

Benefits Provided - SCERS provides service retirement, disability, death and survivor benefits to eligible employees. All permanent full-time or part-time employees of the County of Sacramento or contracting districts become members of SCERS upon employment. There are separate cost pools for Safety and Miscellaneous member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other classifications. There are four tiers applicable to Safety members. Those hired prior to January 1, 2012 are included in either Tier 1 or Tier 2 depending on date of hire and bargaining unit. Those hired after January 1, 2012 but prior to January 1, 2013 are included in Tier 3. Any new Safety member who becomes a member on or after January 1, 2013 is designated as PEPRA Safety (Tier 4) and is subject to the provisions of California's Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197. All other employees are classified as Miscellaneous members. There are five tiers applicable to Miscellaneous members. Those hired prior to September 27, 1981, are included in Tier 1. Those hired after September 27, 1981 but prior to January 1, 2012, are included in Tier 2 or Tier 3 depending on date of hire and bargaining unit. County members hired after January 1, 2012 but prior to January 1, 2013 are included in Tier 4. New members hired on or after January 1, 2013, are designated as PEPRA Miscellaneous (Tier 5) and are subject to the provisions of California Government Code 7522 et seq. and AB 197.

Safety members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit.

Miscellaneous members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. Miscellaneous members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

Safety member benefits for Tier 1 and Tier 2 are calculated pursuant to the provisions of California Government Code Section 31664.1. Safety member benefits for Tier 3 are calculated pursuant to the provisions of California Government Code Section 31664.2. The monthly allowance is equal to 2 percent of the first \$350 dollars of final compensation, plus 3 percent of the excess final compensation times years of accrued retirement service credit times age factor from either Section 31664.1 (Tier 1 and 2) or 31664.2 (Tier 3). Safety member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government



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Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Miscellaneous member benefits for Tier 1, Tier 2 and Tier 3 are calculated pursuant to the provisions of California Government Code Section 31676.14. Miscellaneous member benefits for Tier 4 are calculated pursuant to the provisions of California Government Code Section 31676.1. The monthly allowance is equal to 1/90th of the first \$350 dollars of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either Section 31676.14 (Tier 1, Tier 2 and Tier 3) or Section 31676.1 (Tier 4). Miscellaneous member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100 percent of final compensation. For members with membership dates on or after January 1, 2013, the maximum monthly retirement allowance is 100 percent of final PEPRA compensation, not to exceed the PEPRA Compensation limit.

Final average compensation consists of the highest 12 consecutive months for a Tier 1 Safety or Tier 1 Miscellaneous member and the highest 36 consecutive months for a Tier 2, Tier 3, Tier 4 or Tier 5 member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60 percent continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

SCERS provides an annual cost-of-living benefit to Safety Tier 1, Tier 2, Tier 3 and Tier 4 member retirees and Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 member retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-Hayward area, is capped at 4 percent for Tier 1 members and 2 percent for all other members eligible for a cost-of-living adjustment.

The County's contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Retirement Board. Employer contribution rates are adopted annually based upon recommendations received from SCERS' actuary after the completion of the annual actuarial valuation.

All members are required to make contributions to SCERS regardless of the retirement plan or tier in which they are included.

Contributions - Benefits payable by the System are financed through member contributions, employer contributions, and earnings from investments. Member contributions are required by law. Contribution rates, which are actuarially determined, are based on age at entry into the System (a single rate is used for members entering the System after January 1, 1975). County, Superior Court and Member Districts' contributions are actuarially determined to provide for the balance of contributions needed. This rate includes an additional amount required for the annual cost-of-living increases for retired members of the Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 and Safety Tiers. All contribution rates are reviewed and revised annually. The authority for both benefit provisions and contribution obligations is derived from the County Employees' Retirement Law of 1937 and PEPRA.

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Employee and employer contribution rates for the fiscal year ended June 30, 2023, from the June 30, 2021 actuarial valuation, are as follows:

	County - Miscellaneous Cost Pool - Contribution Rates					Recreation and Park Districts - Miscellaneous Cost Pool - Contribution Rates		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 1	Tier 3	Tier 5
Employee	11.57%	8.44%	11.33%	10.97%	10.02%	0.00%	6.00%	10.02%
Employer	25.37%	21.70%	24.83%	24.48%	23.43%	0.00%	38.07%	31.54%

  

	County - Safety Cost Pool - Contribution Rates			
	Tier 1	Tier 2	Tier 3	Tier 4
Employee	24.77%	21.14%	19.99%	15.05%
Employer	72.96%	58.70%	57.47%	52.37%

For the fiscal year ended June 30, 2023, the employer contributions to SCERS were equal to the actuarially determined required employer contributions as follows:

Employer Contributions	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 163,880	13,607	177,487	366
County - Safety Tier	138,136	1,777	139,913	
Carmichael Recreation and Park District - Miscellaneous	487		487	
Mission Oaks Recreation and Park District - Miscellaneous	472		472	
Sunrise Recreation and Park District - Miscellaneous	1,204		1,204	
Total employer contributions	\$ 304,179	15,384	319,563	366

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

As of June 30, 2023, the County and its component unit reported net pension liabilities for its proportionate share of the net pension liability of the Retirement Plan as follows:

	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 690,547	55,784	746,331	1,576
County - Safety Tier	801,836	9,668	811,504	
Carmichael Recreation and Park District - Miscellaneous	2,062		2,062	
Mission Oaks Recreation and Park District - Miscellaneous	2,024		2,024	
Sunrise Recreation and Park District - Miscellaneous	4,325		4,325	
Total Net Pension Liability	\$ 1,500,794	65,452	1,566,246	1,576

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The County's net pension liability for the Retirement Plan is measured as the proportionate share of the net pension liability. The net pension liability (NPL) for the plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability for each membership class was calculated based on the participants and benefits provided for the respective membership class; and the Retirement Plan's fiduciary net position was determined in proportion to the valuation of the value of assets for each membership class. The County is the sole active employer in the Safety membership class as of the measurement date June 30, 2022 that made contributions in FY 2022-23; therefore 100 percent of pension amounts for the Safety membership class are allocated to the County. For the Miscellaneous membership class, actual contributions for Miscellaneous employers for the fiscal year ended June 30, 2022, are used as the basis for determining each Miscellaneous employer's proportion of pension amounts. The County's proportionate share of the net pension liability measured as of June 30, 2021 and 2022, was as follows:

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Component Unit-First 5 Commission</u>
Proportion - June 30, 2021	95.587 %	0.047 %	0.040 %	0.089 %	0.034 %
Proportion - June 30, 2022	89.089 %	0.118 %	0.116 %	0.247 %	0.090 %
Change - Increase (Decrease)	<u>(6.498)%</u>	<u>0.071 %</u>	<u>0.076 %</u>	<u>0.158 %</u>	<u>0.056 %</u>

For the fiscal year ended June 30, 2023, the County and the First 5 Commission recognized pension expense of \$117,571 and \$55, respectively. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>								
	<u>Governmental Activities</u>						Business-type Activities	Total Primary Government	Component Unit First 5 Commission
	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Total</u>			
Differences between actual and expected experience	\$ 130,392	174	171	365	131,102	5,583	136,685	133	
Net difference between projected and actual earnings on plan investments	22,201	13	13	28	22,255	576	22,831	10	
Changes in assumptions	62,601	155	153	326	63,235	4,332	67,567	119	
Changes in proportions	18,446	4	202	321	18,973	2,924	21,897	80	
Pension contributions made subsequent to measurement date	<u>302,016</u>	<u>487</u>	<u>472</u>	<u>1,204</u>	<u>304,179</u>	<u>15,384</u>	<u>319,563</u>	<u>366</u>	
Total deferred outflows related to pensions	<u>\$ 535,656</u>	<u>833</u>	<u>1,011</u>	<u>2,244</u>	<u>539,744</u>	<u>28,799</u>	<u>568,543</u>	<u>708</u>	

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	Deferred Inflows of Resources							
	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Changes in assumptions	\$ 156,764	\$ 271	\$ 266	\$ 568	\$ 157,869	\$ 8,122	\$ 165,991	\$ 207
Changes in proportions	<u>10,118</u>	<u>204</u>	<u>346</u>	<u>844</u>	<u>11,512</u>	<u>281</u>	<u>11,793</u>	<u>21</u>
Total deferred inflows related to pensions	<u>\$ 166,882</u>	<u>475</u>	<u>612</u>	<u>1,412</u>	<u>169,381</u>	<u>8,403</u>	<u>177,784</u>	<u>228</u>

The \$319,563 and \$366 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2024	\$ 19,188	(34)	(20)	(100)	19,034	31
2025	19,188	(34)	(20)	(100)	19,034	31
2026	19,188	(34)	(20)	(100)	19,034	31
2027	14,206	(27)	(13)	(72)	14,094	21
	<u>\$ 71,770</u>	<u>(129)</u>	<u>(73)</u>	<u>(372)</u>	<u>71,196</u>	<u>114</u>

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

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.75%	2.75%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.25% to 10.5%	4.25% to 10.50%
Assumed post-retirement benefit increase	0% to 2.75%	2% to 2.75%
Post-Retirement Mortality		
a) Service	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates decreased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019
b) Disabled	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019
c) Member Contributions	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 40% male and 60% female	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates decreased by 5% for males, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 75% male and 25% female
Pre-Retirement Mortality	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019

\*Includes inflation at 2.75 percent plus real across-the-board salary increase of 0.25 percent plus merit and longevity increases.

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Discount Rate - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the current contribution rate and that employer contributions will be made at the end of each pay period based on the actuarially determined contribution rates. For this purpose, only the employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2022 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	18.0 %	5.4 %
U.S. Small Cap Equity	2.0 %	6.2 %
International Developed Equity	16.0 %	6.5 %
Emerging Markets Equity	4.0 %	8.8 %
Core/core plus bonds	10.0 %	1.1 %
High Yield Bonds	1.0 %	3.4 %
Global Bonds	3.0 %	
Bank Loans	1.0 %	3.9 %
U.S. Treasury	5.0 %	0.3 %
Real assets	7.0 %	8.1 %
Liquid Real Return	2.0 %	4.5 %
Real Estate	5.0 %	4.6 %
Value Added Real Estate	2.0 %	8.1 %
Diversifying absolute return	7.0 %	2.4 %
Growth oriented absolute return	3.0 %	2.4 %
Private Credit	4.0 %	5.6 %
Private Equity	9.0 %	9.4 %
Cash	1.0 %	
<b>Total Portfolio</b>	<b>100.0 %</b>	

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Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County, Carmichael, Mission Oaks, Sunrise, and First 5 Commission's proportionate share of the net pension liability, calculated using the discount rate for each, as well as what the 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:

<u>Net Pension Liability</u>	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit First 5 Commission</u>
1% Decrease (5.75%)	\$3,206,003	4,243	4,164	8,901	3,223,311	3,243
Current Discount Rate (6.75%)	1,557,835	2,062	2,024	4,325	1,566,246	1,576
1% increase (7.75%)	208,630	276	271	579	209,756	211

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued SCERS financial reports available on their website <http://www.SCERS.org>.

For the measurement date of June 30, 2023, the County is expecting a modest increase in its NPL due to the expected unfavorable investment returns.

**Defined Contribution Plans**

The County also provides a defined contribution retirement benefit through the County's 401(a) Plan (the 401(a) Plan). The County is the Plan Administrator and the 401(a) Plan assets are held with an external trustee - Fidelity. The 401(a) Plan is offered to Eligible Employees (management union 032 employees only) that contribute at least 1% of their gross pay into the 457(b) Plan to receive the 3 percent County match in the 401(a) Plan. Investment decisions are made by the 401(a) Plan participants based on a variety of investment options under the plan. For the fiscal year ended June 30, 2023, the County contributed \$5,984 to the 401(a) Plan with an outstanding liability of \$253 at June 30, 2023.

The County also provides a defined contribution retirement benefit through the County's 457(b) Plan (the 457(b) Plan) for temporary employees only. The County is the Plan Administrator and the 457(b) Plan assets are held with an external trustee - Fidelity. The 457(b) Plan requires all temporary employees to contribute 7.5% of their gross pay into the 457(b) Plan, while the County provides an equal match of 7.5 percent, making the total contribution to the 457(b) Plan 15 percent. Investment decisions are made by the 457(b) Plan participants based on a variety of investment options under the Plan. For the fiscal year ended June 30, 2023, the County contributed \$745 to the 457(b) Plan with an outstanding liability of \$29 at June 30, 2023.

**NOTE 15 - POSTEMPLOYMENT HEALTH CARE BENEFITS**

Plan Description: The County participates in a single-employer plan and has established a Retiree Healthcare Plan (HC Plan), administered by the County, which does not issue a publicly available report. In September 2021 and 2022, respectively, the Board approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2022 and 2023, respectively. The County provides access to group medical insurance and dental insurance, medical and dental offset payments to a specific group of eligible retirees as a result of a settlement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided: All annuitants are eligible to enroll in a retiree medical and/or dental insurance plan in a given calendar year if 1) they began receiving a continuing retirement allowance from SCERS during that calendar year, or 2) they were enrolled in the annual plan previously approved by the County (continuous coverage) or 3) they previously waived coverage but elected to enroll during the County authorized enrollment period with a coverage date effective January of the given calendar year.

The County pays a medical and/or dental subsidy/offset to eligible annuitants who retired on or after May 31, 2007 from bargaining unit 003-Law Enforcement, Non-Supervisory, as a result of a settlement. The amount the medical and/or dental subsidy/offset payments made available to this group of eligible annuitants is calculated

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based upon the annuitant’s SCERS service credit. Neither SCERS nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance beyond the current term of the contract between the County and Bargaining Unit 003-Law Enforcement, Non-Supervisory which expires June 30, 2027. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership and will remain in place until eliminated through the collective bargaining process. The amount of the subsidy/offset payment, if any, payable on account of enrollment in a County sponsored retiree medical and/or dental insurance plan will also remain in place until modified or eliminated through the bargaining process. Annuitants from bargaining unit 003-Law Enforcement, Non-Supervisory are eligible for a medical premium subsidy according to the schedule below:

Service at Retirement	Amount of Subsidy/Offset for Bargaining Unit 003 - Law Enforcement, Non-Supervisory (amounts in dollars)
Less than 10 years	\$122
10-14 years	152
15-19 years	182
20-24 years	212
25 or more years	244
 *Dental if eligible for medical subsidy	 \$25

\*The actual premium rate for the retiree dental plan is approved by the Board of Supervisors in conjunction with the approval of all the retiree health plans on an annual basis.

The total benefits provided in FY 2022-23 totaled \$6,374 for the County and \$5 for the First 5 Commission.

At June 30, 2022, the most recent measurement date, the following current and former employees (actual counts) were covered by the benefit terms under the HC Plan:

Active employees	11,386
Inactive employees receiving benefits	6,215
Inactive employees entitled to but not yet receiving	7,893
Total	25,494

**OPEB Liability:**

The County’s total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021. Updated procedures were used to roll forward the the total OPEB liability from the valuation date to the measurement date. A summary of principal assumptions and methods used to determine the total OPEB liability is on the following pages.



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Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumption	June 30, 2022 Measurement Date
Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.54% using the Bond Buyer 20-Bond GO Index
Inflation	2.5% annually
Mortality Rate	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Medical Trend	Non-medicare 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076

Changes in the total OPEB liability for the HC Plan measured as of June 30, 2022 are as follows:

	Governmental Activities				Total	Business-Type Activities	Total Primary Government	Component Unit First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise				
Balance at June 30, 2022	\$ 139,652	97	100	139	139,988	7,218	147,206	122
Changes recognized for the measurement period								
Service cost	9,273	10	10	27	9,320	560	9,880	8
Interest on the total OPEB liability	3,156	2	2	4	3,164	168	3,332	3
Changes of assumptions	(17,670)	(15)	(9)	(13)	(17,707)	(757)	(18,464)	(11)
Changes in proportion	(38)				(38)	204	166	(12)
Benefit payments	(5,548)	(10)	(6)	(6)	(5,570)	(313)	(5,883)	(5)
Net changes	(10,827)	(13)	(3)	12	(10,831)	(138)	(10,969)	(17)
Balance at June 30, 2023	\$ 128,825	84	97	151	129,157	7,080	136,237	105

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Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the County and First 5 Commission if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

Total OPEB Liability	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (2.54%)	\$ 148,916	90	104	161	149,271	113
Current discount rate (3.54%)	135,905	84	97	151	136,237	105
1% increase (4.54%)	124,438	100	91	143	124,772	98

Sensitivity of the total OPEB liability to changes in the health care cost trend rate – The following presents the total OPEB liability of the County and First 5 Commission, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (5.5% decreasing to 2.75% in 2076)	\$ 124,338	80	87	134	124,639	94
Current rate (6.5% decreasing to 3.75% in 2076)	135,905	84	97	151	136,237	105
1% increase (7.5% decreasing to 4.75% in 2076)	149,418	104	109	172	149,803	118

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OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2023, the County and the First 5 Commission recognized OPEB expense of \$529 and \$3, respectively. As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources

	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Difference between expected and actual experience	\$ 740				740		740	
Changes of assumptions	10,750	5	6	8	10,769	480	11,249	8
Changes in proportion	4,042				4,042	410	4,452	
Benefits provided subsequent to the measurement date	6,003	3	8	9	6,023	351	6,374	5
Total	<u>\$ 21,535</u>	<u>8</u>	<u>14</u>	<u>17</u>	<u>21,574</u>	<u>1,241</u>	<u>22,815</u>	<u>13</u>

Deferred Inflows of Resources

	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Difference between expected and actual experience	\$ 21,219	24	15	65	21,323	1,503	22,826	23
Changes of assumptions	41,505	38	20	43	41,606	2,402	44,008	35
Changes in proportion	4,016				4,016	142	4,158	15
Total	<u>\$ 66,740</u>	<u>62</u>	<u>35</u>	<u>108</u>	<u>66,945</u>	<u>4,047</u>	<u>70,992</u>	<u>73</u>

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The \$6,374 and \$5 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending 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:

Fiscal Year Ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2024	\$ (12,650)	(12)	(7)	(19)	(12,688)	(14)
2025	(12,650)	(12)	(7)	(19)	(12,688)	(14)
2026	(12,650)	(12)	(7)	(19)	(12,688)	(14)
2027	(12,650)	(11)	(4)	(19)	(12,684)	(14)
2028	(12,650)	(5)	(1)	(10)	(12,666)	(12)
2029- 2030	8,885	(5)	(3)	(14)	8,863	3
Total	<u>\$ (54,365)</u>	<u>(57)</u>	<u>(29)</u>	<u>(100)</u>	<u>(54,551)</u>	<u>(65)</u>

Defined Contribution Plans

The County also provides a defined contribution other postemployment benefit through the County Retiree Health Plan (RHP). The RHP is administered by a County delegate and assets are held by a trustee - Misson Square. The Retiree Health Plan (RHP) was established to reimburse eligible participants, their spouses and dependents for eligible medical and dental expenses. The County contributes \$25 for 24 of the 26 pay periods to all eligible active employees. The investment decisions are made by the RHP participants based on a variety of investment options under the RHP. For the fiscal year ended June 30, 2023, the County contributed \$5,423 to the RHP with an outstanding liability of \$212 at June 30, 2023.

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**NOTE 16 - SELF-INSURANCE**

The County self-insures for general liability/property, workers' compensation, dental, and unemployment insurance claims. Self-insurance programs are accounted for in internal service funds, and interfund premium charges are treated as interfund services. Interfund premiums are based primarily upon the insured funds' claims experience and are adjusted for any excess or deficit net position within the self-insurance funds. It is the County's policy to fund the governmental funds' liability for premium charges by making provisions in budgets of succeeding years. The self-insurance internal service funds recognize revenue and the owing funds recognize an expense/expenditure when the owing funds are charged by the self-insurance internal service funds.

The Liability/Property and the Workers' Compensation Self-Insurance funds' estimated claim liabilities are actuarially determined and include claims incurred but not reported. The estimated liabilities include provisions for allocated claims adjustment expenses, including administrative, attorney, and other associated expenses. Proceeds received for salvage and subrogation are recognized as revenue in the year of receipt, and therefore, are not included in the estimated liabilities.

During the past three years, no instances or settlement exceeded insurance coverage. However, in October 2023 there were two instances of settlements payments that exceeded insurance coverage. Both of these instances have been accrued and recognized in these financial statements.

Reconciliation of Claims Liabilities

	Liability/Property		Workers' Compensation		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Unpaid claims and claim adjustment expenses at beginning of the fiscal year							
Current portion	\$ 16,018	14,311	28,379	29,660	688	949	45,085	44,920
Noncurrent	43,746	36,321	175,457	176,342			219,203	212,663
Total beginning balance, July 1	59,764	50,632	203,836	206,002	688	949	264,288	257,583
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	13,647	13,910	24,171	26,692	15,762	16,107	53,580	56,709
Increase (decrease) in provision for insured events of prior fiscal years	23,132	22,767	4,453	(2,643)			27,585	20,124
Total incurred claims and claim adjustment expenses	36,779	36,677	28,624	24,049	15,762	16,107	81,165	76,833
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	515	402	2,552	3,633	15,321	15,419	18,388	19,454
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	33,308	27,143	25,745	22,582	688	949	59,741	50,674
Total payments	33,823	27,545	28,297	26,215	16,009	16,368	78,129	70,128
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	\$ 62,720	59,764	204,163	203,836	441	688	267,324	264,288
Current portion of unpaid claims and claim adjustments	\$ 16,971	16,018	27,598	28,379	441	688	45,010	45,085
Noncurrent portion of unpaid claims and claim adjustments	45,749	43,746	176,565	175,457			222,314	219,203
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	\$ 62,720	59,764	204,163	203,836	441	688	267,324	264,288

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Coverage for specific perils required under the terms of certain debt issues and County policies obtained from outside carriers is as follows:

Coverage	Amount	Deductible	Provision
Airport Liability & Hangerkeepers	\$ 500,000 *	\$ 10	Each occurrence
Property Program:			
Property Insurance (All Risk)	1,500,000 *	50	Each occurrence
Flood	900,000 *	25 (100 max if in Zone A)	Each occurrence
Earthquake (EQ)	25,000 *	2 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	13,000	15	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	15,000	25	Each occurrence
Employee Dishonesty	15,000	25	Each occurrence
Forgery/Money/Computer Fraud	15,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	50,000	None	Not applicable
Hull (Physical Damage)	7,022	None	Not applicable
Cyber Liability	12,000	250	Each occurrence
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	250	Each occurrence
Workers' Compensation (Excess)	Statutory *	3,000	Self-insured retention
Employers' Liability	5,000 *	3,000	Self-insured retention

\* Airport Liability and Hangerkeepers - Effective June 30, 2015, War Risk is included at \$500 million and Terrorism is included at \$500 million. Both are per occurrence and annual aggregate. Property - County property covered for Terrorism Coverage subject to a \$750 million occurrence and annual aggregate limit. Effective March 31, 2008, Earth Quake (EQ) capped at \$25 million. Effective March 31, 2021, All Risk total is at \$1.5 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective March 31, 2021, Flood total is at \$900 million (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective July 1, 2008, Workers' Compensation (Excess) limit is statutory rather than a dollar limit. Effective July 1, 2008, Employer's Liability (Excess) is at \$5 million.

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**NOTE 17 - RESTRICTED NET POSITION**

Restricted net position is net position subject to constraints either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provision or enabling legislation.

Net position restricted by enabling legislation are comprised of \$51,935 (FAA approved passenger facility charges), \$23,511 (Customer Facility Charges) and \$5,482 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2023.

Restricted Net Position includes:

- *Bond reserves* - funds that are restricted due to being held to meet bond reserve requirements for the Airport.
- *Landfill closure* - resources legally restricted to finance postclosure care costs in the future.
- *Kiefer Wetlands Preserves* - funding for the preservation of vernal pools at the Kiefer Landfill.
- *Debt service* - finance payment of interest and principal on bonds or other long-term borrowing in accordance with bond indentures.
- *Capital projects* - financial resources used in the acquisition or construction of major capital facilities in accordance with bond indentures.
- *Passenger facilities charges* - fees collected from airline passengers which are required to be used to finance Airport projects.
- *Customer facility charges* - fees collected from rental car customers which are required to be used to finance the following Airport projects: 1) rental car facilities; 2) Transportation Systems at the Airport.
- *General government* - stormwater utility fees, ad valorem tax proceeds, interest income and other various revenues to provide storm drainage, flood control, flood preparation and stormwater quality management services.
- *Public protection* - public protection programs are comprised of the following:
  - *Probation* - funds that are restricted for the Probation Department.
  - *Police protection* - funds that are restricted for the Sheriff's Department.
  - *Clerk-Recorder* - funds that are restricted for the County Clerk-Recorder.
  - *Dispute resolution* - funds that are restricted for dispute resolution.
  - *Community development* - funds that are restricted for Community Development activities.
  - *Protection and inspection* - funds that are restricted for the Agricultural Commissioner.
  - *Fire protection* - funds that are restricted for Natomas Fire Protection, a dependent special district.
- *Public assistance* - public assistance consist of state funding for realignment program.

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- *Health and sanitation programs* - health programs are comprised of the following:
  - *Water Agencies* - drainage fees and assessments used to protect the community from flood hazards.
  - *Environmental management* - provide mandated regulatory services that protect public health and the environment and funded through user fees, revenue from contracts, and other outside revenue sources.
  - *Tobacco* - proceeds from the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
  - *In-Home Support Services* - state funding for services to aged, blind and disabled persons who are unable to remain in their homes without assistance.
  - *Mental Health Services* - state funding from 1% income tax on personal income in excess of \$1 million.
  - *Alcohol and Drug programs* - state funding for alcohol and drug programs.
  - *Realignment* - state funding for realignment programs.
  
- *Transportation* - funds from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.
  
- *Lighting and landscape maintenance* - funds from special assessments used to maintain landscaped corridors, medians and natural open space.
  
- *Economic development* - primary programs revolve around the reuse programs and the Business Environment Resource Center (BERC) program.
  
- *Other* - includes programs related to recreation and culture, and education.
  
- *Endowments* - donor restricted funds to be used to support the Airport public art in perpetuity.



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**NOTE 18 - FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2023 is as follows:

	Major	Nonmajor Governmental Funds			Total
	General Fund	Special Revenue	Debt Service	Capital Projects	
<b>Nonspendable:</b>					
Inventories	\$ 2,826				2,826
Long-term receivables	2,089				2,089
Prepaid items	39,175				39,175
Teeter Plan delinquencies	596				596
Teeter Plan tax loss	6,135				6,135
<b>Total nonspendable</b>	<b>50,821</b>				<b>50,821</b>
<b>Restricted for:</b>					
General government:					
Stormwater utility		22,154			22,154
Public protection:					
Law Enforcement	64,240	16,381			80,621
Clerk Recorder	24,359				24,359
Community Development		72			72
Protection and Inspection	59,542	20,180			79,722
Fire Protection		65			65
Health and sanitation:					
Mental Health Services	67,425				67,425
Realignment	53,335				53,335
Solid Waste Authority		7,107			7,107
Tobacco Securitization Authority		534			534
Water Agencies		46,886			46,886
In-Home Support Services		982			982
Environmental management		11,714			11,714
Public assistance	101,510				101,510
Public ways and facilities		191,284		9,569	200,853
Recreation and culture		22,230			22,230
Education		114			114
Capital projects		6		204,879	204,885
Economic development		47,659			47,659
Lighting and landscape		5,482			5,482
Debt service	54		55,760		55,814
<b>Total restricted</b>	<b>370,465</b>	<b>392,850</b>	<b>55,760</b>	<b>214,448</b>	<b>1,033,523</b>
<b>Assigned for:</b>					
Technology upgrades	31,317				31,317
Projected budgetary deficit	145,465				145,465
Audit payback	50,000				50,000
Other purposes	10,100				10,100
<b>Total assigned</b>	<b>236,882</b>				<b>236,882</b>
<b>Unassigned</b>	<b>109,371</b>				<b>109,371</b>
<b>Total</b>	<b>\$ 767,539</b>	<b>392,850</b>	<b>55,760</b>	<b>214,448</b>	<b>1,430,597</b>

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**NOTE 19 - CONTINGENCIES**

The County is a defendant in various lawsuits related to self-insurance programs and for other claims, including construction, property tax assessments and claims arising from audits of federal and state-funded programs. Some claims may not be covered under the County's excess liability insurance policy; however, management is of the opinion that the potential liability would not have a significant adverse effect on the County's financial position.

*Schneider/Hardesty et al. v. County of Sacramento*

On September 8, 2010, the Schneider and Hardesty family (Plaintiffs) filed a lawsuit against the County claiming that the County violated their procedural and substantive due process rights when the County "revoked" a previously, supposedly recognized, "vested right" to mine and imposed a requirement that the plaintiffs apply for a use permit.

The complaint was filed in Federal Court on September 8, 2010, and preceded to trial in February 2017. After the granting of partial summary judgment, and the dismissal of a number of County employee defendants, on theories of procedural and substantive due process and retaliation against the County, the jury awarded nominal damages in favor of the Schneider and Hardesty plaintiffs on procedural due process claims and in favor of the Schneiders on a retaliation claim. The jury also awarded Schneider and Hardesty plaintiffs on the substantive due process claims.

The County and the individual defendants timely appealed to the U.S. Court of Appeals for the Ninth Circuit and the two appeals have been consolidated. Oral argument occurred on January 24, 2020. On August 19, 2020, the Ninth Circuit issued its decision, which completely eliminated the amount awarded against the County. The panel concluded that the awards to both the Hardestys and the Schneiders are excessive and remanded the case to the district court for further proceedings. The Ninth Circuit, however, affirmed the jury's liability findings against the County. The County sought a re-hearing en banc with the Ninth Circuit seeking to reverse the finding of liability against the County, which the court rejected. The County filed a petition for writ of Certiorari with the United States Supreme Court, which was also denied. The case was remanded back to the eastern District for further proceedings consistent with the Ninth Circuit's decision. A new trial on the appropriate amount of damages was scheduled for October 10, 2023. However, the County reached a settlement in October, 2023, for the amount of \$20 million and \$58.5 million with the Schneider plaintiffs and the Hardesty plaintiffs, respectively, in which the liability and expenditures/expenses have been accrued and recognized in the financial statements.

*Lorenzo Mays, et al. v. County of Sacramento*

On February 20, 2015, Disability Rights California (DRC) wrote to Sheriff Jones advising they are the protection and advocacy system for the State of California with the responsibility for monitoring the rights and treatment of individuals in California who suffer from psychiatric disabilities.

On April 13, 2015, DRC and the Prison Law Office (PLO) conducted a tour of the Rio Cosumnes Correctional Center. On April 14, 2015, DRC and PLO conducted a tour of the Sacramento Main Jail. On August 4, 2015, DRC and PLO issued a letter advising they had conducted tours of both facilities and submitted their "Report on Inspection of the Sacramento County Jail." Within their report, DRC and PLO allege probable cause exists to conclude prisoners with disabilities are subjected to abuse and/or neglect in the Sacramento jails. Specifically, DRC and PLO allege they found evidence of the following violations of the rights of prisoners with disabilities:

- Undue and excessive isolation and solitary confinement;
- Inadequate mental health care; and
- Denial of rights under the Americans with Disabilities Act (ADA).

Subsequent to the issuance of that report and two County-retained mental health expert reports that were also critical of the County, the County entered into a tolling agreement with DRC and PLO. The County and the advocates continued negotiations, though no agreement was achieved. Litigation was ultimately filed in the U.S. District Court, Eastern District. Negotiations on these matters continued throughout the remainder of 2018 and into the spring of 2019. The negotiations culminated in the parties reaching agreement on all outstanding issues. The Board of Supervisors approved this settlement. The consent decree was approved in January 2020. The financial exposure to the County will include increases in operating costs due to staffing increases for the Sheriff's department, as well as increases in capital costs, which may include the construction of a new jail tower.

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*Bay Cities Paving and Grading, Inc. v. County of Sacramento*

On November 24, 2020, Bay Cities Paving and Grading, Inc. (BCPG) filed a claim against the County relating to additional construction costs for widening a portion of Hazel Avenue. The County rejected this claim on January 4, 2021, which led to a lawsuit being filed by BCPG on April 26, 2021.

BCPG argues that they incurred additional cost as a result of the County's project plans and specifications which did not reflect the actual site conditions and additional items related to the installation of a water line for the Fair Oaks Water District were required. On May 24, 2023 the parties attended private mediation, which was not immediately successful. Following further discussion and negotiation, the parties reached a conditional settlement of \$1.1 million, which was approved by the Board on July 11, 2023. Thereafter, this case was dismissed with prejudice on August 2, 2023.

*Leonardo Galdamez, et al. v. County of Sacramento et al.*

On October 2021, the County received correspondence from the law firm Kuzyk Law LLP on behalf of Leonardo and Samantha Galdamez demanding the County refund the Sacramento County Transportation Development Fee (SCDTF). Following the receipt of the demand letter, the County entered into a tolling agreement due to one-year statute of limitations, this allowed sufficient time for the County to analyze the claim. That tolling agreement expired on June 2, 2021.

On May 27, 2022, the Galdamez filed suit against the County reiterating their argument from the demand letter seeking a refund of the SCDTF.

At this time, a trial date has not been set. Should the County decide to pursue settlement discussions, a settlement agreement amount may be recommended following completion of discovery.

**NOTE 20 - TAX ABATEMENTS**

Sacramento County provides tax abatements under three programs: the Local Conservation Act Program, the Mills Act Program, and the Urban Agriculture Program.

**Local Conservation Act Program**

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full fair value. State funding was provided in 1971 by the Open Space Subvention Act, which created a formula for allocating annual payments to local governments based on acreage enrolled in the Williamson Act Program. Subvention payments were made through FY 2007-08, but have been suspended in more recent years due to revenue shortfalls.

The Assessor's Office does not set criteria for participation in the Williamson Act, nor the provisions contained in Williamson Act contracts regarding commitments by participants receiving property tax abatement, nor recapture provisions. The Assessor's Office performs annual property tax valuations using an income capitalization method in which the capitalization rate is the sum of specified interest, risk, and property tax components as prescribed in California Revenue and Taxation Code Section 423. The Assessor enrolls the lowest of: 1) the property's restricted value as calculated above; 2) its Proposition 13 factored base year value; or 3) its current fair value. No other commitments were made by the County as part of those agreements.

**Mills Act Program**

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is an important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving

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resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community’s past. A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

The Assessor's Office is not involved in the process leading to the creation of a preservation contract. Each local government establishes their own criteria and determines how many contracts they will allow in their jurisdiction. Locally, these contracts are administered by the various planning departments within Sacramento County. The assessment of historic properties under preservation contract in California is governed by California Revenue and Taxation Code (RTC) Section 439 through 439.4. RTC Section 439.2 provides that the assessor must annually value restricted historic properties using an income approach which employs a fair rent, allowable expenses and a built up capitalization rate. The taxable value of restricted historic properties each lien date shall be the lowest of their current fair value, their factored base year value, or their restricted income value. No other commitments were made by the County as part of those agreements.

**Urban Agriculture Program**

The Urban Agricultural Incentive Zones Act attempts to increase the use of privately owned, vacant land for urban agriculture and improve land security for urban agriculture projects. This legislation allows city governments, with approval from their county Board of Supervisors, to create “urban agriculture incentive zones” within their boundaries. Land owners within these zones who are willing to lease land for urban agriculture (for a minimum of five years) can potentially lower the assessed value of their land. The Assessor's Office does not create urban agriculture incentive zones or implement contracts with land owners. Local jurisdictions create the geographic boundaries for each zone, enter into contracts with land owners, and process and enforce these contracts. Open-space land, under an urban agricultural incentive zone contract, is assessed based on the average annual per acre value of irrigated cropland in California as reported by the US Department of Agriculture’s National Agricultural Statistics Service. The annual lien date value of land under an agricultural incentive zone contract will be the lower of the incentive zone valuation (described above), or the factored base year value. This assessment process is governed by RTC Section 422. No other commitments were made by the County as part of those agreements.

Tax Abatement Program	Amount of Taxes Abated During FY 2022-23	
Land Conservation Act (Williamson Act)	\$	1,053
Mills Act		25

**COUNTY OF SACRAMENTO**  
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**NOTE 21 - FUTURE GASB PRONOUNCEMENTS**

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*, effective for fiscal years beginning after June 15, 2023 for requirements relating to financial guarantees and reporting of derivative instruments which are paragraphs 4 through 10. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements. The County has not determined the effect, if any, on the financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, effective for fiscal years beginning after June 15, 2023. 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 County has not determined the effect, if any, on the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The County has not determined the effect, if any, on the financial statements.

**NOTE 22 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the RASA. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board which has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former RDA's redevelopment project areas. Once the ROPS is approved by the State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller's Office distributes property taxes to the RASA from the County's Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule.

In July 2013, the County received notification of a "Finding of Completion" from the State Department of Finance, which allows for: 1) loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was made for legitimate redevelopment purposes per Health and Sanitation Code (HSC) Section 34191.4(b)(1); and 2) utilizing derived proceeds from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC Section 34191.5(b), within six months from the date of the letter. The County Redevelopment Successor Agency Long Range Property Management Plan was approved by the oversight board on October 21, 2013.

During the fiscal year ended June 30, 2015, the County became aware that the RASA has a joint ownership position for a property located at 801 12<sup>th</sup> Street, Sacramento, California. The County's percentage of ownership and value of the property is yet to be determined. The County is working with the other owners of the property to determine the values of ownership for each entity.

As of June 30, 2023, the RASA owes the Sacramento County Public Financing Authority \$51,629, with payments made semi-annually on June and December first of each fiscal year.

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**NOTE 23 - SUBSEQUENT EVENTS**

**Dry Period Financing**

Article 16, Section 6, of the State Constitution, permits dry period financing. It states that the County Treasurer (Director of Finance) may make temporary transfers of funds as necessary to meet the obligations incurred by district and political subdivisions whose funds are "...in custody and are paid out solely through the treasurer's office."

In 1980, the Board adopted a resolution (80-1434) to permit entities that collected the 1 percent ad valorem tax to obtain temporary cash transfers. Later, constitutional changes and associated County resolutions expanded this to include "all anticipated revenues". In accordance with the State Constitution, borrowing is permitted until the last Monday in April of each fiscal year in amounts that do not exceed 85 percent of all anticipated revenues.

As such, in FY 2023-24 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the 'dry period' to meet any obligations incurred. The money is essentially loaned by the County Treasurer's Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund's \$2.303 billion in estimated revenues approved in the County's FY 2023-24 Preliminary Budget. The County's final FY 2023-24 Budget was approved in September 2023 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.330 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

**Lawsuit Settlements**

**Schneider/Hardesty et al. v. County of Sacramento**

On October 3, 2023, the County Board of Supervisors approved a settlement agreement with the Schneider and Hardesty families over the vested right to mine on 3600 acres of ranchland owned by the Schneider family. See Note 19 - CONTINGENCIES which begins on page 140 for more information.

**Bay Cities Paving and Grading, Inc. v. County of Sacramento**

On July 11, 2023, the Board approved a settlement agreement with BCPG over construction related work performed for the widening of the County's Hazel Avenue Phase 2. See Note 19 - CONTINGENCIES which begins on page 140 for more information.

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**Retirement Plan - Schedule of Proportionate Share of the Net Pension Liability**

<u>County</u>	<u>2023</u>	<u>2022</u>	<u>2021<sup>D</sup></u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	89.089 %	95.587 %	87.480 %	88.319 %	87.788 %
Proportionate share of the net pension liability	\$ 1,557,835	\$ 402,784	\$ 2,374,448	\$ 1,831,576	\$ 1,721,818
Covered-employee payroll <sup>B</sup>	\$ 931,320	\$ 916,618	\$ 908,171	\$ 874,552	\$ 843,336
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.27 %	43.94 %	261.45 %	209.43 %	204.17 %
Plan fiduciary net position as a percentage of the total pension liability	87.12 %	96.76 %	78.62 %	82.57 %	82.51 %
<u>Carmichael</u>					
Proportion of the net pension liability	0.118 %	0.047 %	0.140 %	0.135 %	0.139 %
Proportionate share of the net pension liability	\$ 2,062	\$ 199	\$ 3,790	\$ 2,807	\$ 2,718
Covered-employee payroll <sup>B</sup>	\$ 1,228	\$ 1,156	\$ 1,250	\$ 1,239	\$ 1,143
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.84 %	17.21 %	303.20 %	226.55 %	237.81 %
Plan fiduciary net position as a percentage of the total pension liability	87.12 %	96.76 %	78.62 %	82.57 %	82.51 %
<u>Mission Oaks</u>					
Proportion of the net pension liability	0.116 %	0.040 %	0.131 %	0.127 %	0.147 %
Proportionate share of the net pension liability	\$ 2,024	\$ 170	\$ 3,560	\$ 2,635	\$ 2,893
Covered-employee payroll <sup>B</sup>	\$ 1,219	\$ 974	\$ 1,120	\$ 1,101	\$ 1,148
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.96 %	17.45 %	317.86 %	239.33 %	252.07 %
Plan fiduciary net position as a percentage of the total pension liability	87.12 %	96.76 %	78.62 %	82.57 %	82.51 %
<u>Sunrise</u>					
Proportion of the net pension liability	0.247 %	0.089 %	0.294 %	0.305 %	0.307 %
Proportionate share of the net pension liability	\$ 4,325	\$ 377	\$ 7,982	\$ 6,315	\$ 6,015
Covered-employee payroll <sup>B</sup>	\$ 2,690	\$ 2,299	\$ 2,754	\$ 2,839	\$ 2,558
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	160.82 %	16.39 %	289.83 %	222.44 %	235.12 %
Plan fiduciary net position as a percentage of the total pension liability	87.12 %	96.76 %	78.62 %	82.57 %	82.51 %
<u>Component Unit First 5 Commission</u>					
Proportion of the net pension liability	0.090 %	0.034 %	0.093 %	0.083 %	0.093 %
Proportionate share of the net pension liability	\$ 1,576	\$ 145	\$ 2,532	\$ 1,725	\$ 1,821
Covered-employee payroll <sup>B</sup>	\$ 1,427	\$ 1,375	\$ 1,352	\$ 1,245	\$ 1,316
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	110.39 %	10.54 %	187.28 %	138.55 %	138.38 %
Plan fiduciary net position as a percentage of the total pension liability	87.12 %	96.76 %	78.62 %	82.57 %	82.51 %
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

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County	2018 <sup>C</sup>	2017	2016	2015 <sup>A</sup>
Proportion of the net pension liability	86.316 %	86.792 %	89.005 %	89.000 %
Proportionate share of the net pension liability	\$ 1,838,027	\$ 1,538,375	\$ 1,023,390	\$ 692,793
Covered-employee payroll <sup>B</sup>	\$ 816,112	\$ 780,978	\$ 745,978	\$ 731,874
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.50 %	196.98 %	137.19 %	94.00 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.00 %
<b>Carmichael</b>				
Proportion of the net pension liability	0.128 %	0.140 %	0.119 %	0.102 %
Proportionate share of the net pension liability	\$ 2,687	\$ 2,457	\$ 1,373	\$ 787
Covered-employee payroll <sup>B</sup>	\$ 1,178	\$ 1,138	\$ 1,096	\$ 1,040
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	258.59 %	215.94 %	125.27 %	75.67 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
<b>Mission Oaks</b>				
Proportion of the net pension liability	0.154 %	0.100 %	0.095 %	0.083 %
Proportionate share of the net pension liability	\$ 3,224	\$ 1,752	\$ 1,090	\$ 643
Covered-employee payroll <sup>B</sup>	\$ 1,037	\$ 782	\$ 851	\$ 826
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.90 %	224.02 %	77.86 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
<b>Sunrise</b>				
Proportion of the net pension liability	0.278 %	0.189 %	0.169 %	0.142 %
Proportionate share of the net pension liability	\$ 5,833	\$ 3,321	\$ 1,939	\$ 1,046
Covered-employee payroll <sup>B</sup>	\$ 1,911	\$ 1,495	\$ 1,521	\$ 1,092
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	256.04 %	222.17 %	127.48 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
<b>Component Unit First 5 Commission</b>				
Proportion of the net pension liability	0.115 %	0.114 %	0.099	0.10
Proportionate share of the net pension liability	\$ 2,226	1,846	1,059	693
Covered-employee payroll <sup>B</sup>	\$ 1,423	1,313	1,177	1,262
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	173.40 %	140.59 %	89.97 %	54.92 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Notes to Schedule:

- A) FY 2014-15 was the first year of implementation.
- B) Covered payroll represents pensionable compensation for the fiscal year of the measurement period.
- C) In FY 2017-18, there was a reduction in the discount rate from 7.5% to 7.0%.
- D) In FY 2020-21, there was a reduction in the discount rate from 7.0% to 6.75%.



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**Retirement Plan - Schedule of Contributions**

<u>County</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 317,400	\$ 285,039	\$ 264,487	\$ 238,546	\$ 209,613
Contributions in relation to the contractually required contribution	\$ (317,400)	\$ (285,039)	\$ (264,487)	\$ (238,546)	\$ (209,613)
Covered-employee payroll <sup>B</sup>	\$ 935,827	\$ 931,320	\$ 916,618	\$ 908,171	\$ 874,552
Contributions as a percentage of covered-employee payroll	33.92 %	30.61 %	28.85 %	26.27 %	23.97 %
<u>Carmichael</u>					
Contractually required contribution	\$ 487	\$ 430	\$ 390	\$ 396	\$ 360
Contributions in relation to the contractually required contribution	\$ (487)	\$ (430)	\$ (390)	\$ (396)	\$ (360)
Covered-employee payroll <sup>B</sup>	\$ 1,360	\$ 1,228	\$ 1,156	\$ 1,250	\$ 1,239
Contributions as a percentage of covered-employee payroll	35.81 %	35.02 %	33.74 %	31.68 %	29.06 %
<u>Mission Oaks</u>					
Contractually required contribution	\$ 472	\$ 421	\$ 333	\$ 372	\$ 338
Contributions in relation to the contractually required contribution	\$ (472)	\$ (421)	\$ (333)	\$ (372)	\$ (338)
Covered-employee payroll <sup>B</sup>	\$ 1,329	\$ 1,219	\$ 974	\$ 1,120	\$ 1,101
Contributions as a percentage of covered-employee payroll	35.52 %	34.54 %	34.19 %	33.21 %	30.70 %
<u>Sunrise</u>					
Contractually required contribution	\$ 1,204	\$ 902	\$ 740	\$ 834	\$ 810
Contributions in relation to the contractually required contribution	\$ (1,204)	\$ (902)	\$ (740)	\$ (834)	\$ (810)
Covered-employee payroll <sup>B</sup>	\$ 3,587	\$ 2,690	\$ 2,299	\$ 2,754	\$ 2,839
Contributions as a percentage of covered-employee payroll	33.57 %	33.53 %	32.19 %	30.28 %	28.53 %
<u>Component Unit First 5 Commission</u>					
Contractually required contribution	\$ 366	\$ 330	\$ 294	\$ 264	\$ 222
Contributions in relation to the contractually required contribution	\$ (366)	\$ (330)	\$ (294)	\$ (264)	\$ (222)
Covered-employee payroll <sup>B</sup>	\$ 1,396	\$ 1,427	\$ 1,375	\$ 1,352	\$ 1,245
Contributions as a percentage of covered-employee payroll	26.22 %	23.13 %	21.38 %	19.53 %	17.83 %

**COUNTY OF SACRAMENTO**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**LAST TEN YEARS<sup>A</sup>**  
**(amounts expressed in thousands)**

Page 2 of 2

**Retirement Plan - Schedule of Contributions**

County	2018	2017	2016	2015 <sup>A</sup>
Contractually required contribution	\$ 172,257	\$ 174,767	\$ 180,678	\$ 191,907
Contributions in relation to the contractually required contribution	\$ (172,257)	\$ (174,767)	\$ (180,678)	\$ (191,907)
Covered-employee payroll <sup>B</sup>	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978
Contributions as a percentage of covered-employee payroll	20.43 %	21.41 %	23.13 %	25.73 %
<b>Carmichael</b>				
Contractually required contribution	\$ 296	\$ 274	\$ 309	\$ 325
Contributions in relation to the contractually required contribution	\$ (296)	\$ (274)	\$ (309)	\$ (325)
Covered-employee payroll <sup>B</sup>	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Contributions as a percentage of covered-employee payroll	25.90 %	23.26 %	27.15 %	29.00 %
<b>Mission Oaks</b>				
Contractually required contribution	\$ 315	\$ 1,007	\$ 221	\$ 258
Contributions in relation to the contractually required contribution	\$ (315)	\$ (1,007)	\$ (221)	\$ (258)
Covered-employee payroll <sup>B</sup>	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Contributions as a percentage of covered-employee payroll	27.44 %	97.11 %	28.26 %	30.00 %
<b>Sunrise</b>				
Contractually required contribution	\$ 655	\$ 597	\$ 419	\$ 459
Contributions in relation to the contractually required contribution	\$ (655)	\$ (597)	\$ (419)	\$ (459)
Covered-employee payroll <sup>B</sup>	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521
Contributions as a percentage of covered-employee payroll	25.61 %	31.24 %	28.03 %	30.00 %
<b>Component Unit First 5 Commission</b>				
Contractually required contribution	\$ 198	\$ 228	\$ 233	\$ 251
Contributions in relation to the contractually required contribution	\$ (198)	\$ (228)	\$ (233)	\$ (251)
Covered-employee payroll <sup>B</sup>	\$ 1,316	\$ 1,423	\$ 1,313	\$ 1,177
Contributions as a percentage of covered-employee payroll	15.05 %	16.02 %	17.75 %	21.00 %

Notes to Schedule:

A) FY 2014-15 was the first year of implementation.

B) Covered payroll represents pensionable compensation for the current fiscal year.

10 year schedules of annual money-weighted rate of return on pension plan investments can found in Schedule of Annual Money-Weighted Rate of Return tables in SCERS separately issued AFCR.

**COUNTY OF SACRAMENTO**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**LAST TEN YEARS<sup>A,B</sup>**  
**(amounts expressed in thousands)**

Page 1 of 2

***OPEB - Schedule of Changes in the Total OPEB Liability and Related Ratios***

County	2023	2022	2021	2020	2019	2018 <sup>A</sup>
Service cost	\$ 9,833	12,090	9,431	11,949	12,187	12,977
Actual vs. expected experience		(25,182)		(6,957)		
Interest on the total OPEB liability	3,324	3,784	4,957	7,183	6,378	5,122
Changes in assumptions	(18,427)	132	18,062	(47,435)	(4,510)	(13,042)
Changes in proportion	166	181	(47)	104	263	
Benefit payments	(5,861)	(6,085)	(5,395)	(6,883)	(6,050)	(6,051)
Net change in total OPEB liability	(10,965)	(15,080)	27,008	(42,039)	8,268	(994)
Total OPEB liability - beginning	146,870	161,950	134,942	176,981	168,713	169,707
Total OPEB liability - ending	<u>\$ 135,905</u>	<u>146,870</u>	<u>161,950</u>	<u>134,942</u>	<u>176,981</u>	<u>168,713</u>
Covered-employee payroll	\$ 914,895	893,647	883,579	845,535	765,327	818,852
Total OPEB liability as a percentage of covered-employee payroll	15 %	16 %	18 %	16 %	23 %	21 %

  

Carmichael	2023	2022	2021	2020	2019	2018
Service cost	\$ 10	11	9	10	11	12
Actual vs. expected experience		(12)		(29)		
Interest on the total OPEB liability	2	2	4	7	6	4
Changes in assumptions	(15)	(1)	8	(39)	(3)	(8)
Benefit payments	(10)	(12)	(14)	(10)	(7)	(5)
Net change in total OPEB liability	(13)	(12)	7	(61)	7	3
Total OPEB liability - beginning	97	109	102	163	156	153
Total OPEB liability - ending	<u>\$ 84</u>	<u>97</u>	<u>109</u>	<u>102</u>	<u>163</u>	<u>156</u>
Covered-employee payroll	\$ 993	1,009	1,017	923	1,050	1,039
Total OPEB liability as a percentage of covered-employee payroll	8 %	10 %	11 %	11 %	16 %	15 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

**COUNTY OF SACRAMENTO**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**LAST TEN YEARS<sup>A,B</sup>**  
**(amounts expressed in thousands)**

Page 2 of 2

Mission Oaks	2023	2022	2021	2020	2019	2018 <sup>A</sup>
Service cost	\$ 10	13	12	11	11	12
Actual vs. expected experience		(7)		(20)		
Interest on the total OPEB liability	2	2	3	4	4	3
Changes in assumptions	(9)	3	6	(25)	(1)	(6)
Benefit payments	(6)	(4)	(2)	(3)	(9)	(7)
Net change in total OPEB liability	(3)	7	19	(33)	5	2
Total OPEB liability - beginning	100	93	74	107	102	100
Total OPEB liability - ending	\$ 97	100	93	74	107	102
Covered-employee payroll	\$ 1,052	827	949	871	845	1,116
Total OPEB liability as a percentage of covered-employee payroll	9 %	12 %	10 %	8 %	13 %	9 %
Sunrise	2023	2022	2021	2020	2019	2018
Service cost	\$ 27	42	36	28	28	29
Actual vs. expected experience		(58)		(42)		
Interest on the total OPEB liability	4	4	6	8	6	4
Changes in assumptions	(13)	(15)	13	(38)	(3)	(2)
Benefit payments	(6)	(6)	(2)	(8)	(3)	(7)
Net change in total OPEB liability	12	(33)	53	(52)	28	24
Total OPEB liability - beginning	139	172	119	171	143	119
Total OPEB liability - ending	\$ 151	139	172	119	171	143
Covered-employee payroll	\$ 1,460	1,274	1,409	1,720	1,580	2,278
Total OPEB liability as a percentage of covered-employee payroll	10 %	11 %	12 %	7 %	11 %	6 %
Component Unit First 5 Commission	2023	2022	2021	2020	2019	2018
Service cost	\$ 8	13	\$ 10	\$ 14	\$ 13	\$ 15
Actual vs. expected experience		(29)		7		
Interest on the total OPEB liability	3	3	4	(7)	7	5
Changes in assumptions	(11)	-	13	(52)	(4)	(12)
Change in proportion	(12)	(3)	1	(15)	(5)	
Benefit payments	(5)	(6)	(5)	(8)	(7)	(6)
Net change in total OPEB liability	(17)	(22)	23	(61)	4	2
Total OPEB liability - beginning	122	144	121	182	178	176
Total OPEB liability - ending	\$ 105	122	144	121	182	178
Covered-employee payroll	\$ 911	987	998	948	933	1,284
Total OPEB liability as a percentage of covered-employee payroll	12 %	12 %	14 %	13 %	20 %	14 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

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**COUNTY OF SACRAMENTO  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>				
Cash and investments	\$ 400,311	32,742	216,793	649,846
Receivables, net of allowance for uncollectibles:				
Billed	11,017		998	12,015
Interest	8,319	793	3,758	12,870
Intergovernmental	25,898		149	26,047
Leases	1,633			1,633
Loan receivable from County Successor Agency		51,629		51,629
Loan receivable from City Successor Agency		4,134		4,134
Long-term receivables	8,915	22,273	2,822	34,010
Long-term receivable, leases	17,040			17,040
<b>Total assets</b>	<b>\$ 473,133</b>	<b>111,571</b>	<b>224,520</b>	<b>809,224</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 4,779		504	5,283
Accrued liabilities	29,977	48	3,174	33,199
Intergovernmental payable	10,664		2,711	13,375
Unearned revenues	2,151			2,151
<b>Total liabilities</b>	<b>47,571</b>	<b>48</b>	<b>6,389</b>	<b>54,008</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	14,431	55,763	3,683	73,877
Deferred inflows related to leases	18,281			18,281
<b>Total deferred inflows of resources</b>	<b>32,712</b>	<b>55,763</b>	<b>3,683</b>	<b>92,158</b>
<b>Fund balances:</b>				
Restricted	392,850	55,760	214,448	663,058
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 473,133</b>	<b>111,571</b>	<b>224,520</b>	<b>809,224</b>

**COUNTY OF SACRAMENTO  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ 61,149		7,255	68,404
Use of money and property	19,884	2,232	6,331	28,447
Licenses and permits	60,177			60,177
Intergovernmental	113,711	19,193	33,644	166,548
Charges for sales and services	171,217		43,035	214,252
Fines, forfeitures and penalties	399	11,824	1,578	13,801
Pledged tobacco settlement	15,463			15,463
Contributions from property owners			37,239	37,239
Miscellaneous	5,946	162	733	6,841
Total revenues	<u>447,946</u>	<u>33,411</u>	<u>129,815</u>	<u>611,172</u>
Expenditures:				
Current:				
General government	69,673			69,673
Public protection	98,195			98,195
Health and sanitation	40,639			40,639
Public ways and facilities	187,755		245	188,000
Recreation and culture	24,259			24,259
Education	1,166			1,166
Capital outlay	50		58,363	58,413
Debt service:				
Principal	1,711	157,709		159,420
Bond issuance costs	263	369		632
Interest and fiscal charges	322	56,477		56,799
Total expenditures	<u>424,033</u>	<u>214,555</u>	<u>58,608</u>	<u>697,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,913</u>	<u>(181,144)</u>	<u>71,207</u>	<u>(86,024)</u>
Other financing sources (uses):				
Transfers in	45,236	171,071	16,491	232,798
Transfers out	(26,243)	(12,732)	(295)	(39,270)
Issuance of long-term debt	10,042	23,416		33,458
Refunding debt issued		180,740		180,740
Premiums on debt issued	445			445
Payment to refunded bonds escrow agent		(180,371)		(180,371)
Total other financing sources (uses)	<u>29,480</u>	<u>182,124</u>	<u>16,196</u>	<u>227,800</u>
Changes in fund balances	53,393	980	87,403	141,776
Fund balances - beginning	339,457	54,780	127,045	521,282
Fund balances - ending	<u>\$ 392,850</u>	<u>55,760</u>	<u>214,448</u>	<u>663,058</u>

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### SPECIAL REVENUE FUNDS

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## SPECIAL REVENUE FUNDS

**Road** - Accounts for financing the construction and maintenance of Sacramento County's unincorporated area road systems through planning, environmental analysis, traffic engineering and design, operations, traffic signals, street lights, signs and markings, right-of-way acquisitions, safety related improvements and radar/speed control.

**Solid Waste Commercial Program** - Accounts for the regulation of commercial solid waste and recycling collection by franchised haulers within the incorporated areas of the County of Sacramento based on ordinances approved by the County Board of Supervisors and funded by commercial franchise fees.

**County Library** - Accounts for capital maintenance and related costs at Sacramento County-owned Sacramento Public Library branches.

**Transportation Sales Tax** - Accounts for the public road improvements in the unincorporated area of the County that are funded from Measure A Transportation Sales Tax.

**Building Inspection** - Accounts for building inspection and code enforcement services to the unincorporated area of the County and is subject to Proposition 218 requirements. Proposition 218 prohibits property related fees from exceeding costs of services provided and the fees from the revenues shall not be used for any purpose other than that for which the fee was imposed.

**Fixed Asset Revolving** - Provides funding for payment of fixed asset debt service in accordance with the requirements of the financing documents.

**Lighting and Landscape Maintenance Districts** - As a blended component unit of the County, provides funding to plan, design, construct and maintain street and highway safety lighting facilities along streets and intersections in the unincorporated area of the County and provides funding for the maintenance of approximately 2 million square feet of landscaped corridors, medians and open spaces that exist throughout the County and is financed by service charges through direct levy subject to Proposition 218 requirements.

**Park Districts and Park Service Areas** - As a blended component unit of the County, accounts for the operation of three Board of Supervisors-governed park districts and for administrative and program assistance provided by the Department of Parks and Recreation to County Service Area Four and County Service Area No. 10.

**Water Agencies** - As a blended component unit of the County, consists of various zones created to provide specialized services within specific geographic areas and is subject to Proposition 218 requirements.

**Stormwater Utility Program** - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region subject to Proposition 218 requirements.

**Inmate Welfare** - Accounts for revenues and expenditures used for the benefit, education and welfare of inmates.

## SPECIAL REVENUE FUNDS

**Economic Development** - Oversees and is responsible for economic development matters within the County including the operation of the County's Business Environmental Resource Center (BERC), activities related to the redevelopment of the former McClellan and Mather air force bases and marketing efforts of the County. The department also engages in more general economic development and job creation programs.

**Roadways** - Provides financing for public road improvements within several geographical districts in response to land use decisions, population growth and anticipated future development. Development fees provide the funding for the improvements and are charged when commercial and residential building permits are approved.

**Tobacco Securitization Authority of Northern California** - As a blended component unit of the County, accounts for revenues and expenditures associated with the Authority, including activities such as the collection of tobacco settlement revenues, administration of bond debt and proceeds and the transferring of funds to the Tobacco Litigation Settlement debt service fund necessary to make required debt service payments.

**Environmental Management** - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials funded through permits, licenses, registration, fees and penalties.

**Jail Industry** - Used for the operation or expansion of the jail industry program or to cover operating of county detention facilities.

**Sacramento County Groundwater Sustainability Agency (SCGSA)** - Fee revenues from SCGSA are used to support the JPA Groundwater Sustainability Agency's (GSA) groundwater sustainability program, administration costs, implementation of Groundwater Sustainability Plan, projects and management actions.

**Other** - Accounts for miscellaneous Special Revenue Funds of the County.

**Fish and Game Propagation** - Accounts for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Recreation and Park Commission makes annual recommendations to the Board of Supervisors regarding expenditures within this fund.

**In-Home Support Services Authority** - Established via Sacramento County Code 2.97 in accordance with the state mandate established in WIC 12301.6 which requires assistance to recipients in finding in-home supportive services personnel through the establishment of a registry, investigation of potential personnel, establishes a referral system, provides training for providers and recipients and performs any other functions related to the delivery of in-home supportive services, funded by State Realignment and Federal reimbursements.

**Mather Landscape Maintenance Community Facilities District (CFD)** - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

**Mather Public Facilities Financing Plan (PFFP)** - Provides portions of the major public infrastructure roadway facilities for the Mather area, funded by development impact fees.

**Gold River Station #7 Landscape Community Facilities District (CFD)** - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

**Natomas Fire District** - Funds the provision of fire protection services in the Natomas area from property taxes.

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
<b>Assets:</b>					
Cash and investments	\$ 129,113	7,041	110	7,218	21,230
Receivables, net of allowance for uncollectibles:					
Billed	1,930			33	2,598
Interest	2,581	159	3	201	516
Intergovernmental	13,182		1	6,175	2
Leases					
Long-term receivables					
Long-term receivable, leases					
<b>Total assets</b>	<b>\$ 146,806</b>	<b>7,200</b>	<b>114</b>	<b>13,627</b>	<b>24,346</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>					
<b>Liabilities:</b>					
Warrants payable	\$ 719	41		282	52
Accrued liabilities	15,022	44		1,781	2,232
Intergovernmental payable	579	8		3,947	1,410
Unearned revenues	1,069				472
<b>Total liabilities</b>	<b>17,389</b>	<b>93</b>		<b>6,010</b>	<b>4,166</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	3,957			445	
Deferred inflows related to leases					
<b>Total deferred inflows of resources</b>	<b>3,957</b>			<b>445</b>	
<b>Fund balances:</b>					
Restricted	125,460	7,107	114	7,172	20,180
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 146,806</b>	<b>7,200</b>	<b>114</b>	<b>13,627</b>	<b>24,346</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
<b>Assets:</b>					
Cash and investments	\$	4,824	24,193	46,426	20,749
Receivables, net of allowance for uncollectibles:					
Billed		29	1,488	10	2,309
Interest		94	243	1,057	410
Intergovernmental			397		22
Leases			1,464		
Long-term receivables				138	
Long-term receivable, leases			16,967		
<b>Total assets</b>	<b>\$</b>	<b>4,947</b>	<b>44,752</b>	<b>47,631</b>	<b>23,490</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>					
<b>Liabilities:</b>					
Warrants payable	\$	55	338	46	262
Accrued liabilities		113	687	550	1,025
Intergovernmental payable			1,748	11	49
Unearned revenues			610		
<b>Total liabilities</b>		<b>168</b>	<b>3,383</b>	<b>607</b>	<b>1,336</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues			1,114	138	
Deferred inflows related to leases			18,040		
<b>Total deferred inflows of resources</b>			<b>19,154</b>	<b>138</b>	
<b>Fund balances:</b>					
Restricted		4,779	22,215	46,886	22,154
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$</b>	<b>4,947</b>	<b>44,752</b>	<b>47,631</b>	<b>23,490</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

Page 3 of 4

	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
<b>Assets:</b>					
Cash and investments	\$ 17,759	53,437	51,838	556	11,215
Receivables, net of allowance for uncollectibles:					
Billed	623	1,201			790
Interest	396	1,172	1,114		257
Intergovernmental		90	4,902		765
Leases		169			
Long-term receivables			1,046	7,731	
Long-term receivable, leases		73			
<b>Total assets</b>	<b>\$ 18,778</b>	<b>56,142</b>	<b>58,900</b>	<b>8,287</b>	<b>13,027</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>					
<b>Liabilities:</b>					
Warrants payable	\$ 142	2,574			225
Accrued liabilities	615	4,940		22	982
Intergovernmental payable	1,969	728			106
Unearned revenues					
<b>Total liabilities</b>	<b>2,726</b>	<b>8,242</b>		<b>22</b>	<b>1,313</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues			1,046	7,731	
Deferred inflows related to leases		241			
<b>Total deferred inflows of resources</b>		<b>241</b>	<b>1,046</b>	<b>7,731</b>	
<b>Fund balances:</b>					
Restricted	16,052	47,659	57,854	534	11,714
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 18,778</b>	<b>56,142</b>	<b>58,900</b>	<b>8,287</b>	<b>13,027</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Other	Total
<b>Assets:</b>				
Cash and investments	\$ 323	6	4,273	400,311
Receivables, net of allowance for uncollectibles:				
Billed	6			11,017
Interest	7		109	8,319
Intergovernmental			362	25,898
Leases				1,633
Long-term receivables				8,915
Long-term receivable, leases				17,040
<b>Total assets</b>	<b>\$ 336</b>	<b>6</b>	<b>4,744</b>	<b>473,133</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 4		39	4,779
Accrued liabilities	3		1,961	29,977
Intergovernmental payable			109	10,664
Unearned revenues				2,151
<b>Total liabilities</b>	<b>7</b>		<b>2,109</b>	<b>47,571</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues				14,431
Deferred inflows related to leases				18,281
<b>Total deferred inflows of resources</b>				<b>32,712</b>
<b>Fund balances:</b>				
Restricted	329	6	2,635	392,850
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 336</b>	<b>6</b>	<b>4,744</b>	<b>473,133</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

Page 1 of 4

	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
<b>Revenues:</b>					
Taxes	\$ 1,366			34,430	
Use of money and property	4,017	200	4	449	568
Licenses and permits	1,948	4,721			20,627
Intergovernmental	68,239		1,217	7,558	214
Charges for sales and services	60,612				57,024
Fines, forfeitures and penalties	146	156			80
Pledged tobacco settlement					
Miscellaneous	439	161		1	387
Total revenues	<u>136,767</u>	<u>5,238</u>	<u>1,221</u>	<u>42,438</u>	<u>78,900</u>
<b>Expenditures:</b>					
Current:					
General government					
Public protection					80,372
Health and sanitation		3,780			
Public ways and facilities	142,835			42,079	
Recreation and culture					
Education			1,166		
Capital outlay					
Debt service:					
Principal		45			710
Bond issuance costs					
Interest and fiscal charges		2			2
Total expenditures	<u>142,835</u>	<u>3,827</u>	<u>1,166</u>	<u>42,079</u>	<u>81,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,068)</u>	<u>1,411</u>	<u>55</u>	<u>359</u>	<u>(2,184)</u>
<b>Other financing sources (uses):</b>					
Transfers in	42,344	1,000			
Transfers out	(2,536)				(2,323)
Issuance of long-term debt					
Premiums on debt issued					
Total other financing sources (uses)	<u>39,808</u>	<u>1,000</u>			<u>(2,323)</u>
Changes in fund balances	33,740	2,411	55	359	(4,507)
Fund balances - beginning	91,720	4,696	59	6,813	24,687
Fund balances - ending	<u>\$ 125,460</u>	<u>7,107</u>	<u>114</u>	<u>7,172</u>	<u>20,180</u>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
<b>Revenues:</b>					
Taxes	\$	733	12,364		8,233
Use of money and property		153	6,201	1,811	725
Licenses and permits				6,841	
Intergovernmental		6	1,444	61	438
Charges for sales and services	3,833	2,744	3,013	4,057	27,060
Fines, forfeitures and penalties			2		2
Pledged tobacco settlement					
Miscellaneous		5	1,656		39
Total revenues	<u>3,833</u>	<u>3,641</u>	<u>24,680</u>	<u>12,770</u>	<u>36,497</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government		3,778			35,054
Public protection					
Health and sanitation				13,115	
Public ways and facilities					
Recreation and culture			24,251		
Education					
Capital outlay					
Debt service:					
Principal			251		
Bond issuance costs			263		
Interest and fiscal charges			164		
Total expenditures		<u>3,778</u>	<u>24,929</u>	<u>13,115</u>	<u>35,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,833</u>	<u>(137)</u>	<u>(249)</u>	<u>(345)</u>	<u>1,443</u>
<b>Other financing sources (uses):</b>					
Transfers in		1,206			
Transfers out	(3,833)				(1,144)
Issuance of long-term debt			10,000		
Premiums on debt issued			445		
Total other financing sources (uses)	<u>(3,833)</u>	<u>1,206</u>	<u>10,445</u>		<u>(1,144)</u>
Changes in fund balances		1,069	10,196	(345)	299
Fund balances - beginning		3,710	12,019	47,231	21,855
Fund balances - ending	<u>\$</u>	<u>4,779</u>	<u>22,215</u>	<u>46,886</u>	<u>22,154</u>



**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
<b>Revenues:</b>					
Taxes	\$				
Use of money and property	1,595	1,717	1,793	25	441
Licenses and permits		122	11,926		10,863
Intergovernmental		24,476	54		8,072
Charges for sales and services	7,666	3,781			914
Fines, forfeitures and penalties					
Pledged tobacco settlement				15,463	
Miscellaneous	188	801	512		928
<b>Total revenues</b>	<b>9,449</b>	<b>30,897</b>	<b>14,285</b>	<b>15,488</b>	<b>21,218</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government		30,609			
Public protection	10,053				
Health and sanitation				207	20,714
Public ways and facilities			2,827		
Recreation and culture					
Education					
Capital outlay					
Debt service:					
Principal		52			653
Bond issuance costs					
Interest and fiscal charges		1			153
<b>Total expenditures</b>	<b>10,053</b>	<b>30,662</b>	<b>2,827</b>	<b>207</b>	<b>21,520</b>
Excess (deficiency) of revenues over (under) expenditures	(604)	235	11,458	15,281	(302)
<b>Other financing sources (uses):</b>					
Transfers in		391			295
Transfers out		(159)		(15,236)	(1,012)
Issuance of long-term debt		42			
Premiums on debt issued					
<b>Total other financing sources (uses)</b>		<b>274</b>		<b>(15,236)</b>	<b>(717)</b>
Changes in fund balances	(604)	509	11,458	45	(1,019)
Fund balances - beginning	16,656	47,150	46,396	489	12,733
Fund balances - ending	<b>\$ 16,052</b>	<b>47,659</b>	<b>57,854</b>	<b>534</b>	<b>11,714</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Jail Industry	Sacramento County Groundwater Sustainability Agency	Other	Total
<b>Revenues:</b>				
Taxes	\$ 7		4,016	61,149
Use of money and property	10	1	174	19,884
Licenses and permits			3,129	60,177
Intergovernmental			1,932	113,711
Charges for sales and services	253	54	206	171,217
Fines, forfeitures and penalties			13	399
Pledged tobacco settlement				15,463
Miscellaneous			829	5,946
<b>Total revenues</b>	<b>270</b>	<b>55</b>	<b>10,299</b>	<b>447,946</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government			232	69,673
Public protection	217		7,553	98,195
Health and sanitation			2,823	40,639
Public ways and facilities			14	187,755
Recreation and culture			8	24,259
Education				1,166
Capital outlay		50		50
<b>Debt service:</b>				
Principal				1,711
Bond issuance costs				263
Interest and fiscal charges				322
<b>Total expenditures</b>	<b>217</b>	<b>50</b>	<b>10,630</b>	<b>424,033</b>
Excess (deficiency) of revenues over (under) expenditures	53	5	(331)	23,913
<b>Other financing sources (uses):</b>				
Transfers in				45,236
Transfers out				(26,243)
Issuance of long-term debt				10,042
Premiums on debt issued				445
<b>Total other financing sources (uses)</b>				<b>29,480</b>
Changes in fund balances	53	5	(331)	53,393
Fund balances - beginning	276	1	2,966	339,457
Fund balances - ending	<b>\$ 329</b>	<b>6</b>	<b>2,635</b>	<b>392,850</b>

**COUNTY OF SACRAMENTO  
ROAD SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 1,267	1,267	1,366	99
Use of money and property	476	476	4,017	3,541
Licenses and permits	1,846	1,846	1,948	102
Intergovernmental	97,483	88,089	68,239	(19,850)
Charges for sales and services	63,563	63,082	60,612	(2,470)
Fines, forfeitures and penalties	6	6	146	140
Miscellaneous	475	505	439	(66)
Total revenues	<u>165,116</u>	<u>155,271</u>	<u>136,767</u>	<u>(18,504)</u>
Expenditures:				
Current:				
Public ways and facilities	244,857	266,433	142,835	123,598
Deficiency of revenues under expenditures	<u>(79,741)</u>	<u>(111,162)</u>	<u>(6,068)</u>	<u>105,094</u>
Other financing sources (uses):				
Transfers in	42,344	42,344	42,344	
Transfers out	<u>(2,536)</u>	<u>(2,536)</u>	<u>(2,536)</u>	
Total other financing sources (uses)	<u>39,808</u>	<u>39,808</u>	<u>39,808</u>	
Changes in fund balance	(39,933)	(71,354)	33,740	105,094
Fund balance - beginning	<u>91,720</u>	<u>91,720</u>	<u>91,720</u>	
Fund balance - ending	<u>\$ 51,787</u>	<u>20,366</u>	<u>125,460</u>	<u>105,094</u>

**COUNTY OF SACRAMENTO**  
**SOLID WASTE COMMERCIAL PROGRAM SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		200	200
Licenses and permits	4,500	4,500	4,721	221
Fines, forfeitures and penalties	41	41	156	115
Miscellaneous	<u>260</u>	<u>260</u>	<u>161</u>	<u>(99)</u>
Total revenues	<u>4,801</u>	<u>4,801</u>	<u>5,238</u>	<u>437</u>
Expenditures:				
Current:				
Health and sanitation	6,605	6,605	3,780	2,825
Debt service				
Principal	45	45	45	
Interest and fiscal charges	<u>2</u>	<u>2</u>	<u>2</u>	
Total expenditures	<u>6,652</u>	<u>6,652</u>	<u>3,827</u>	<u>2,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,851)</u>	<u>(1,851)</u>	<u>1,411</u>	<u>3,262</u>
Other financing sources:				
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	
Changes in fund balance	(851)	(851)	2,411	3,262
Fund balance - beginning	<u>4,696</u>	<u>4,696</u>	<u>4,696</u>	
Fund balance - ending	<u>\$ 3,845</u>	<u>3,845</u>	<u>7,107</u>	<u>3,262</u>

**COUNTY OF SACRAMENTO  
COUNTY LIBRARY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 2	2	4	2
Intergovernmental			1,217	1,217
Miscellaneous	<u>1,217</u>	<u>1,217</u>		<u>(1,217)</u>
Total revenues	<u>1,219</u>	<u>1,219</u>	<u>1,221</u>	<u>2</u>
Expenditures:				
Current:				
Education	<u>1,252</u>	<u>1,277</u>	<u>1,166</u>	<u>111</u>
Changes in fund balance	(33)	(58)	55	113
Fund balance - beginning	<u>59</u>	<u>59</u>	<u>59</u>	
Fund balance - ending	<u>\$ 26</u>	<u>1</u>	<u>114</u>	<u>113</u>

**COUNTY OF SACRAMENTO**  
**TRANSPORTATION SALES TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 39,650	47,810	34,430	(13,380)
Use of money and property	38	552	449	(103)
Intergovernmental	15,426	15,929	7,558	(8,371)
Miscellaneous	<u>68</u>	<u>8</u>	<u>1</u>	<u>(7)</u>
Total revenues	<u>55,182</u>	<u>64,299</u>	<u>42,438</u>	<u>(21,861)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>57,124</u>	<u>66,103</u>	<u>42,079</u>	<u>24,024</u>
Changes in fund balance	(1,942)	(1,804)	359	2,163
Fund balance - beginning	<u>6,813</u>	<u>6,813</u>	<u>6,813</u>	<u>6,813</u>
Fund balance - ending	<u><u>\$ 4,871</u></u>	<u><u>5,009</u></u>	<u><u>7,172</u></u>	<u><u>2,163</u></u>

**COUNTY OF SACRAMENTO**  
**BUILDING INSPECTION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 31	31	568	537
Licenses and permits	19,345	18,971	20,627	1,656
Intergovernmental	50	205	214	9
Charges for sales and services	58,661	60,575	57,024	(3,551)
Fines, forfeitures and penalties	40	55	80	25
Miscellaneous	396	396	387	(9)
Total revenues	<u>78,523</u>	<u>80,233</u>	<u>78,900</u>	<u>(1,333)</u>
Expenditures:				
Current:				
Public protection	82,213	85,650	80,372	5,278
Debt service:				
Principal	710	710	710	
Interest and fiscal charges	2	2	2	
Total expenditures	<u>82,925</u>	<u>86,362</u>	<u>81,084</u>	<u>5,278</u>
Deficiency of revenues under expenditures	<u>(4,402)</u>	<u>(6,129)</u>	<u>(2,184)</u>	<u>3,945</u>
Other financing uses:				
Transfers out	<u>(2,323)</u>	<u>(2,323)</u>	<u>(2,323)</u>	
Changes in fund balance	(6,725)	(8,452)	(4,507)	3,945
Fund balance - beginning	<u>24,687</u>	<u>24,687</u>	<u>24,687</u>	
Fund balance - ending	<u>\$ 17,962</u>	<u>16,235</u>	<u>20,180</u>	<u>3,945</u>

**COUNTY OF SACRAMENTO**  
**FIXED ASSET REVOLVING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for sales and services	\$		3,833	3,833
Miscellaneous	<u>3,833</u>	<u>3,833</u>		<u>(3,833)</u>
Expenditures:				
Capital outlay	<u>8</u>	<u>6</u>		<u>6</u>
Excess of revenues over expenditures	<u>3,825</u>	<u>3,827</u>	<u>3,833</u>	<u>6</u>
Other financing uses:				
Transfers out	<u>(3,833)</u>	<u>(3,833)</u>	<u>(3,833)</u>	
Changes in fund balance	(8)	(6)		6
Fund balance - beginning				
Fund balance - ending	<u>\$ (8)</u>	<u>(6)</u>		<u>6</u>



**COUNTY OF SACRAMENTO**  
**LIGHTING AND LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 501	501	733	232
Use of money and property	19	19	153	134
Intergovernmental	5	5	6	1
Charges for sales and services	2,723	2,723	2,744	21
Miscellaneous	7	7	5	(2)
Total revenues	<u>3,255</u>	<u>3,255</u>	<u>3,641</u>	<u>386</u>
Expenditures:				
Current:				
General government	4,750	4,854	3,778	1,076
Deficiency of revenues under expenditures	<u>(1,495)</u>	<u>(1,599)</u>	<u>(137)</u>	<u>1,462</u>
Other financing sources:				
Transfers in	<u>1,206</u>	<u>1,206</u>	<u>1,206</u>	
Changes in fund balance	(289)	(393)	1,069	1,462
Fund balance - beginning	<u>3,710</u>	<u>3,710</u>	<u>3,710</u>	
Fund balance - ending	<u>\$ 3,421</u>	<u>3,317</u>	<u>4,779</u>	<u>1,462</u>

**COUNTY OF SACRAMENTO**  
**PARK DISTRICTS AND PARK SERVICE AREAS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 11,591	12,064	12,364	300
Use of money and property	2,197	2,108	6,201	4,093
Intergovernmental	546	2,714	1,444	(1,270)
Charges for sales and services	5,176	6,102	3,013	(3,089)
Fines, forfeitures and penalties			2	2
Miscellaneous	1,888	2,225	1,656	(569)
Total revenues	<u>21,398</u>	<u>25,213</u>	<u>24,680</u>	<u>(533)</u>
Expenditures:				
Current:				
Recreation and culture	25,711	31,599	24,251	7,348
Debt Service:				
Principal	251	251	251	
Bond issuance costs		263	263	
Interest and fiscal charges	164	164	164	
Total expenditures	<u>26,126</u>	<u>32,277</u>	<u>24,929</u>	<u>7,348</u>
Deficiency of revenues under expenditures	<u>(4,728)</u>	<u>(7,064)</u>	<u>(249)</u>	<u>6,815</u>
Other financing sources:				
Issuance of long-term debt		10,000	10,000	
Premiums on debt issued		445	445	
Total other financing sources		<u>10,445</u>	<u>10,445</u>	
Changes in fund balance	(4,728)	3,381	10,196	6,815
Fund balance - beginning	12,019	12,019	12,019	
Fund balance - ending	<u>\$ 7,291</u>	<u>15,400</u>	<u>22,215</u>	<u>6,815</u>

**COUNTY OF SACRAMENTO**  
**WATER AGENCIES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 332	332	1,811	1,479
Licenses and permits	4,873	4,873	6,841	1,968
Intergovernmental	783	783	61	(722)
Charges for sales and services	5,191	9,675	4,057	(5,618)
Total revenues	<u>11,179</u>	<u>15,663</u>	<u>12,770</u>	<u>(2,893)</u>
Expenditures:				
Current:				
Health and sanitation	<u>12,795</u>	<u>26,633</u>	<u>13,115</u>	<u>13,518</u>
Deficiency of revenues under expenditures	<u>(1,616)</u>	<u>(10,970)</u>	<u>(345)</u>	<u>10,625</u>
Changes in fund balance	(1,616)	(10,970)	(345)	10,625
Fund balance - beginning	<u>47,231</u>	<u>47,231</u>	<u>47,231</u>	<u>47,231</u>
Fund balance - ending	<u>\$ 45,615</u>	<u>36,261</u>	<u>46,886</u>	<u>10,625</u>

**COUNTY OF SACRAMENTO**  
**STORMWATER UTILITY PROGRAM SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 7,340	7,340	8,233	893
Use of money and property	80	80	725	645
Intergovernmental	2,989	3,093	438	(2,655)
Charges for sales and services	26,152	26,074	27,060	986
Fines, forfeitures and penalties	2	2	2	
Miscellaneous	80	80	39	(41)
Total revenues	<u>36,643</u>	<u>36,669</u>	<u>36,497</u>	<u>(172)</u>
Expenditures:				
Current:				
General government	<u>40,246</u>	<u>44,815</u>	<u>35,054</u>	<u>9,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,603)</u>	<u>(8,146)</u>	<u>1,443</u>	<u>9,589</u>
Other financing uses:				
Transfers out	<u>(1,144)</u>	<u>(1,144)</u>	<u>(1,144)</u>	
Changes in fund balance	(4,747)	(9,290)	299	9,589
Fund balance - beginning	<u>21,855</u>	<u>21,855</u>	<u>21,855</u>	
Fund balance - ending	<u>\$ 17,108</u>	<u>12,565</u>	<u>22,154</u>	<u>9,589</u>

**COUNTY OF SACRAMENTO**  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 760	760	1,717	957
Licenses and permits	122	122	122	
Intergovernmental	13,396	26,434	24,476	(1,958)
Charges for sales and services	1,220	1,220	3,781	2,561
Miscellaneous	3,084	3,084	801	(2,283)
Total revenues	<u>18,582</u>	<u>31,620</u>	<u>30,897</u>	<u>(723)</u>
Expenditures:				
Current:				
General government	59,205	73,800	30,609	43,191
Debt service:				
Principal	52	52	52	
Interest and fiscal charges	1	1	1	
Total expenditures	<u>59,258</u>	<u>73,853</u>	<u>30,662</u>	<u>43,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,676)</u>	<u>(42,233)</u>	<u>235</u>	<u>42,468</u>
Other financing sources (uses):				
Transfers in	391	391	391	
Transfers out	(159)	(159)	(159)	
Issuance of long-term debt	42	42	42	
Total other financing sources (uses)	<u>274</u>	<u>274</u>	<u>274</u>	
Changes in fund balance	(40,402)	(41,959)	509	42,468
Fund balance - beginning	47,150	47,150	47,150	
Fund balance - ending	<u>\$ 6,748</u>	<u>5,191</u>	<u>47,659</u>	<u>42,468</u>

**COUNTY OF SACRAMENTO**  
**ROADWAYS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 206	206	1,793	1,587
Licenses and permits	24,105	24,105	11,926	(12,179)
Intergovernmental		1,049	54	(995)
Miscellaneous	<u>609</u>	<u>609</u>	<u>512</u>	<u>(97)</u>
Total revenues	<u>24,920</u>	<u>25,969</u>	<u>14,285</u>	<u>(11,684)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>12,245</u>	<u>11,353</u>	<u>2,827</u>	<u>8,526</u>
Changes in fund balance	12,675	14,616	11,458	(3,158)
Fund balance - beginning	<u>46,396</u>	<u>46,396</u>	<u>46,396</u>	
Fund balance - ending	<u>\$ 59,071</u>	<u>61,012</u>	<u>57,854</u>	<u>(3,158)</u>

**COUNTY OF SACRAMENTO**  
**TOBACCO SECURITIZATION AUTHORITY OF NORTHERN CALIFORNIA SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		25	25
Pledged tobacco settlement			15,463	15,463
Total revenues			<u>15,488</u>	<u>15,488</u>
Expenditures:				
Current:				
Health and sanitation	218	218	207	11
Excess (deficiency) of revenues over (under) expenditures	<u>(218)</u>	<u>(218)</u>	<u>15,281</u>	<u>15,499</u>
Other financing uses:				
Transfers out			(15,236)	(15,236)
Changes in fund balance	(218)	(218)	45	263
Fund balance - beginning	489	489	489	
Fund balance - ending	<u>\$ 271</u>	<u>271</u>	<u>534</u>	<u>263</u>

**COUNTY OF SACRAMENTO**  
**ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 80	80	441	361
Licenses and permits	11,568	9,968	10,863	895
Intergovernmental	6,420	8,814	8,072	(742)
Charges for sales and services	838	838	914	76
Miscellaneous	557	948	928	(20)
Total revenues	<u>19,463</u>	<u>20,648</u>	<u>21,218</u>	<u>570</u>
Expenditures:				
Current:				
Health and sanitation	20,962	22,122	20,714	1,408
Debt service:				
Principal	653	653	653	
Interest and fiscal charges	153	153	153	
Total expenditures	<u>21,768</u>	<u>22,928</u>	<u>21,520</u>	<u>1,408</u>
Deficiency of revenues under expenditures	<u>(2,305)</u>	<u>(2,280)</u>	<u>(302)</u>	<u>1,978</u>
Other financing sources (uses):				
Transfers in	295	295	295	
Transfers out	(1,012)	(1,012)	(1,012)	
Total other financing sources (uses)	<u>(717)</u>	<u>(717)</u>	<u>(717)</u>	
Changes in fund balance	(3,022)	(2,997)	(1,019)	1,978
Fund balance - beginning	12,733	12,733	12,733	
Fund balance - ending	<u>\$ 9,711</u>	<u>9,736</u>	<u>11,714</u>	<u>1,978</u>



**COUNTY OF SACRAMENTO  
JAIL INDUSTRY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 4	4	7	3
Use of money and property	1	1	10	9
Charges for sales and services	<u>229</u>	<u>229</u>	<u>253</u>	<u>24</u>
Total revenues	<u>234</u>	<u>234</u>	<u>270</u>	<u>36</u>
Expenditures:				
Current:				
Public protection	<u>233</u>	<u>327</u>	<u>217</u>	<u>110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>(93)</u>	<u>53</u>	<u>146</u>
Changes in fund balance	1	(93)	53	146
Fund balance - beginning	<u>276</u>	<u>276</u>	<u>276</u>	<u>146</u>
Fund balance - ending	<u>\$ 277</u>	<u>183</u>	<u>329</u>	<u>146</u>

**COUNTY OF SACRAMENTO**  
**SACRAMENTO COUNTY GROUNDWATER SUSTAINABILITY AGENCY**  
**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		1	1
Charges for sales and services		70	54	(16)
Total revenues		<u>70</u>	<u>55</u>	<u>(15)</u>
Expenditures:				
Capital outlay		70	50	20
Changes in fund balance			5	5
Fund balance - beginning			1	1
Fund balance - ending	\$		<u>6</u>	<u>6</u>

**COUNTY OF SACRAMENTO  
OTHER SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 3,591	3,591	4,016	425
Use of money and property	13	19	174	155
Licenses and permits	4,500	4,085	3,129	(956)
Intergovernmental	2,317	2,405	1,932	(473)
Charges for sales and services	56	56	206	150
Fines, forfeitures and penalties	20	17	13	(4)
Miscellaneous	800	800	829	29
Total revenues	<u>11,297</u>	<u>10,973</u>	<u>10,299</u>	<u>(674)</u>
Expenditures:				
Current:				
General government	600	594	232	362
Public protection	7,964	8,303	7,553	750
Health and sanitation	3,346	3,386	2,823	563
Public ways and facilities	777	794	14	780
Recreation and culture	30	20	8	12
Total expenditures	<u>12,717</u>	<u>13,097</u>	<u>10,630</u>	<u>2,467</u>
Changes in fund balance	(1,420)	(2,124)	(331)	1,793
Fund balance - beginning	2,966	2,966	2,966	
Fund balance - ending	<u>\$ 1,546</u>	<u>842</u>	<u>2,635</u>	<u>1,793</u>

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### DEBT SERVICE FUNDS

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## DEBT SERVICE FUNDS

**Public Facilities Financing Corporation** - Services the debt associated with the Public Facilities Financing Corporation's Juvenile Courthouse and the 2018, 2020 Public Facilities Financing funds.

**Pension Obligation Bonds** - Services the debt related to Pension Obligation Bonds issued to pay off the unfunded pension liability the County owed the Sacramento County Employees' Retirement System.

**Teeter Plan** - Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the "Teeter Plan."

**Tobacco Securitization Authority of Northern California** - Established in FY 2001-02 to account for the principal and interest payments on the Authority's Tobacco Settlement Revenue Bonds and the receipt of funds from the General Fund necessary to meet annual debt service requirements.

**Sacramento County Public Financing Authority** - Established in FY 2003-04 to service debt associated with housing and redevelopment projects throughout Sacramento County.

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Public Facilities Financing Corporation</u>					Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
	Juvenile Courthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds	Teeter Plan			
Assets:								
Cash and investments	\$ 2,460	400	2,992	3,794	3,461	13,071	6,564	32,742
Receivables:								
Interest	80	71	37	591	14			793
Loan receivable from County Successor Agency							51,629	51,629
Loan receivable from City Successor Agency							4,134	4,134
Long-term receivables					22,273			22,273
Total assets	<u>\$ 2,540</u>	<u>471</u>	<u>3,029</u>	<u>4,385</u>	<u>25,748</u>	<u>13,071</u>	<u>62,327</u>	<u>111,571</u>
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accrued liabilities	\$ 2			46				48
Deferred inflows of resources:								
Unavailable revenues							55,763	55,763
Fund balances:								
Restricted	2,538	471	3,029	4,339	25,748	13,071	6,564	55,760
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,540</u>	<u>471</u>	<u>3,029</u>	<u>4,385</u>	<u>25,748</u>	<u>13,071</u>	<u>62,327</u>	<u>111,571</u>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Public Facilities Financing Corporations</u>					Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	
	Juvenile Courthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds	Teeter Plan			Total
Revenues:								
Use of money and property	\$ 133	123	138	1,377	42	419		2,232
Intergovernmental				12,792			6,401	19,193
Fines, forfeitures and penalties					11,824			11,824
Miscellaneous				162				162
Total revenues	<u>133</u>	<u>123</u>	<u>138</u>	<u>14,331</u>	<u>11,866</u>	<u>419</u>	<u>6,401</u>	<u>33,411</u>
Expenditures:								
Debt service:								
Principal	1,230	6,405	2,570	111,515	23,294	9,745	2,950	157,709
Bond issuance costs				369				369
Interest and fiscal charges	1,032	3,435	1,262	41,300	372	5,991	3,085	56,477
Total expenditures	<u>2,262</u>	<u>9,840</u>	<u>3,832</u>	<u>153,184</u>	<u>23,666</u>	<u>15,736</u>	<u>6,035</u>	<u>214,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,129)</u>	<u>(9,717)</u>	<u>(3,694)</u>	<u>(138,853)</u>	<u>(11,800)</u>	<u>(15,317)</u>	<u>366</u>	<u>(181,144)</u>
Other financing sources (uses):								
Transfers in	2,249	9,810	3,833	139,943		15,236		171,071
Transfers out			(775)		(11,957)			(12,732)
Issuance of long-term debt					23,416			23,416
Refunding debt issued				180,740				180,740
Payment to refunded bonds escrow agent				(180,371)				(180,371)
Total other financing sources (uses)	<u>2,249</u>	<u>9,810</u>	<u>3,058</u>	<u>140,312</u>	<u>11,459</u>	<u>15,236</u>		<u>182,124</u>
Changes in fund balances	120	93	(636)	1,459	(341)	(81)	366	980
Fund balances - beginning	2,418	378	3,665	2,880	26,089	13,152	6,198	54,780
Fund balances - ending	<u>\$ 2,538</u>	<u>471</u>	<u>3,029</u>	<u>4,339</u>	<u>25,748</u>	<u>13,071</u>	<u>6,564</u>	<u>55,760</u>



**COUNTY OF SACRAMENTO  
PUBLIC FACILITIES FINANCING CORPORATION  
JUVENILE COURTHOUSE DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		133	133
Expenditures:				
Debt service:				
Principal	1,230	1,230	1,230	
Interest and fiscal charges	1,216	1,234	1,032	202
Total expenditures	<u>2,446</u>	<u>2,464</u>	<u>2,262</u>	<u>202</u>
Deficiency of revenues under expenditures	<u>(2,446)</u>	<u>(2,464)</u>	<u>(2,129)</u>	<u>335</u>
Other financing sources:				
Transfers in	<u>2,249</u>	<u>2,249</u>	<u>2,249</u>	
Changes in fund balance	(197)	(215)	120	335
Fund balance - beginning	<u>2,418</u>	<u>2,418</u>	<u>2,418</u>	
Fund balance - ending	<u>\$ 2,221</u>	<u>2,203</u>	<u>2,538</u>	<u>335</u>

**COUNTY OF SACRAMENTO  
PUBLIC FACILITIES FINANCING CORPORATION  
2018 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		123	123
Expenditures:				
Debt service:				
Principal	6,405	6,405	6,405	
Interest and fiscal charges	3,747	3,787	3,435	352
Total expenditures	<u>10,152</u>	<u>10,192</u>	<u>9,840</u>	<u>352</u>
Deficiency of revenues under expenditures	<u>(10,152)</u>	<u>(10,192)</u>	<u>(9,717)</u>	<u>475</u>
Other financing sources:				
Transfers in	<u>9,810</u>	<u>9,810</u>	<u>9,810</u>	
Changes in fund balance	(342)	(382)	93	475
Fund balance - beginning	<u>378</u>	<u>378</u>	<u>378</u>	
Fund balance - ending	<u>\$ 36</u>	<u>(4)</u>	<u>471</u>	<u>475</u>

**COUNTY OF SACRAMENTO  
PUBLIC FACILITIES FINANCING CORPORATION  
2020 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ _____	_____	138	138
Expenditures:				
Debt Service				
Bond issuance costs	2,570	2,570	2,570	
Interest and fiscal charges	<u>1,415</u>	<u>2,321</u>	<u>1,262</u>	<u>1,059</u>
Total expenditures	<u>3,985</u>	<u>4,891</u>	<u>3,832</u>	<u>1,059</u>
Deficiency of revenues under expenditures	<u>(3,985)</u>	<u>(4,891)</u>	<u>(3,694)</u>	<u>1,197</u>
Other financing sources (uses):				
Transfers in	3,833	3,833	3,833	
Transfers out	<u>(775)</u>	<u>(775)</u>	<u>(775)</u>	
Total other financing sources (uses)	<u>3,058</u>	<u>3,058</u>	<u>3,058</u>	
Changes in fund balance	(927)	(1,833)	(636)	1,197
Fund balance - beginning	<u>3,665</u>	<u>3,665</u>	<u>3,665</u>	
Fund balance - ending	<u>\$ 2,738</u>	<u>1,832</u>	<u>3,029</u>	<u>1,197</u>

**COUNTY OF SACRAMENTO**  
**PENSION OBLIGATION BONDS DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 13,160	13,160	1,377	(11,783)
Intergovernmental			12,792	12,792
Miscellaneous			162	162
Total revenues	<u>13,160</u>	<u>13,160</u>	<u>14,331</u>	<u>1,171</u>
Expenditures:				
Debt service:				
Principal	111,515	111,515	111,515	
Bond issuance costs		369	369	
Interest and fiscal charges	43,753	44,493	41,300	3,193
Total expenditures	<u>155,268</u>	<u>156,377</u>	<u>153,184</u>	<u>3,193</u>
Deficiency of revenues under expenditures	<u>(142,108)</u>	<u>(143,217)</u>	<u>(138,853)</u>	<u>4,364</u>
Other financing sources (uses):				
Transfers in	139,943	139,943	139,943	
Refunding debt issued		180,740	180,740	
Payment to refunded bonds escrow agent		(180,371)	(180,371)	
Total other financing sources (uses)	<u>139,943</u>	<u>140,312</u>	<u>140,312</u>	
Changes in fund balance	(2,165)	(2,905)	1,459	4,364
Fund balance - beginning	2,880	2,880	2,880	
Fund balance - ending	<u>\$ 715</u>	<u>(25)</u>	<u>4,339</u>	<u>4,364</u>

**COUNTY OF SACRAMENTO**  
**TEETER PLAN DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		42	42
Fines, forfeitures and penalties			11,824	11,824
Miscellaneous	<u>35,811</u>	<u>34,525</u>		<u>(34,525)</u>
Total revenues	<u>35,811</u>	<u>34,525</u>	<u>11,866</u>	<u>(22,659)</u>
Expenditures:				
Debt service:				
Principal	26,629	25,121	23,294	1,827
Interest and fiscal charges	<u>1,422</u>	<u>1,422</u>	<u>372</u>	<u>1,050</u>
Total expenditures	<u>28,051</u>	<u>26,543</u>	<u>23,666</u>	<u>2,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,760</u>	<u>7,982</u>	<u>(11,800)</u>	<u>(19,782)</u>
Other financing sources (uses):				
Transfers out	(11,957)	(11,957)	(11,957)	
Issuance of long-term debt			<u>23,416</u>	<u>23,416</u>
Total other financing sources (uses)	<u>(11,957)</u>	<u>(11,957)</u>	<u>11,459</u>	<u>23,416</u>
Changes in fund balance	(4,197)	(3,975)	(341)	3,634
Fund balance - beginning	<u>26,089</u>	<u>26,089</u>	<u>26,089</u>	
Fund balance - ending	<u>\$ 21,892</u>	<u>22,114</u>	<u>25,748</u>	<u>3,634</u>

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### CAPITAL PROJECT FUNDS

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## CAPITAL PROJECTS FUNDS

**Improvement Bond Act of 1911** - Accounts for construction activity in various special assessment districts where monies have been received under the 1911 Improvement Bond Act from special assessment district property owners.

**Improvement Bond Act of 1915** - Accounts for construction activity in various special assessment districts where monies have been received under the 1915 Improvement Bond Act from special assessment district property owners.

**Metro Air Park Community Facilities District (CFD)** - Accounts for construction activity in the Metro Air Park CFD.

**Laguna Stonelake Community Facilities District (CFD)** - Accounts for construction activity in the Laguna Stonelake CFD.

**Park Meadows Community Facilities District (CFD)** - Accounts for construction activity in the Park Meadows CFD.

**Laguna Community Facilities District (CFD)** - Accounts for construction activity in the Laguna CFD.

**Laguna Creek Ranch/Elliott Ranch Community Facilities District (CFD)** - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch CFD.

**Accumulated Capital Outlay** - Accounts for general capital outlay expenditures of the County.

**Community Fee Districts** - Established by property owners to account for construction of public projects financed by various developer fees and other miscellaneous revenues.

**Tobacco Litigation Settlement** - Accounts for construction projects from the Tobacco Litigation Settlement Securitization proceeds including the Juvenile Court Facility and the Primary Care Clinic.

**McClellan Park Community Facilities District (CFD) No. 2004-1** - Accounts for infrastructure construction activity in the McClellan CFD.

**Sacramento County Landscape Maintenance Community Facilities District (CFD) No. 2004-2** - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance CFD.

**Metro Air Park Services Tax** - Accounts for landscape maintenance activity within the Metro Air Park CFD.

## CAPITAL PROJECTS FUNDS

**Florin Vineyard Community Facilities District (CFD) No. 1** - Accounts for public road improvements in the Florin Vineyard area of the County that are funded by development impact fees.

**North Vineyard Station Community Facilities District (CFD)** - Accounts for public road improvements in the North Vineyard area of the County that are funded by development impact fees.

**County Parks Community Facilities District (CFD) No. 2006-1** - Accounts for construction and maintenance of parks, trails, and open space in the Southeast County area.



**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
<b>Assets:</b>							
Cash and investments	\$ 239	3,381	47,917	247	115	299	9,060
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	5	75	360	7	6	6	206
Intergovernmental			100				
Long-term receivables							
<b>Total assets</b>	<b>\$ 244</b>	<b>3,456</b>	<b>48,377</b>	<b>254</b>	<b>121</b>	<b>305</b>	<b>9,266</b>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>							
<b>Liabilities:</b>							
Warrants payable							
Accrued liabilities			305				
Intergovernmental payable	45	17					2
<b>Total liabilities</b>	<b>45</b>	<b>17</b>	<b>305</b>				<b>2</b>
<b>Deferred inflows of resources:</b>							
Unavailable revenues							
<b>Fund balances:</b>							
Restricted	199	3,439	48,072	254	121	305	9,264
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 244</b>	<b>3,456</b>	<b>48,377</b>	<b>254</b>	<b>121</b>	<b>305</b>	<b>9,266</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	<u>Accumulated Capital Outlay</u>	<u>Community Fee Districts</u>	<u>Tobacco Litigation Settlement</u>	<u>McClellan Park CFD No. 2004-1</u>
<b>Assets:</b>				
Cash and investments	\$ 84,344	22,473		648
Receivables, net of allowance for uncollectibles:				
Billed	992			
Interest	1,666	484		15
Intergovernmental		49		
Long-term receivables		433		
<b>Total assets</b>	<u><u>\$ 87,002</u></u>	<u><u>23,439</u></u>		<u><u>663</u></u>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 467	3		
Accrued liabilities	2,174			
Intergovernmental payable	286	275		
<b>Total liabilities</b>	<u><u>2,927</u></u>	<u><u>278</u></u>		
<b>Deferred inflows of resources:</b>				
Unavailable revenues	850	444		
<b>Fund balances:</b>				
Restricted	83,225	22,717		663
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 87,002</u></u>	<u><u>23,439</u></u>		<u><u>663</u></u>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Sacramento County Landscape Maintenance CFD No. 2004-2	Metro Air Park Services Tax	Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	Total
<b>Assets:</b>						
Cash and investments	\$ 439	37,101	597	9,829	104	216,793
Receivables, net of allowance for uncollectibles:						
Billed	6					998
Interest	9	711	9	197	2	3,758
Intergovernmental						149
Long-term receivables		2,389				2,822
<b>Total assets</b>	<b>\$ 454</b>	<b>40,201</b>	<b>606</b>	<b>10,026</b>	<b>106</b>	<b>224,520</b>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>						
<b>Liabilities:</b>						
Warrants payable	\$ 34					504
Accrued liabilities		691		4		3,174
Intergovernmental payable				2,075	11	2,711
<b>Total liabilities</b>	<b>34</b>	<b>691</b>		<b>2,079</b>	<b>11</b>	<b>6,389</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues		2,389				3,683
<b>Fund balances:</b>						
Restricted	420	37,121	606	7,947	95	214,448
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 454</b>	<b>40,201</b>	<b>606</b>	<b>10,026</b>	<b>106</b>	<b>224,520</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
<b>Revenues:</b>							
Taxes	\$		6,188	121	70		
Use of money and property	5	129	1,226	11	8	12	350
Intergovernmental							
Charges for sales and services			28				
Fines, forfeitures and penalties							
Contributions from property owners			37,239				
Miscellaneous							
<b>Total revenues</b>	<b>5</b>	<b>129</b>	<b>44,681</b>	<b>132</b>	<b>78</b>	<b>12</b>	<b>350</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Public ways and facilities						20	210
Capital outlay		56	3,572	105	56		
<b>Total expenditures</b>		<b>56</b>	<b>3,572</b>	<b>105</b>	<b>56</b>	<b>20</b>	<b>210</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5</b>	<b>73</b>	<b>41,109</b>	<b>27</b>	<b>22</b>	<b>(8)</b>	<b>140</b>
<b>Other financing sources (uses):</b>							
Transfers in							
Transfers out							
<b>Total other financing sources (uses)</b>							
<b>Changes in fund balances</b>	<b>5</b>	<b>73</b>	<b>41,109</b>	<b>27</b>	<b>22</b>	<b>(8)</b>	<b>140</b>
Fund balances - beginning	194	3,366	6,963	227	99	313	9,124
<b>Fund balances - ending</b>	<b>\$ 199</b>	<b>3,439</b>	<b>48,072</b>	<b>254</b>	<b>121</b>	<b>305</b>	<b>9,264</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Accumulated Capital Outlay	Community Fee Districts	Tobacco Litigation Settlement	McClellan Park CFD No. 2004-1
Revenues:				
Taxes	\$			148
Use of money and property	2,712	753		13
Intergovernmental	31,497	207		
Charges for sales and services	25,277	3,540		
Fines, forfeitures and penalties	1,578			
Contributions from property owners				
Miscellaneous	733			
Total revenues	<u>61,797</u>	<u>4,500</u>		<u>161</u>
Expenditures:				
Current:				
Public ways and facilities				
Capital outlay	48,659	1,542	1	106
Total expenditures	<u>48,659</u>	<u>1,542</u>	<u>1</u>	<u>106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,138</u>	<u>2,958</u>	<u>(1)</u>	<u>55</u>
Other financing sources (uses):				
Transfers in	16,491			
Transfers out	(279)			
Total other financing sources (uses)	<u>16,212</u>			
Changes in fund balances	29,350	2,958	(1)	55
Fund balances - beginning	53,875	19,759	1	608
Fund balances - ending	<u>\$ 83,225</u>	<u>22,717</u>		<u>663</u>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

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	Sacramento County		Florin	North	County Parks	
	Landscape	Metro Air Park	Vineyard	Vineyard	CFD No.	Total
	Maintenance CFD	Services Tax	CFD	Station CFD	2006-1	
	No. 2004-2		No. 1			
Revenues:						
Taxes	\$		39	689		7,255
Use of money and property	16	1,070	23		3	6,331
Intergovernmental		1,940				33,644
Charges for sales and services	335	13,834			21	43,035
Fines, forfeitures and penalties						1,578
Contributions from property owners						37,239
Miscellaneous						733
Total revenues	<u>351</u>	<u>16,844</u>	<u>62</u>	<u>689</u>	<u>24</u>	<u>129,815</u>
Expenditures:						
Current:						
Public ways and facilities					15	245
Capital outlay	336	2,438	1,138	354		58,363
Total expenditures	<u>336</u>	<u>2,438</u>	<u>1,138</u>	<u>354</u>	<u>15</u>	<u>58,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15</u>	<u>14,406</u>	<u>(1,076)</u>	<u>335</u>	<u>9</u>	<u>71,207</u>
Other financing sources (uses):						
Transfers in						16,491
Transfers out	(16)					(295)
Total other financing sources (uses)	<u>(16)</u>					<u>16,196</u>
Changes in fund balances	(1)	14,406	(1,076)	335	9	87,403
Fund balances - beginning	421	22,715	1,682	7,612	86	127,045
Fund balances - ending	<u>\$ 420</u>	<u>37,121</u>	<u>606</u>	<u>7,947</u>	<u>95</u>	<u>214,448</u>

**COUNTY OF SACRAMENTO**  
**IMPROVEMENT BOND ACT OF 1915 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 67	67	129	62
Charges for sales and services		<u>2,766</u>		<u>(2,766)</u>
Total revenues	<u>67</u>	<u>2,833</u>	<u>129</u>	<u>(2,704)</u>
 Expenditures:				
Capital outlay		<u>3,471</u>	<u>56</u>	<u>3,430</u>
 Changes in fund balance	(3,404)	(653)	73	726
Fund balance - beginning	<u>3,366</u>	<u>3,366</u>	<u>3,366</u>	
Fund balance - ending	<u>\$ (38)</u>	<u>2,713</u>	<u>3,439</u>	<u>726</u>

**COUNTY OF SACRAMENTO**  
**METRO AIR PARK CFD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 2,801	6,821	6,188	(633)
Use of money and property	20	40	1,226	1,186
Charges for sales and services		2	28	26
Contributions from property owners		37,292	37,239	(53)
Total revenues	<u>2,821</u>	<u>44,155</u>	<u>44,681</u>	<u>526</u>
Expenditures:				
Capital outlay	<u>10,030</u>	<u>51,163</u>	<u>3,572</u>	<u>47,591</u>
Changes in fund balance	(7,209)	(7,008)	41,109	48,117
Fund balance - beginning	<u>6,963</u>	<u>6,963</u>	<u>6,963</u>	<u>6,963</u>
Fund balance - ending	<u><u>\$ (246)</u></u>	<u><u>(45)</u></u>	<u><u>48,072</u></u>	<u><u>48,117</u></u>



**COUNTY OF SACRAMENTO**  
**LAGUNA STONELAKE CFD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 120	120	121	1
Use of money and property	<u>5</u>	<u>5</u>	<u>11</u>	<u>6</u>
Total revenues	<u>125</u>	<u>125</u>	<u>132</u>	<u>7</u>
Expenditures:				
Capital outlay	<u>366</u>	<u>354</u>	<u>105</u>	<u>249</u>
Changes in fund balance	(241)	(229)	27	256
Fund balance - beginning	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>
Fund balance - ending	<u>\$ (14)</u>	<u>(2)</u>	<u>254</u>	<u>256</u>

**COUNTY OF SACRAMENTO**  
**PARK MEADOWS CFD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 70	70	70	
Use of money and property	4	4	8	4
Total revenues	<u>74</u>	<u>74</u>	<u>78</u>	<u>4</u>
Expenditures:				
Capital outlay	<u>177</u>	<u>172</u>	<u>56</u>	<u>116</u>
Changes in fund balance	(103)	(98)	22	120
Fund balance - beginning	<u>99</u>	<u>99</u>	<u>99</u>	
Fund balance - ending	<u>\$ (4)</u>	<u>1</u>	<u>121</u>	<u>120</u>

**COUNTY OF SACRAMENTO  
LAGUNA CFD CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 3	3	12	9
Expenditures:				
Current:				
Public ways and facilities	320	319	20	299
Changes in fund balance	(317)	(316)	(8)	308
Fund balance - beginning	<u>313</u>	<u>313</u>	<u>313</u>	<u>313</u>
Fund balance - ending	<u>\$ (4)</u>	<u>(3)</u>	<u>305</u>	<u>308</u>

**COUNTY OF SACRAMENTO**  
**LAGUNA CREEK RANCH/ELLIOTT RANCH CFD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 6	18	350	332
Expenditures:				
Current:				
Public ways and facilities	3,917	5,780	210	5,570
Changes in fund balance	(3,911)	(5,762)	140	5,902
Fund balance - beginning	<u>9,124</u>	<u>9,124</u>	<u>9,124</u>	
Fund balance - ending	<u>\$ 5,213</u>	<u>3,362</u>	<u>9,264</u>	<u>5,902</u>

**COUNTY OF SACRAMENTO**  
**ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 30	30	2,712	2,682
Intergovernmental	9,400	56,621	31,497	(25,124)
Charges for sales and services		7,595	25,277	17,682
Fines, forfeitures and penalties	1,400	1,300	1,578	278
Miscellaneous	<u>26,662</u>	<u>36,226</u>	<u>733</u>	<u>(35,493)</u>
Total revenues	<u>37,492</u>	<u>101,772</u>	<u>61,797</u>	<u>(39,975)</u>
 Expenditures:				
Capital outlay	<u>86,856</u>	<u>172,008</u>	<u>48,659</u>	<u>123,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,364)</u>	<u>(70,236)</u>	<u>13,138</u>	<u>83,374</u>
 Other financing sources (uses):				
Transfers in	16,491	16,491	16,491	
Transfers out	<u>(279)</u>	<u>(279)</u>	<u>(279)</u>	
Total other financing sources (uses)	<u>16,212</u>	<u>16,212</u>	<u>16,212</u>	
 Changes in fund balance	(33,152)	(54,024)	29,350	83,374
Fund balance - beginning	<u>53,875</u>	<u>53,875</u>	<u>53,875</u>	
Fund balance - ending	<u>\$ 20,723</u>	<u>(149)</u>	<u>83,225</u>	<u>83,374</u>

**COUNTY OF SACRAMENTO  
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 77	212	753	541
Intergovernmental	5,471	5,846	207	(5,639)
Charges for sales and services	<u>3,506</u>	<u>4,693</u>	<u>3,540</u>	<u>(1,153)</u>
Total revenues	<u>9,054</u>	<u>10,751</u>	<u>4,500</u>	<u>(6,251)</u>
Expenditures:				
Capital outlay	<u>24,977</u>	<u>29,532</u>	<u>1,542</u>	<u>27,990</u>
Changes in fund balance	(15,923)	(18,781)	2,958	21,739
Fund balance - beginning	<u>19,759</u>	<u>19,759</u>	<u>19,759</u>	<u></u>
Fund balance - ending	<u>\$ 3,836</u>	<u>978</u>	<u>22,717</u>	<u>21,739</u>

**COUNTY OF SACRAMENTO**  
**TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:				
Capital outlay	\$ 1	1	1	
Changes in fund balance	(1)	(1)	(1)	
Fund balance - beginning	<u>1</u>	<u>1</u>	<u>1</u>	
Fund balance - ending	<u><u>\$</u></u>	<u><u>1</u></u>	<u><u>1</u></u>	

**COUNTY OF SACRAMENTO**  
**MCCLELLAN PARK CFD NO. 2004-1 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 148	148	148	
Use of money and property	<u>15</u>	<u>15</u>	<u>13</u>	<u>(2)</u>
Total revenues	<u>163</u>	<u>163</u>	<u>161</u>	<u>(2)</u>
Expenditures:				
Capital outlay	<u>920</u>	<u>906</u>	<u>106</u>	<u>800</u>
Changes in fund balance	(757)	(743)	55	798
Fund balance - beginning	<u>608</u>	<u>608</u>	<u>608</u>	
Fund balance - ending	<u>\$ (149)</u>	<u>(135)</u>	<u>663</u>	<u>798</u>



**COUNTY OF SACRAMENTO**  
**SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD NO. 2004-2**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 3	3	16	13
Charges for sales and services	<u>313</u>	<u>313</u>	<u>335</u>	<u>22</u>
Total revenues	<u>316</u>	<u>316</u>	<u>351</u>	<u>35</u>
 Expenditures:				
Capital outlay	<u>461</u>	<u>461</u>	<u>336</u>	<u>125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145)</u>	<u>(145)</u>	<u>15</u>	<u>160</u>
 Other financing uses:				
Transfers out	<u>(16)</u>	<u>(16)</u>	<u>(16)</u>	<u></u>
 Changes in fund balance	(161)	(161)	(1)	160
Fund balance - beginning	<u>421</u>	<u>421</u>	<u>421</u>	<u></u>
Fund balance - ending	<u>\$ 260</u>	<u>260</u>	<u>420</u>	<u>160</u>

**COUNTY OF SACRAMENTO**  
**METRO AIR PARK SERVICES TAX CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 153	211	1,070	859
Intergovernmental	1,940	1,940	1,940	
Charges for sales and services	<u>24,162</u>	<u>28,202</u>	<u>13,834</u>	<u>(14,368)</u>
Total revenues	<u>26,255</u>	<u>30,353</u>	<u>16,844</u>	<u>(13,509)</u>
Expenditures:				
Capital outlay	<u>49,860</u>	<u>53,408</u>	<u>2,438</u>	<u>50,970</u>
Changes in fund balance	(23,605)	(23,055)	14,406	37,461
Fund balance - beginning	<u>22,715</u>	<u>22,715</u>	<u>22,715</u>	
Fund balance - ending	<u>\$ (890)</u>	<u>(340)</u>	<u>37,121</u>	<u>37,461</u>

**COUNTY OF SACRAMENTO**  
**FLORIN VINEYARD CFD NO. 1 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 78	78	39	(39)
Use of money and property	60	60	23	(37)
Total revenues	<u>138</u>	<u>138</u>	<u>62</u>	<u>(76)</u>
Expenditures:				
Capital outlay	<u>1,825</u>	<u>1,819</u>	<u>1,138</u>	<u>681</u>
Changes in fund balance	(1,687)	(1,681)	(1,076)	605
Fund balance - beginning	<u>1,682</u>	<u>1,682</u>	<u>1,682</u>	<u></u>
Fund balance - ending	<u>\$ (5)</u>	<u>1</u>	<u>606</u>	<u>605</u>

**COUNTY OF SACRAMENTO**  
**NORTH VINEYARD STATION CFD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 863	863	689	(174)
Use of money and property	<u>105</u>	<u>111</u>	<u>689</u>	<u>(111)</u>
Total revenues	<u>968</u>	<u>974</u>	<u>689</u>	<u>(285)</u>
Expenditures:				
Capital outlay	<u>5,338</u>	<u>4,955</u>	<u>354</u>	<u>4,601</u>
Changes in fund balance	(4,370)	(3,981)	335	4,316
Fund balance - beginning	<u>7,612</u>	<u>7,612</u>	<u>7,612</u>	<u>7,612</u>
Fund balance - ending	<u>\$ 3,242</u>	<u>3,631</u>	<u>7,947</u>	<u>4,316</u>

**COUNTY OF SACRAMENTO**  
**COUNTY PARKS CFD NO. 2006-1 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 3	3	3	
Charges for services	21	21	21	
Total revenues	<u>24</u>	<u>24</u>	<u>24</u>	
Expenditures:				
Public ways and facilities	<u>15</u>	<u>15</u>	<u>15</u>	
Changes in fund balance	9	9	9	
Fund balance - beginning	<u>86</u>	<u>86</u>	<u>86</u>	
Fund balance - ending	<u>\$ 95</u>	<u>95</u>	<u>95</u>	

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**NONMAJOR ENTERPRISE  
FUNDS SECTION**

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## NONMAJOR ENTERPRISE FUNDS

*Parking Enterprise* - Accounts for all downtown parking facilities that generate revenues from user fees from both public and County employees.

*County Transit* - Accounts for the operations of the South County Transit program.



**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 7,353	1,821	9,174
Receivables, net of allowance for uncollectibles:			
Billed		17	17
Interest	159	32	191
Intergovernmental		2,144	2,144
Total current assets	<u>7,512</u>	<u>4,014</u>	<u>11,526</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299		1,299
Buildings and improvements, infrastructure, equipment and intangibles, net	673	462	1,135
Total capital assets	<u>1,972</u>	<u>462</u>	<u>2,434</u>
Total assets	<u>9,484</u>	<u>4,476</u>	<u>13,960</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	101		101
Deferred outflows related to OPEB	1		1
Total deferred outflows of resources	<u>102</u>		<u>102</u>
Total assets and deferred outflows of resources	<u>9,586</u>	<u>4,476</u>	<u>14,062</u>

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$ 2	296	298
Accrued liabilities	21		21
Intergovernmental payable	14	13	27
Current portion of long-term debt obligations	67		67
Total current liabilities	<u>104</u>	<u>309</u>	<u>413</u>
Noncurrent liabilities:			
Long-term debt obligations	177		177
Net pension liability	218		218
Total OPEB liability	44		44
Total noncurrent liabilities	<u>439</u>		<u>439</u>
Total liabilities	<u>543</u>	<u>309</u>	<u>852</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	76		76
Deferred inflows related to OPEB	38		38
Total deferred inflows of resources	<u>114</u>		<u>114</u>
Total liabilities and deferred inflows of resources	<u>657</u>	<u>309</u>	<u>966</u>
Net position:			
Net investment in capital assets	1,766	462	2,228
Restricted for:			
Capital projects		2,361	2,361
Transportation		1,344	1,344
Unrestricted	7,163		7,163
Total net position	<u>\$ 8,929</u>	<u>4,167</u>	<u>13,096</u>

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,440	101	2,541
Operating expenses:			
Salaries and benefits	282		282
Services and supplies	1,275	360	1,635
Cost of sales and services		2,047	2,047
Depreciation and amortization	191	479	670
Other	212		212
Total operating expenses	1,960	2,886	4,846
Operating income (loss)	480	(2,785)	(2,305)
Nonoperating revenues (expense):			
Use of money and property	233	49	282
Intergovernmental	6	2,175	2,181
Interest expense	(5)		(5)
Total nonoperating revenues (expense)	234	2,224	2,458
Income (loss) before transfers and contributions	714	(561)	153
Transfers out	(25)		(25)
Capital contributions		487	487
Changes in net position	689	(74)	615
Net position, beginning of year	8,240	4,241	12,481
Net position, end of year	\$ 8,929	4,167	13,096

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 2,440	97	2,537
Payments to suppliers	(1,373)	(2,279)	(3,652)
Payments to employees	(335)		(335)
Payments for other operating activities	(212)		(212)
Net cash provided by (used for) operating activities	<u>520</u>	<u>(2,182)</u>	<u>(1,662)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers to other funds	(25)		(25)
Intergovernmental revenue	6	2,540	2,546
Net cash provided by (used for) noncapital financing activities	<u>(19)</u>	<u>2,540</u>	<u>2,521</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital contributions		281	281
Principal paid on long-term obligations	(65)		(65)
Interest paid on long-term obligations	(5)		(5)
Net cash provided by (used for) capital and related financing activities	<u>(70)</u>	<u>281</u>	<u>211</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received and fair value adjustment on cash and investments	<u>97</u>	<u>23</u>	<u>120</u>
Net increase in cash and cash equivalents	528	662	1,190
Cash and cash equivalents, beginning of year	6,825	1,159	7,984
Cash and cash equivalents, end of year	<u>\$ 7,353</u>	<u>1,821</u>	<u>9,174</u>

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	<u>Parking Enterprise</u>	<u>County Transit</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 480	(2,785)	(2,305)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	191	479	670
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Billed receivable		(4)	(4)
Warrants payable	2	137	139
Accrued liabilities	(98)		(98)
Intergovernmental payable		(9)	(9)
Net pension liability and related deferred outflows and inflows	(53)		(53)
Total OPEB liability and related deferred outflows and inflows	(2)		(2)
Total adjustments	<u>40</u>	<u>603</u>	<u>643</u>
Net cash provided by (used for) operating activities	<u>\$ 520</u>	<u>(2,182)</u>	<u>(1,662)</u>

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## INTERNAL SERVICE FUNDS

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## INTERNAL SERVICE FUNDS

**General Services** - Created to provide many of the essential centralized support services that County departments require ensuring that their daily operations can be accomplished and their missions achieved. These activities include Administrative and Business Services, Construction Management and Inspection Division, Contract and Purchasing Services, Facility and Property Services, Real Estate and Fleet Services.

**Liability Self-Insurance** - Accounts for the County's program of self-insurance for liability claims.

**Workers' Compensation Self-Insurance** - Accounts for the County's self-insurance for all workers' compensation claims.

**Other Self-Insurance** - Accounts for the County's self-insurance for all dental and unemployment claims.

**Regional Radio Communications System** - Accounts for the operations of the County's emergency response communications and other public safety activities.

**Department of Technology** - Accounts for central information technology and telecommunication support to County departments.

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	General Services	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
		Liability	Workers' Compensation	Other			
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and investments	\$ 133,090	45,395	129,662	18,979	7,797	45,478	380,401
Receivables, net of allowance for uncollectibles:							
Billed	5	25,000					25,005
Interest	27				191		218
Intergovernmental	106						106
Leases	148				30		178
Prepaid items	41				1,449	3,398	4,888
Inventories	2,340						2,340
<b>Total current assets</b>	<b>135,757</b>	<b>70,395</b>	<b>129,662</b>	<b>18,979</b>	<b>9,467</b>	<b>48,876</b>	<b>413,136</b>
<b>Noncurrent assets:</b>							
Long-term receivables			118				118
Long-term receivable, leases	648				257		905
<b>Capital assets:</b>							
Buildings and improvements, infrastructure, equipment and intangibles, net	38,762		4		14,951	51,620	105,337
<b>Total noncurrent assets</b>	<b>39,410</b>		<b>122</b>		<b>15,208</b>	<b>51,620</b>	<b>106,360</b>
<b>Total assets</b>	<b>175,167</b>	<b>70,395</b>	<b>129,784</b>	<b>18,979</b>	<b>24,675</b>	<b>100,496</b>	<b>519,496</b>
<b>Deferred outflows of resources:</b>							
Deferred outflows related to pensions	13,182				385	16,823	30,390
Deferred outflows related to OPEB	445				61	411	917
<b>Total deferred outflows of resources</b>	<b>13,627</b>				<b>446</b>	<b>17,234</b>	<b>31,307</b>
<b>Total assets and deferred outflows of resources</b>	<b>188,794</b>	<b>70,395</b>	<b>129,784</b>	<b>18,979</b>	<b>25,121</b>	<b>117,730</b>	<b>550,803</b>



**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation			
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Warrants payable	\$ 5,623	367	1,243		15	7,929
Accrued liabilities	7,175	27,707	2		126	40,768
Intergovernmental payable	5					5
Current portion of insurance claims payable		16,971	27,598	441		45,010
Current portion of long-term debt obligations	838				1,539	13,135
Unearned revenues			120		2,424	11,470
<b>Total current liabilities</b>	<b>13,641</b>	<b>45,045</b>	<b>28,963</b>	<b>441</b>	<b>4,104</b>	<b>118,317</b>
<b>Noncurrent liabilities:</b>						
Insurance claims payable		45,749	176,565			222,314
Long-term debt obligations	3,985			1,242	37,143	42,370
Net pension liability	32,238			878	39,228	72,344
Total OPEB liability	3,702			79	3,475	7,256
<b>Total noncurrent liabilities</b>	<b>39,925</b>	<b>45,749</b>	<b>176,565</b>	<b>2,199</b>	<b>79,846</b>	<b>344,284</b>
<b>Total liabilities</b>	<b>53,566</b>	<b>90,794</b>	<b>205,528</b>	<b>441</b>	<b>6,303</b>	<b>462,601</b>
<b>Deferred inflows of resources:</b>						
Deferred inflows related to pensions	5,473			198	6,160	11,831
Deferred inflows related to OPEB	2,575			46	1,979	4,600
Deferred inflows related to leases	779			289		1,068
<b>Total deferred inflows of resources</b>	<b>8,827</b>			<b>533</b>	<b>8,139</b>	<b>17,499</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>62,393</b>	<b>90,794</b>	<b>205,528</b>	<b>441</b>	<b>6,836</b>	<b>480,100</b>
<b>Net position:</b>						
Net investment in capital assets	38,549		4		12,313	62,877
Unrestricted	87,852	(20,399)	(75,748)	18,538	5,972	7,826
<b>Total net position (deficit)</b>	<b>\$ 126,401</b>	<b>(20,399)</b>	<b>(75,744)</b>	<b>18,538</b>	<b>18,285</b>	<b>70,703</b>

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
Operating revenues:							
Charges for sales and services	\$ 171,287	37,184	33,082	20,541	5,854	113,760	381,708
Other	1,017	1,859	178	2	429	257	3,742
Total operating revenues	172,304	39,043	33,260	20,543	6,283	114,017	385,450
Operating expenses:							
Salaries and benefits	45,717				1,277	51,268	98,262
Services and supplies	95,254				1,804	32,995	130,053
Cost of sales and services	3,160						3,160
Depreciation and amortization	12,385		10		2,391	10,058	24,844
Claim payments and actuarial estimates		36,779	28,624	15,762			81,165
Other	194	67	279	18	13		571
Total operating expenses	156,710	36,846	28,913	15,780	5,485	94,321	338,055
Operating income	15,594	2,197	4,347	4,763	798	19,696	47,395
Nonoperating revenues (expenses):							
Use of money and property	8	168	621	56	315	144	1,312
Interest expense	(3)				(25)		(28)
Other revenues (expenses)	2,195				3	(95)	2,103
Total nonoperating revenues (expenses)	2,200	168	621	56	293	49	3,387
Income before transfers	17,794	2,365	4,968	4,819	1,091	19,745	50,782
Transfers in	1,271						1,271
Transfers out	(3,877)				(81)	(6,516)	(10,474)
Changes in net position	15,188	2,365	4,968	4,819	1,010	13,229	41,579
Net position (deficit), beginning of year	111,213	(22,764)	(80,712)	13,719	17,275	(9,607)	29,124
Net position (deficit), end of year	\$ 126,401	(20,399)	(75,744)	18,538	18,285	3,622	70,703

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 1 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from customers and users	\$ 1,089						1,089
Receipts from interfund services provided	171,264	37,184	33,082	20,562	5,937	117,632	385,661
Receipts for other operating activities		1,859	178	2	486		2,525
Payments to suppliers	(88,960)	(29,053)	(23,404)	(15,702)	(1,407)	(28,210)	(186,736)
Payments to employees	(54,361)				(1,390)	(57,462)	(113,213)
Payments for other operating activities	(194)					(3,136)	(3,330)
Payments for interfund services used	(7,343)	(2,987)	(5,307)	(325)	(372)	(1,847)	(18,181)
Net cash flows provided by operating activities	<u>21,495</u>	<u>7,003</u>	<u>4,549</u>	<u>4,537</u>	<u>3,254</u>	<u>26,977</u>	<u>67,815</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers from other funds	1,271						1,271
Transfers to other funds	(3,877)				(81)	(6,516)	(10,474)
Intergovernmental revenue	334						334
Net cash used for noncapital financing activities	<u>(2,272)</u>				<u>(81)</u>	<u>(6,516)</u>	<u>(8,869)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Acquisition and construction of capital assets	(12,712)				(2,324)	(6,745)	(21,781)
Principal paid on long-term obligations	(271)					(3,999)	(4,270)
Interest paid on long-term obligations	(3)				(25)		(28)
Proceeds from the sale of capital assets	1,883						1,883
Net cash used for capital and related financing activities	<u>(11,103)</u>				<u>(2,349)</u>	<u>(10,744)</u>	<u>(24,196)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received and fair value adjustment on cash and investments	(22)	168	621	56	148	144	1,115
Net increase in cash and cash equivalents	8,098	7,171	5,170	4,593	972	9,861	35,865
Cash and cash equivalents, beginning of year	124,992	38,224	124,492	14,386	6,825	35,617	344,536
Cash and cash equivalents, end of year	<u>\$ 133,090</u>	<u>45,395</u>	<u>129,662</u>	<u>18,979</u>	<u>7,797</u>	<u>45,478</u>	<u>380,401</u>

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>							
Operating income	\$ 15,594	2,197	4,347	4,763	798	19,696	47,395
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	12,385		10		2,391	10,058	24,844
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
Receivables:							
Billed	72	(25,000)					(24,928)
Leases					30		30
Intergovernmental	(24)			21			(3)
Prepaid items	20				41	(2,761)	(2,700)
Inventories	(579)						(579)
Warrants payable	1,512	42	(135)		(1)	(56)	1,362
Accrued liabilities	972	26,808			56	2,619	30,455
Intergovernmental payable	4						4
Unearned revenues					83	3,615	3,698
Compensated absences	99				40	596	735
Insurance claims payable		2,956	327	(247)			3,036
Net pension liability and related deferred outflows and inflows	(8,056)				(165)	(6,531)	(14,752)
Net lease liability and related deferred outflows and inflows					(30)		(30)
Total OPEB liability and related deferred outflows and inflows	(504)				11	(259)	(752)
Total adjustments	5,901	4,806	202	(226)	2,456	7,281	20,420
Net cash provided by operating activities	<u>\$ 21,495</u>	<u>7,003</u>	<u>4,549</u>	<u>4,537</u>	<u>3,254</u>	<u>26,977</u>	<u>67,815</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Capital assets purchases using long-term debt	\$					16,489	16,489

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## CUSTODIAL FUNDS

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## CUSTODIAL FUNDS

**Law Enforcement** - Accounts for law enforcement revenues collected pending disbursement, reimbursement or apportionment to the appropriate external law enforcement and policing agencies.

**Unapportioned Tax Collection** - Accounts for property taxes received but not yet apportioned by the County to other taxing agencies.

**Other** - Accounts for other custodial funds where the County holds money in a custodial capacity.

**Public Guardian** used to account for monies that belong to individuals who are unable to care for themselves.

**Community Facility Districts (CFD) debt service funds** used to account for funds received from property owners within the CFD and pay debt service.

**Park Dedication fee funds** used to account for the collection of park dedication fees for independent park districts.

**School District General Obligation Bond funds** used to to account for collection of payment of monies to fund the debt service of general obligations bond for various school districts.

**Other** - Various funds held in fiduciary capacity for other entities.

**COUNTY OF SACRAMENTO  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023  
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 19,551	10,843	276,261	306,655
Receivables, net of allowance for uncollectibles:				
Billed	124		1,298	1,422
Interest	142	7,665	2,774	10,581
Intergovernmental			212	212
Prepaid items			180	180
Total assets	<u>19,817</u>	<u>18,508</u>	<u>280,725</u>	<u>319,050</u>
Liabilities:				
Warrants payable	320	8,861	4,342	13,523
Accrued liabilities	1,259	192	68,346	69,797
Total liabilities	<u>1,579</u>	<u>9,053</u>	<u>72,688</u>	<u>83,320</u>
Net position				
Restricted for individuals, organizations and other governments	<u>\$ 18,238</u>	<u>9,455</u>	<u>208,037</u>	<u>235,730</u>

**COUNTY OF SACRAMENTO  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Additions:				
Property taxes	\$	5,520,281		5,520,281
Contributions to pooled investments	148,280		1,233,482	1,381,762
Investment income, net	332	11,541	5,527	17,400
Total additions	<u>148,612</u>	<u>5,531,822</u>	<u>1,239,009</u>	<u>6,919,443</u>
Deductions:				
Distributions to taxing entities		5,524,999		5,524,999
Distributions from pooled investments	151,665		1,174,774	1,326,439
Administrative expenses	485	7,290	5,141	12,916
Total deductions	<u>152,150</u>	<u>5,532,289</u>	<u>1,179,915</u>	<u>6,864,354</u>
Changes in net position	<u>(3,538)</u>	<u>(467)</u>	<u>59,094</u>	<u>55,089</u>
Net position, beginning of year	<u>21,776</u>	<u>9,922</u>	<u>148,943</u>	<u>180,641</u>
Net position, end of year	<u>\$ 18,238</u>	<u>9,455</u>	<u>208,037</u>	<u>235,730</u>



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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**STATISTICAL  
SECTION**

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## STATISTICAL SECTION

This part of the Sacramento County'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 conveys about the County's overall financial health.

**Financial Trends** - These schedules contain trend information to help the reader understand how the County's financial performance and well-being has changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the County's most significant local revenue source, property and sales tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information** - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

**Sources** - Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year(s).

**COUNTY OF SACRAMENTO  
NET POSITION BY COMPONENT  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental activities										
Net investment in capital assets	\$ 1,389,288	1,362,707	1,370,462	1,383,387	1,416,649	1,415,121	1,429,186	1,473,398	1,513,277	1,536,121
Restricted	284,613	179,628	496,622	639,813	677,982	679,546	609,131	662,416	826,031	995,823
Unrestricted	(206,727)	(1,945,922)	(2,164,382)	(2,351,925)	(2,531,677)	(2,579,412)	(2,485,842)	(2,454,016)	(1,979,787)	(1,674,686)
Total governmental activities net position	<u>\$ 1,467,174</u>	<u>(403,587)</u>	<u>(297,298)</u>	<u>(328,725)</u>	<u>(437,046)</u>	<u>(484,745)</u>	<u>(447,525)</u>	<u>(318,202)</u>	<u>359,521</u>	<u>857,258</u>
Business-type activities										
Net investment in capital assets	\$ 902,340	893,262	916,597	943,226	957,979	1,001,266	1,123,159	1,149,300	1,177,876	1,220,490
Restricted	113,277	117,472	116,658	116,219	106,816	130,601	95,800	98,434	107,360	129,314
Unrestricted	252,278	223,719	240,042	246,510	272,450	277,200	261,720	252,374	363,159	442,275
Total business-type activities net position	<u>\$ 1,267,895</u>	<u>1,234,453</u>	<u>1,273,297</u>	<u>1,305,955</u>	<u>1,337,245</u>	<u>1,409,067</u>	<u>1,480,679</u>	<u>1,500,108</u>	<u>1,648,395</u>	<u>1,792,079</u>
Primary government										
Net investment in capital assets	\$ 2,291,628	2,255,969	2,287,059	2,326,613	2,374,628	2,416,387	2,552,345	2,622,698	2,691,153	2,756,611
Restricted	397,890	297,100	613,280	756,032	784,798	810,147	704,931	760,850	933,391	1,125,137
Unrestricted	45,551	(1,722,203)	(1,924,340)	(2,105,415)	(2,259,227)	(2,302,212)	(2,224,122)	(2,201,642)	(1,616,628)	(1,232,411)
Total primary government net position	<u>\$ 2,735,069</u>	<u>830,866</u>	<u>975,999</u>	<u>977,230</u>	<u>900,199</u>	<u>924,322</u>	<u>1,033,154</u>	<u>1,181,906</u>	<u>2,007,916</u>	<u>2,649,337</u>

Note: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted when a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

**COUNTY OF SACRAMENTO  
CHANGES IN NET POSITION  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

Page 1 of 3

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Expenses</b>										
Governmental activities:										
General government	\$ 165,556	169,604	179,608	161,937	174,713	201,781	193,085	195,548	174,831	255,607
Public assistance	629,196	639,831	655,225	677,572	690,787	692,159	688,348	709,042	733,858	821,921
Public protection	760,358	725,108	781,244	862,968	953,258	1,006,545	1,084,967	1,145,784	889,632	1,062,181
Health and sanitation	574,814	502,535	554,731	712,033	677,587	714,167	801,401	903,661	810,739	936,391
Public ways and facilities	152,956	152,186	172,931	161,596	165,056	173,551	171,290	137,447	176,375	197,513
Recreation and culture	37,150	34,771	38,951	37,050	45,305	41,833	49,902	41,593	42,941	52,201
Education	1,353	1,820	1,729	1,658	1,535	1,561	1,638	1,116	1,904	2,085
Interest and fiscal charges	122,597	125,603	109,019	106,431	102,065	104,203	94,672	78,271	67,058	58,808
Total governmental activities	<u>2,443,980</u>	<u>2,351,458</u>	<u>2,493,438</u>	<u>2,721,245</u>	<u>2,810,306</u>	<u>2,935,800</u>	<u>3,085,303</u>	<u>3,212,462</u>	<u>2,897,338</u>	<u>3,386,707</u>
Business-type activities:										
Airport	199,264	188,132	187,985	193,233	199,349	195,411	209,392	204,996	208,680	231,997
Solid Waste	59,117	59,774	60,357	67,078	75,770	78,402	93,532	96,778	95,808	109,285
Water Agency	55,586	55,923	55,824	60,695	61,270	62,005	59,902	64,997	61,935	67,312
Parking Enterprise	1,725	2,463	1,893	3,238	3,781	2,067	2,649	2,279	1,708	1,801
County Transit	1,696	2,204	2,124	2,406	2,212	2,425	2,677	2,545	2,808	2,885
Total business-type activities	<u>317,388</u>	<u>308,496</u>	<u>308,183</u>	<u>326,650</u>	<u>342,382</u>	<u>340,310</u>	<u>368,152</u>	<u>371,595</u>	<u>370,939</u>	<u>413,280</u>
Total primary government	<u>\$ 2,761,368</u>	<u>2,659,954</u>	<u>2,801,621</u>	<u>3,047,895</u>	<u>3,152,688</u>	<u>3,276,110</u>	<u>3,453,455</u>	<u>3,584,057</u>	<u>3,268,277</u>	<u>3,799,987</u>
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 118,633	169,287	152,760	122,521	96,765	99,530	97,762	114,780	107,292	106,393
Public assistance	6,541		11							267
Public protection	124,049	106,089	136,582	131,287	163,474	154,328	153,350	176,185	171,689	177,501
Health and sanitation	36,151	35,503	34,244	34,184	38,572	37,415	36,954	36,783	38,679	34,566
Public ways and facilities	79,336	57,397	56,088	55,997	68,807	75,339	83,813	102,909	110,482	123,014
Recreation and culture	12,915	12,808	21,799	18,169	12,114	12,080	14,178	13,727	14,246	11,799
Education	146									
Operating grants and contributions	1,225,662	1,223,283	1,214,579	1,366,484	1,402,804	1,416,772	1,531,492	1,511,575	1,601,501	1,828,897
Capital grants and contributions	40,793	18,210	42,248	21,461	42,584	29,327	33,580	30,828	29,901	55,303
Total governmental activities	<u>\$ 1,644,226</u>	<u>1,622,577</u>	<u>1,658,311</u>	<u>1,750,103</u>	<u>1,825,120</u>	<u>1,824,791</u>	<u>1,951,129</u>	<u>1,986,787</u>	<u>2,073,790</u>	<u>2,337,740</u>

**COUNTY OF SACRAMENTO  
CHANGES IN NET POSITION  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

Page 2 of 3

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Business-type activities:										
Charges for services:										
Airport	\$ 160,647	177,244	187,829	196,086	204,638	212,783	195,773	171,773	232,166	255,834
Solid Waste	70,469	69,636	70,492	76,093	77,943	82,104	84,431	96,211	119,319	133,615
Water Agency	65,460	63,649	67,233	64,495	80,432	84,736	85,330	93,597	65,086	63,850
Parking Enterprise	2,995	3,001	2,909	3,014	2,830	3,028	2,628	2,232	2,241	2,440
County Transit	220	227	243	252	260	281	236	66	69	101
Operating grants and contributions	20,001	878	2,415	2,350	3,159	2,541	37,927	19,706	53,913	14,377
Capital grants and contributions	11,891	19,119	15,383	16,833	8,636	19,039	27,431	11,128	55,947	68,857
Total business-type activities	<u>331,683</u>	<u>333,754</u>	<u>346,504</u>	<u>359,123</u>	<u>377,898</u>	<u>404,512</u>	<u>433,756</u>	<u>394,713</u>	<u>528,741</u>	<u>539,074</u>
Total primary government	<u>\$ 1,975,909</u>	<u>1,956,331</u>	<u>2,004,815</u>	<u>2,109,226</u>	<u>2,203,018</u>	<u>2,229,303</u>	<u>2,384,885</u>	<u>2,381,500</u>	<u>2,602,531</u>	<u>2,876,814</u>
Net (expense)/revenue										
Governmental activities	\$ (799,754)	(728,881)	(835,127)	(971,142)	(985,186)	(1,111,009)	(1,134,174)	(1,225,675)	(823,548)	(1,048,967)
Business-type activities	14,295	25,258	38,321	32,473	35,516	64,202	65,604	23,118	157,802	125,794
Total primary government net expense	<u>\$ (785,459)</u>	<u>(703,623)</u>	<u>(796,806)</u>	<u>(938,669)</u>	<u>(949,670)</u>	<u>(1,046,807)</u>	<u>(1,068,570)</u>	<u>(1,202,557)</u>	<u>(665,746)</u>	<u>(923,173)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property	\$ 398,364	425,477	447,437	463,975	490,856	525,232	535,799	574,282	618,235	661,728
Sales/Use taxes	73,686	74,171	82,762	82,453	86,146	96,730	114,323	121,066	180,102	171,604
Transient occupancy	3,860	4,534	4,335	5,845	6,583	6,699	5,055	5,240	6,660	5,748
Unrestricted investment earnings	13,348	13,857	18,291	17,024	10,678	30,907	28,394	15,151	(371)	64,178
Grants and contrib. not restricted to specific programs	234,422	287,041	285,041	257,252	251,839	264,231	351,657	474,453	636,048	588,307
Pledged tobacco settlement	12,493	12,368	12,229	12,577	15,016	14,555	20,931	16,650	17,690	14,672
Miscellaneous	78,304	51,966	86,600	95,586	113,475	118,482	108,527	141,114	35,640	34,301
Transfers	4,981	5,178	4,721	5,003	6,506	6,474	6,708	7,042	7,267	6,166
Total general revenues and transfers	<u>\$ 819,458</u>	<u>874,592</u>	<u>941,416</u>	<u>939,715</u>	<u>981,099</u>	<u>1,063,310</u>	<u>1,171,394</u>	<u>1,354,998</u>	<u>1,501,271</u>	<u>1,546,704</u>

**COUNTY OF SACRAMENTO  
CHANGES IN NET POSITION  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

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	<u>Fiscal Year</u>									
	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Business-type activities:										
Sales/Use taxes	\$ 581	687	1,412	561	802					
Unrestricted investment earnings				4,627	6,082	14,094	12,716	3,353	(2,248)	24,056
Grants and contrib. not restricted to specific programs	1,973	1,473	3,832							
Transfers	(4,981)	(5,178)	(4,721)	(5,003)	(6,506)	(6,474)	(6,708)	(7,042)	(7,267)	(6,166)
Total general revenues and transfers	<u>(2,427)</u>	<u>(3,018)</u>	<u>523</u>	<u>185</u>	<u>378</u>	<u>7,620</u>	<u>6,008</u>	<u>(3,689)</u>	<u>(9,515)</u>	<u>17,890</u>
Total primary government	<u>\$ 817,031</u>	<u>871,574</u>	<u>941,939</u>	<u>939,900</u>	<u>981,477</u>	<u>1,070,930</u>	<u>1,177,402</u>	<u>1,351,309</u>	<u>1,491,756</u>	<u>1,564,594</u>
Changes in net position										
Governmental activities	\$ 19,704	145,711	106,289	(31,427)	(4,087)	(47,699)	37,220	129,323	677,723	497,737
Business-type activities	11,868	22,240	38,844	32,658	35,894	71,822	71,612	19,429	148,287	143,684
Total primary government	<u>\$ 31,572</u>	<u>167,951</u>	<u>145,133</u>	<u>1,231</u>	<u>31,807</u>	<u>24,123</u>	<u>108,832</u>	<u>148,752</u>	<u>826,010</u>	<u>641,421</u>

**COUNTY OF SACRAMENTO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
General fund										
Nonspendable	\$ 32,640	30,837	27,857	51,167	36,478	18,319	15,936	24,329	41,852	50,821
Restricted	205,789	232,455	212,353	244,324	255,118	261,069	233,500	249,171	347,262	370,465
Assigned		9,780				75,303	123,259	204,828	170,730	236,882
Unassigned	(38,992)	(13,462)	24,931	37,267	76,162		62,205	54,923	164,719	109,371
Total general fund	<u>\$ 199,437</u>	<u>249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>533,251</u>	<u>724,563</u>	<u>767,539</u>
All other governmental funds										
Special revenue funds										
Nonspendable	\$ 10,467	902	691							
Restricted	191,743	198,744	210,529	213,732	237,582	244,041	259,031	289,024	339,457	392,850
Debt service funds										
Restricted	105,644	101,784	89,851	87,466	87,913	70,601	67,945	57,667	54,780	55,760
Capital projects funds										
Restricted	44,096	44,207	74,799	94,291	97,369	103,835	109,602	114,542	127,045	214,448
Total all other governmental funds	<u>\$ 351,950</u>	<u>345,637</u>	<u>375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>	<u>436,578</u>	<u>461,233</u>	<u>521,282</u>	<u>663,058</u>



**COUNTY OF SACRAMENTO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(amounts expressed in thousands)**

Page 1 of 2

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Revenues</b>										
Taxes	\$ 475,910	504,182	534,534	552,273	583,585	628,661	655,177	700,588	804,997	839,080
Use of money and property	13,347	13,843	18,212	16,970	10,937	29,960	25,523	15,394	2,564	62,866
Licenses and permits	50,032	56,766	61,423	66,241	71,853	63,338	65,511	86,176	76,472	72,026
Intergovernmental	1,524,291	1,546,630	1,601,586	1,654,188	1,685,673	1,684,433	1,925,701	1,977,677	2,256,029	2,464,300
Charges for sales and services	249,034	244,887	269,695	257,641	269,158	274,573	288,442	313,193	327,276	346,149
Fines, forfeitures, and penalties	43,723	43,041	37,600	38,276	38,721	40,781	32,104	43,625	38,571	35,500
Pledged tobacco settlement	12,493	12,368	12,229	12,577	15,016	14,555	13,954	15,751	17,044	15,463
Contributions and donations			24,167	7,025	12,626	6,037		4,007		37,239
Miscellaneous	77,392	86,346	81,427	95,586	113,475	115,218	108,527	140,753	35,485	35,098
<b>Total revenues</b>	<b>2,446,222</b>	<b>2,508,063</b>	<b>2,640,873</b>	<b>2,700,777</b>	<b>2,801,044</b>	<b>2,857,556</b>	<b>3,114,939</b>	<b>3,297,164</b>	<b>3,558,438</b>	<b>3,907,721</b>
<b>Expenditures</b>										
General government	142,581	151,271	165,999	151,713	154,698	190,191	176,569	180,464	190,843	265,652
Public assistance	621,588	656,873	663,373	671,766	673,167	675,857	671,279	685,610	754,437	842,654
Public protection	718,386	753,721	797,866	817,939	860,247	918,419	971,533	1,007,918	1,050,490	1,166,694
Health and sanitation	564,824	522,894	559,977	610,859	655,842	693,869	778,957	871,488	841,339	965,090
Public ways and facilities	151,269	137,724	135,948	137,106	143,330	138,291	152,750	157,358	174,714	188,000
Recreation and culture	34,650	35,368	34,869	35,641	40,990	39,132	41,667	38,617	44,216	54,014
Education	1,025	1,604	1,286	1,422	1,487	1,367	1,553	1,518	1,618	1,617
Capital outlay	40,629	35,754	59,080	36,974	51,992	37,196	55,380	53,407	47,119	58,413
Debt service:										
Principal	72,695	69,242	67,346	55,263	60,668	111,160	117,773	132,148	177,913	193,231
Bond issuance cost	867					275		2,692		632
Interest and fiscal charges	125,196	137,656	135,661	138,928	141,405	93,778	86,930	74,200	68,373	60,117
<b>Total expenditures</b>	<b>2,473,710</b>	<b>2,502,107</b>	<b>2,621,405</b>	<b>2,657,611</b>	<b>2,783,826</b>	<b>2,899,535</b>	<b>3,054,391</b>	<b>3,205,420</b>	<b>3,351,062</b>	<b>3,796,114</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (27,488)	5,956	19,468	43,166	17,218	(41,979)	60,548	91,744	207,376	111,607

**COUNTY OF SACRAMENTO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(amounts expressed in thousands)**

Page 2 of 2

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Other financing sources (uses)</b>										
Transfers in	\$ 187,577	184,765	174,485	169,793	186,135	181,761	182,066	199,160	230,428	245,546
Transfers out	(156,053)	(167,637)	(158,151)	(152,894)	(159,219)	(164,981)	(164,943)	(181,740)	(212,613)	(230,177)
Issuance of long-term debt	135,060	20,996	19,522	17,391	18,241	20,372	20,639	25,131	26,170	56,962
Refunding of debt issued						89,125		263,207		180,740
Premiums on debt issued						11,659		38,224		445
Discount on debt issued	(2,180)									
Payment to refunded bonds escrow agent	(108,850)					(113,411)		(312,720)		(180,371)
Total other financing sources (uses)	<u>55,554</u>	<u>38,124</u>	<u>35,856</u>	<u>34,290</u>	<u>45,157</u>	<u>24,525</u>	<u>37,762</u>	<u>31,262</u>	<u>43,985</u>	<u>73,145</u>
Changes in fund balances	\$ <u>28,066</u>	<u>44,080</u>	<u>55,324</u>	<u>77,456</u>	<u>62,375</u>	<u>(17,454)</u>	<u>98,310</u>	<u>229,820</u>	<u>251,361</u>	<u>184,752</u>
Debt service as a percentage of noncapital expenditures	9.38 %	9.16 %	8.60 %	7.63 %	7.52 %	7.26 %	6.94 %	6.75 %	7.65 %	6.92 %

**COUNTY OF SACRAMENTO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(full accrual basis)**  
**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales/Use Tax</u>	<u>Transient Occupancy Tax</u>	<u>Total</u>
2013-14	\$ 398,364	73,686	3,860	475,910
2014-15	425,477	74,171	4,534	504,182
2015-16	447,437	82,762	4,335	534,534
2016-17	463,975	82,453	5,845	552,273
2017-18	490,856	86,146	6,583	583,585
2018-19	525,232	96,730	6,699	628,661
2019-20	535,799	114,323	5,055	655,177
2020-21	574,282	121,066	5,240	700,588
2021-22	618,235	180,102	6,660	804,997
2022-23	661,728	171,604	5,748	839,080

**COUNTY OF SACRAMENTO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(amounts expressed in thousands)**

Fiscal Year	Secured <sup>A</sup>	Unsecured <sup>B</sup>	Unitary <sup>C</sup>	Exemptions - Welfare-Other <sup>D</sup>	Total Taxable Assessed Value	Total Direct Tax Rate <sup>E</sup>
2013-14	\$ 120,666,326	5,902,161	1,454,969	(5,518,271)	122,505,185	1.000
2014-15	128,286,361	6,429,967	1,483,454	(5,925,469)	130,274,313	1.000
2015-16	134,494,438	6,488,685	1,527,359	(6,387,204)	136,123,278	1.000
2016-17	141,945,673	6,213,686	1,540,805	(6,331,237)	143,368,927	1.000
2017-18	151,164,155	6,450,239	1,605,246	(6,829,284)	152,390,356	1.000
2018-19	161,252,864	6,909,322	1,508,979	(7,040,350)	162,630,815	1.000
2019-20	171,771,317	7,456,729	1,544,478	(7,575,239)	173,197,285	1.000
2020-21	182,060,623	7,870,485	1,559,767	(8,083,004)	183,407,871	1.000
2021-22	191,976,450	7,783,171	1,628,844	(8,384,119)	193,004,346	1.000
2022-23	207,135,834	8,592,387	1,836,685	(8,982,942)	208,581,964	1.000

- A) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes.  
B) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipment, leasehold improvements, and possessory interests.  
C) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization.  
D) Exemptions as provided by the State Constitution provide property tax relief to Welfare, Church, and Non-Profit Organizations.  
E) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values.

Note: All dollar estimates are in current dollars (not adjusted for inflation).

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO  
AVERAGE PROPERTY TAX RATES - ALL  
DIRECT AND OVERLAPPING GOVERNMENTS  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Countywide <sup>A</sup>	Cities <sup>B</sup>	Special Districts <sup>C</sup>	
2013-14	1.000	0.0035		0.0559	1.0594
2014-15	1.000	0.0019		0.0497	1.0516
2015-16	1.000	0.0018		0.0473	1.0491
2016-17	1.000	0.0010		0.0531	1.0541
2017-18	1.000			0.0552	1.0552
2018-19	1.000			0.0589	1.0589
2019-20	1.000		0.0128	0.0615	1.0743
2020-21	1.000		0.0193	0.0581	1.0774
2021-22	1.000		0.0138	0.0580	1.0718
2022-23	1.000		0.0171	0.0567	1.0738

- A) In June 1978 California voters approved Proposition 13, which restricted property taxes to a County-wide rate of 1 percent per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1 percent is based on the County's AB 8 Apportionment factors.
- B) Rate represents a weighted average of seven incorporated cities within the County.
- C) Rate represents a weighted average of the various special districts with general obligation bond rates.
- D) Rate represents a weighted average of the various school districts with general obligation bond rates.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2023 AND JUNE 30, 2014  
(amounts expressed in thousands)**

<b>Taxpayer</b>	<b>June 30, 2023</b>				<b>June 30, 2014</b>			
	<b>Tax Levy<sup>A</sup></b>	<b>Rank</b>	<b>Percentage of Total Tax Levy</b>		<b>Tax Levy<sup>B</sup></b>	<b>Rank</b>	<b>Percentage of Total Tax Levy</b>	
Pacific Gas & Electric Co.	\$ 20,270	1	1.02	%	\$ 7,292	1	0.67	%
Intel Corporation	8,888	2	0.45		6,005	3	0.55	
Oakmont Properties	7,636	3	0.38					
BRE Delta Industrial Sacramento	6,925	4	0.35					
NP Sacramento	6,833	5	0.34					
AT&T Communications	6,800	6	0.34		7,247	2	0.66	
Metro Land Ownership	6,304	7	0.32					
PW Fund	5,959	8	0.30					
MP Holdings LLC	5,893	9	0.30		5,395	5	0.49	
Conrad Ethan	5,644	10	0.20					
Hines Interests, LP					5,837	4	0.53	
Cummings Trust					4,724	6	0.43	
Walmart					4,435	7	0.41	
Westcore Delta, LLC					4,371	8	0.40	
Donahue Schriber Realty Group					3,898	9	0.36	
Surewest					2,978	10	0.27	

(A) Tax levy amount provided by Tax and Licensing Division

(B) FY 2013-14 County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO  
COUNTY-WIDE 1 PERCENT - SECURED AND UNITARY  
PROPERTY TAX LEVIES AND COLLECTIONS  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

Fiscal Year	Taxes Levied <sup>A</sup>	Collections Within the Fiscal Year <sup>B</sup>		Collections in Subsequent Years <sup>C</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy <sup>D</sup>
2013-14	\$1,160,120	\$ 1,146,609	98.84	\$ 13,481	\$ 1,160,089	99.99
2014-15	1,233,891	1,221,411	98.99	12,429	1,233,840	99.99
2015-16	1,288,948	1,278,225	99.17	10,644	1,288,869	99.99
2016-17	1,359,759	1,349,089	99.22	10,524	1,359,613	99.99
2017-18	1,453,162	1,441,490	99.20	11,367	1,452,857	99.98
2018-19	1,550,474	1,538,104	99.20	11,730	1,549,834	99.96
2019-20	1,651,294	1,635,289	99.03	14,498	1,649,787	99.91
2020-21	1,750,891	1,736,895	99.20	10,590	1,747,485	99.81
2021-22	1,847,955	1,835,060	99.30	6,357	1,841,417	99.65
2022-23	1,996,826	1,979,782	99.15		1,979,782	99.15

A) County-wide 1 percent - Secured and Unitary Tax Rolls - Adjusted levy amount as of June 30; Levied Amounts for the County General Fund, School Districts, Cities, and Special Districts.

B) Collection amounts for the fiscal year as of June 30 for the County-wide 1 percent portion of the Secured and Unitary Taxes.

C) In the 1993 fiscal year, the Board of Supervisors adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales proceeds (Teeter Plan) as provided in California Revenue and Taxation Code Section 4701. Under the Teeter Plan, the Secured property tax roll is distributed to all taxing agencies within the County of Sacramento on the basis of the adjusted tax levy, rather than on the basis of actual cash collections.

D) The County has a Teeter loan which covers the full balance of levied taxes. If collections are not made within 5 years, the property goes to public auction.

Note: All dollar estimates are in current dollars (not adjusted for inflation)

Estimates updated for FY 2022-23, includes revised estimates for FY 2014-15 and FY 2020-21 (may not be consistent with prior reported figures)

Source: County's internal financial documents

**COUNTY OF SACRAMENTO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**FISCAL YEARS 2013-14 THROUGH 2022-23**  
**(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities							Business-Type Activities							Total Primary Government	Percentage of Personal Income <sup>B</sup>	Per Capita <sup>B</sup>
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds <sup>G</sup>	Revenue Bonds	Financed Purchase Obligations <sup>D</sup>	Lease Liability <sup>E</sup>	SBITA Liability <sup>F</sup>	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Lease Liability <sup>E</sup>	SBITA Liability <sup>F</sup>	Other Debt <sup>A, C, H</sup>			
2013-14	\$ 273,746	34,432	1,201,018	342,686	4,891			3,559	1,165,846	314,516	15,401			13,829	3,369,924	5.38 %	2,310
2014-15	249,206	29,732	1,159,636	342,871	4,123			3,522	1,147,042	302,011	13,746			9,803	3,261,692	4.89 %	2,207
2015-16	233,261	25,494	1,114,323	332,104	3,479			4,606	1,123,317	288,848				7,310	3,132,742	4.38 %	2,094
2016-17	216,441	22,849	1,059,751	332,841	2,974			647	1,103,799	273,959				5,080	3,018,341	4.08 %	1,995
2017-18	198,681	21,618	995,112	331,024	2,227			581	1,068,687	259,699				6,110	2,883,739	3.75 %	1,884
2018-19	169,721	21,460	925,917	329,421	780			493	1,051,100	257,780				6,342	2,763,014	3.41 %	1,793
2019-20	160,992	21,131	847,507	328,401	23,652			691	976,833	251,057				4,504	2,614,768	3.05 %	1,685
2020-21	144,570	22,523	759,097	321,059	22,503			2,838	943,334	243,658				2,369	2,461,951	2.71 %	1,578
2021-22	133,097	22,151	659,798	309,805	17,600	297,937		2,393	975,582	236,035		11,460		7,461	2,673,319	2.72 %	1,682
2022-23	131,554	22,273	550,534	299,422	32,198	286,854	16,011	2,738	956,424	228,127		12,218	720	47,145	2,586,218	2.64 %	1,629

Notes:

The County of Sacramento has not had any General Obligation Bonds since 2002.

See the "Demographic and Economic Statistics" table for population figures.

A) Revised FY 2013-14 through FY 2015-16 to include SMUD Water Rights.

B) Revised estimates for FY 2013-14 through FY 2015-16 for Personal Income and Population based on the Demographic and Economic Statistics.

C) Usage fees for the City of Sacramento were paid in full in FY 2017-18.

D) Revised header name in FY 2021-22 due to GASB 87 implementation, in prior years this was labeled Capital Leases

E) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, *Leases*

F) First year reporting SBITA Liability in FY 2022-23 due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*

G) Includes Pension Obligation Bonds - Direct Placement Bonds beginning FY 2022-23

H) First year reporting Loan Agreements and Revolving Line of Credit in FY 2022-23.



**COUNTY OF SACRAMENTO  
LEGAL DEBT MARGIN INFORMATION  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Assessed Value of Property	\$ 122,505,185	130,274,313	136,123,278	143,368,927	152,390,356	162,630,815	173,197,285	183,407,871	193,004,346	208,581,964
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	1,531,315	1,628,429	1,701,541	1,792,112	1,904,879	2,032,885	2,164,966	2,292,598	2,412,554	2,607,275
Amount of Debt Applicable to Limit: General Obligations Bonds Less: Resources Restricted to Paying Principal										
Total net debt applicable to limit										
Legal debt margin	<u>\$ 1,531,315</u>	<u>1,628,429</u>	<u>1,701,541</u>	<u>1,792,112</u>	<u>1,904,879</u>	<u>2,032,885</u>	<u>2,164,966</u>	<u>2,292,598</u>	<u>2,412,554</u>	<u>2,607,275</u>
Total net debt applicable to the limit as a percentage of the limit <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- Note:
- 1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.
  - 2) The legal debt margin is the County's available borrowing authority under State finance statues and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.
  - 3) Total net debt applicable to the limit as a percentage of the limit was changed from 100 to N/A for FY 2013-14 though FY 2021-22 as we do not have any debt applicable to the limit.

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO  
PLEGGED-REVENUE COVERAGE  
FISCAL YEARS 2013-14 THROUGH 2022-23  
(amounts expressed in thousands)**

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue <sup>A</sup>	Less: Operating	Net Revenue	Debt Service Requirements <sup>C</sup>		Coverage
		Expenses <sup>B</sup>		Principal	Interest	
2013-14	\$ 160,589	88,122	72,467	9,720	39,708	1.47
2014-15	158,928	82,412	76,516	14,220	39,345	1.43
2015-16	171,151	88,096	83,055	14,820	38,743	1.55
2016-17	178,108	91,317	86,791	15,450	37,905	1.63
2017-18	187,410	101,128	86,282	2,865	36,338	2.20
2018-19	193,835	106,474	87,361	12,420	31,469	1.99
2019-20	209,665	121,588	88,077	15,760	31,099	1.88
2020-21	170,588	119,402	51,186		27,581	1.86
2021-22	252,524	124,908	127,616		26,621	4.79
2022-23	245,894	146,734	99,160		25,746	3.85

Water Agency Revenue Bond Coverage <sup>D</sup>						
Fiscal Year	Gross Revenue <sup>E</sup>	Less: Operating	Net Revenue	Debt Service Requirements <sup>C</sup>		Coverage
		Expenses		Principal	Interest	
2013-14	\$ 63,743	22,201	41,542	8,240	15,365	1.76
2014-15	63,798	23,090	40,708	8,650	15,803	1.66
2015-16	67,351	22,882	44,469	9,070	15,399	1.82
2016-17	65,159	27,813	37,346	9,505	14,960	1.53
2017-18	81,172	27,169	54,003	9,955	14,538	2.20
2018-19	86,220	27,521	58,699	10,435	14,073	2.40
2019-20	88,012	29,156	58,856	11,890	11,268	2.54
2020-21	94,068	32,456	61,612	9,870	12,225	2.79
2021-22	108,485	34,160	74,325	10,350	11,725	3.37
2022-23	108,916	38,743	70,173	10,875	11,218	3.18

Note: Solid Waste Enterprise Fund does not have revenue bonds

A) Per bond resolution, revenues include all Airport revenues and exclude certain interest earnings and restricted revenues.

B) Total operating expenses including transfers out, but excluding depreciation and amortization.

C) Includes principal and interest of revenue bonds only.

D) Water Agency revenue bonds were issued May 9, 2007, October 31, 2019, and February 1, 2022.

E) Gross revenue reflects the adjusted annual revenues on the Water Agency Enterprise Fund pledged revenue stream.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO  
PRIVATE SECTOR PRINCIPAL EMPLOYERS  
JUNE 30, 2023 AND 2014**

<b>Employer</b>	<b>June 30, 2023</b>			<b>June 30, 2014</b>		
	<b>Employees<sup>(A)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees<sup>(B)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
UC Davis Health System	16,075	1	2.30 %			
Kaiser Permanente	10,934	2	1.56	9,109	2	1.47 %
Sutter / California Health Services	9,350	3	1.33	9,494	1	1.53
Dignity / Mercy Healthcare	7,353	4	1.05	7,397	3	1.19
Intel Corporation	5,000	5	0.71	6,000	5	0.97
Raley's Inc./Bel Air	2,756	6	0.39	6,240	4	1.01
Siemens Mobility Inc.	2,500	7	0.36			
Safeway	1,874	8	0.27			
Golden 1 Credit Union	1,776	9	0.25			
Pacific Gas and Electric Co.	1,370	10	0.20			
Wells Fargo & Co.				3,249	6	0.52
Hewlett-Packard				3,200	7	0.52
Cache Creek Casino Resort				2,400	8	0.39
Health Net of California				2,358	9	0.38
VSP Global				2,223	10	0.36
<b>Total</b>	<b>58,988</b>		<b>8.42 %</b>	<b>51,670</b>		<b>8.34 %</b>

Note:

(A) Sources: Sacramento Business Journal Annual Book of Lists Current Year

(B) Source: FY 2014 Sacramento County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 FISCAL YEARS 2013-14 THROUGH 2022-23  
 (amounts expressed in thousands except per capita amount)**

Fiscal Year	Population <sup>A</sup>	Personal Income	Per Capita Personal Income <sup>B</sup>	School Enrollment	Unemployment Rate <sup>C</sup>
2013-14	1,460	\$ 61,654,690	\$ 42,229	240	8.9 %
2014-15	1,478	65,486,553	44,303	241	7.3 %
2015-16	1,497	70,110,138	46,845	243	6.0 %
2016-17	1,514	72,878,458	48,122	244	5.4 %
2017-18	1,531	76,832,120	50,197	246	4.6 %
2018-19	1,541	80,969,087	52,544	247	3.8 %
2019-20	1,552	85,775,621	55,266	250	3.7 %
2020-21	1,559	90,908,707	58,307	246	9.3 %
2021-22	1,589	98,241,828	61,829	243	7.0 %
2022-23	1,588	98,105,641	61,775	248	3.9 %

Note:

All dollar estimates are in current dollars which are not adjusted for inflation.

Estimates updated November 16, 2023, include new estimates for FY 2021-22 and revised estimates for FY 2013-14 through FY 2020-21, which may not be consistent with prior reported figures.

A) Census Bureau mid-year population estimates. Estimates for FY 2013-14 through FY 2021-22 reflect County population estimates available as of March 2022.

B) Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for FY 2014-2022 reflect County population estimates available as of March 2023.

C) Unemployment rate reflects the March 2023 annual revision.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; California Department of Education, K-12 Public School Enrollment for Sacramento County; and California State Employment Development Department.

**COUNTY OF SACRAMENTO  
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
 FISCAL YEARS 2013-14 THROUGH 2022-23**

**Full-Time Equivalent Employees as of June 30th**

<b>Function</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
General Government	1,076	894	895	912	905	853	846	832	792	841
Public Assistance	2,165	2,179	2,239	2,259	2,224	2,103	2,018	2,005	2,026	2,114
Public Protection	3,591	3,806	3,948	3,960	3,952	4,280	4,231	4,223	4,268	4,448
Health and Sanitation	1,952	1,952	2,057	2,181	2,156	2,230	2,178	2,187	2,195	2,328
Recreation and Culture	137	138	154	134	157	164	140	125	130	143
Education	1	1								
Public Ways and Facilities		271	277	257	246	244	246	239	235	242
Non-Governmental					11	12	12	12	12	12
<b>Total</b>	<b>8,922</b>	<b>9,241</b>	<b>9,570</b>	<b>9,703</b>	<b>9,651</b>	<b>9,886</b>	<b>9,671</b>	<b>9,623</b>	<b>9,658</b>	<b>10,128</b>

Source: County of Sacramento Department Records - Governmental Type Employees Only (Excludes Business Type and Dependent Special District Employees)

**COUNTY OF SACRAMENTO  
OPERATING INDICATORS BY FUNCTION  
FISCAL YEARS 2013-14 THROUGH 2022-23**

Page 1 of 2

Function	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>General Government</b>										
Assessor:										
Number of parcels assessed	501,887	503,717	505,436	505,076	508,941	504,653	509,959	514,745	517,407	522,902
Gross total of secured roll (in thousands)	120,409,431	128,067,747	134,202,599	141,838,766	151,097,866	161,271,858	171,708,882	181,977,314	191,921,172	207,080,796
Gross total of unsecured roll (in thousands)	5,902,161	6,430,072	6,488,685	6,220,235	6,450,239	6,909,322	7,456,729	7,870,485	7,783,171	8,592,387
Clerk Recorder:										
Number of recorded documents	326,097	355,598	362,930	383,763	369,638	336,384	393,676	520,007	411,200	251,679
<b>Public Assistance</b>										
Human Assistance total caseload	216,504	293,840	330,167	328,585	318,056	314,269	333,993	361,402	411,022	432,273
Percent served of children in poverty	81	66	61	61	62	62	58	56	52	52
Housing services provided <sup>A</sup>	2,457	2,203	2,069	1,812	2,319	2,349	1,855	2,923	2,807	2,615
Employee non-exempt recipients CalWORKs	45	47	52	67	59	61	61	49	54	50
<b>Public Protection</b>										
District Attorney:										
Filed felonies	9,342	8,496	8,854	8,641	9,077	8,294	8,027	9,292	8,760	8,228
Filed misdemeanors	13,539	14,553	15,164	14,397	13,342	14,514	13,036	11,780	12,130	10,861
Filed probation violations	1,939	1,785	1,517	1,785	1,884	1,856	1,112	304	318	220
Probation:										
Cases supervised <sup>B</sup>	28,402	27,939	28,246	28,383	27,701	26,688	24,261	23,172	20,484	17,379
Institutional care for minors (days) <sup>C</sup>	69,339	69,696	62,776	50,237	46,760	43,535	41,023	36,616	42,992	57,372
Juvenile referrals processed	8,105	6,605	5,519	4,520	3,693	3,086	2,794	2,105	2,161	2,692
Prepared adult sentencing reports <sup>B, D, E, F</sup>	6,209	9,081	9,604	11,255	13,999	18,227	20,599	30,950	32,607	17,745
Public Defender:										
Felony Unit jury trials	147	159	161	199	133	141	81	56	45	102
Sheriff:										
Emergency calls for service:										
Priority 1	3,785	4,095	4,070	4,450	4,311	4,319	4,345	4,766	4,583	4,500
Emergency response time (minutes):										
Priority 1	12	12	13	12	11	11	11	12	15	15
Processed and booked adult offenders	19,991	20,292	20,538	15,824	21,616	19,107	10,627	8,181	6,832	5,977
Physical arrests	23,856	23,733	24,441	18,785	24,928	21,659	12,611	10,654	8,522	8,484
Total miles patrolled by Sheriffs	813	813	813	813	813	813	813	813	813	813

A) Housing services provided includes only the programs by DHA, including emergency shelters, and the data does not include the programs DHA does not administer.

B) Due to restructuring, the County now has the capacity to report on data and critical workload that previously was unable to be captured and quantified.

C) California Department of Rehabilitation Division of Juvenile Justice (DJJ) released youth back to local jurisdictions 9/30/2021, full closure 6/30/2023. Institutional care days increase due to commitments.

D) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.

E) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.

F) Pretrial Release Unit reports are captured beginning FY 2019-20.

**COUNTY OF SACRAMENTO  
OPERATING INDICATORS BY FUNCTION  
FISCAL YEARS 2013-14 THROUGH 2022-23**

Page 2 of 2

Function	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Health and Sanitation</b>										
Patient treatments at Public Health clinics	48,229	20,751	19,700	23,613	29,791	30,532	43,170	35,808	59,501	49,127
Training:										
Programs in compliance (by inspection) <sup>F, G, H</sup>	27	95	100	100	100	100	95	Unknown	80	100
<b>Public Ways and Facilities</b>										
Number of traffic signs resent and replaced	12,952	14,909	13,910	16,129	8,635	7,099	6,914	10,204	7,810	5,665
Square feet of graffiti removed or abated	136,989	185,195	205,084	131,490	129,600	200,587	152,281	287,881	237,079	212,085
<b>Recreation and Culture</b>										
Number of individuals who use Parks' golf services	164,579	163,722	157,095	131,248	147,029	142,048	168,110	204,230	186,610	158,259
<b>Education</b>										
Library:										
Total circulation <sup>1</sup>	7,113,116	7,339,735	7,480,731	7,064,066	7,573,185	8,112,087	7,000,665	5,464,352	7,266,036	7,732,460
Library cards issued	64,686	66,835	63,384	60,535	100,733	142,678	69,715	22,796	69,256	102,405
Total library cards in use	665,840	656,423	651,636	692,508	706,452	771,503	766,505	692,074	699,101	720,073
Library visits	4,144,307	4,183,751	4,252,802	3,625,829	3,667,015	3,712,147	2,653,910	369,551	1,148,709	1,927,032
<b>Airport</b>										
Number of commercial airlines	11	11	10	10	11	16	16	16	17	14
Number of flights	46,871	46,621	48,627	50,551	55,879	60,082	57,541	43,076	58,735	62,868
Number of enplaned passengers	4,376,237	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732	6,444,324
<b>Solid Waste</b>										
Percent of diversion/recycled waste	73	74	73	70	68	63	66	68	68	70
Tons disposed	596,972	623,824	657,247	747,704	796,946	890,301	946,063	943,258	920,989	845,995
<b>Water Agency</b>										
Water supply:										
Number of water connections	51,652	52,400	53,439	54,464	55,178	56,137	57,541	58,890	60,004	61,348
Water delivered (acre feet)	41,045	35,112	31,174	35,079	39,750	39,750	43,842	48,555	43,874	43,490
<b>Storm Water Utilities</b>										
Drainage:										
Mainline and lateral pipes cleaned (miles)	66	66	119	84	107	133	84	58	47	6
<b>Parking Enterprise</b>										
Daily public parking (count)	131,163	136,440	151,629	149,112	135,932	116,094	92,848	36,714	54,755	77,313
Monthly parking passes issued to County employees (count)	17,580	17,652	17,640	18,216	21,180	20,676	17,683	17,839	16,673	16,819
Outside agency usage	10,021	8,995	7,792	4,555	4,551	4,040	3,201	746	2,185	2,588
<b>County Transit</b>										
Total passengers	103,469	105,587	111,016	107,217	103,992	105,479	82,582	29,622	35,807	31,595
Total days	250	250	252	251	251	249	249	253	254	251
Average daily passengers	414	422	441	427	414	424	332	117	141	126

F) Non Mandated inspections suspended due to budget/staff reductions. Program rebuilding measures are underway.

G) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

H) Three (of fifteen) ALS providers are non-compliant and on monthly check-in. Note relates to programs in compliance (by inspection) FY 2021-22.

I) Books loaned and audio visual media loaned statistics are combined.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO  
CAPITAL ASSET STATISTICS BY FUNCTION  
FISCAL YEARS 2013-14 THROUGH 2022-23**

Page 1 of 2

Function	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Public Protection										
Sheriff:										
Administrations buildings	1	1	1	1	1	1	1	1	1	1
Aircrafts										
Operational	5	5	5	5	5	5	5	5	5	4
Non-Operational										1
Fixed Wing										
Sheriff	1								1	1
CAL-MMET	2	2	2	2	2	2	2	2	1	1
Community service centers	5	6	7	8	8	8	9	8	7	6
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	328	328	386	385	409	397	410	411	397	401
Stations	3	3	3	3	3	3	3	3	3	3
Health and Sanitation										
Clinics	1	1	1	1	1	1	1	1	1	1
Mental Health Treatment										
Clinics	1	1	1	1	1	1	1	1	5	5
Public Ways and Facilities										
Centerline miles of roads maintained	2,202	2,202	2,200	2,203	2,202	2,208	2,208	2,209	2,214	2,215
Traffic signals	459	461	466	473	476	505	508	511	512	515
Recreation and Culture										
Number of golf courses	4	4	4	4	4	4	4	4	4	3
Number of developed parks	38	38	38	38	38	38	38	38	38	38
Developed parks acreage	15,187	15,189	15,189	15,189	15,189	15,189	15,189	15,189	15,189	15,189
Education										
Number of libraries <sup>A</sup>	11	11	11	11	11	11	11	11	11	11

A) There are 16 County libraries 11 buildings are County owned and 5 are owned by other government entities or leased.

Source: County of Sacramento Department Records



**COUNTY OF SACRAMENTO  
CAPITAL ASSET STATISTICS BY FUNCTION  
FISCAL YEARS 2013-14 THROUGH 2022-23**

Page 2 of 2

Function	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed vehicles:										
Cars and light trucks	159	168	205	201	189	182	183	188	189	190
Busses	32	32	51	42	28	33	33	31	35	41
Solid Waste										
Number of collection trucks	109	108	100	100	100	100	100	106	116	137
Number of landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water mains (miles)	785	797	805	812	829	851	880	864	889	909
Storage capacity (thousands of gallons)	61,900	61,900	61,900	61,900	61,600	61,600	61,600	61,700	61,700	61,700
Drainage:										
Drainage inlets	37,669	38,841	38,651	38,425	37,262	37,145	37,947	38,155	37,957	38,184
Drainage manholes	22,793	23,544	23,573	23,589	23,127	23,302	23,808	24,173	24,189	24,353
Drainage pipes (miles)	1,276	1,359	1,353	1,341	1,293	1,293	1,313	1,326	1,308	1,327
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2
County Transit										
Number of buses	15	16	17	18	18	18	18	19	19	19

Source: County of Sacramento Department Records

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT



## BOND DISCLOSURES

COUNTY OF SACRAMENTO

DEPARTMENT OF AIRPORTS

WATER AGENCY ENTERPRISE FUND

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**COUNTY OF SACRAMENTO  
ANNUAL CONTINUING DISCLOSURES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This meets the County of Sacramento Annual Continuing Disclosure filing required as of December 31, 2023, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of the issuance date of this Annual Comprehensive Financial Report and is subject to change without notice, and shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

This Section contains three separate Annual Continuing Disclosure filings for the following:

1. Certificates of Participation; Pension Obligation Bonds; and River City Regional Stadium Financing Authority Lease Revenue Bonds
2. Airport System Revenue Bonds
3. Water Financing Authority Revenue Bonds

**COUNTY OF SACRAMENTO  
ANNUAL CONTINUING DISCLOSURES FOR:  
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND  
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

**REQUIRED TABLES**

**Sacramento County Investment Pool  
(Quarter Ended on September 30, 2023)**

Average Daily Balance	\$6,400,335,003
Period-End Balance	\$6,324,207,841
Yield	4.516%
Weighted Average Maturity	305 Days
Duration in Years	0.757 Years
Historical Cost	\$6,320,174,342
Fair Value	\$6,281,451,601
Percent of Fair Value to Cost	99.39%

**COUNTY OF SACRAMENTO  
ANNUAL CONTINUING DISCLOSURES FOR:  
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND  
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

**REQUIRED TABLES**

**General Fund Adopted Budget<sup>(1)</sup>  
(amounts expressed in thousands)**

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>APPROPRIATIONS</b>				
Reserve Increase	\$ 51,669	150,510	221,174	126,553
General Government	439,239	502,890	129,348	91,082
Public Protection	1,264,079	1,371,438	1,528,718	1,612,710
Health and Sanitation	672,092	664,813	746,909	934,215
Public Assistance	530,908	620,587	1,003,141	1,037,167
Education, Cultural and Recreation	28,228	32,448	40,336	43,306
Contingencies	1,120	17,146	42,499	52,903
TOTAL APPROPRIATIONS	<u>\$ 2,987,335</u>	<u>3,359,832</u>	<u>3,712,125</u>	<u>3,897,936</u>
<b>AVAILABLE FUNDS</b>				
Beginning Appropriated Fund Balance/Carryover	\$ 217,084	365,134	394,256	316,664
Equity Transfer In	418	100	377	50
Reserve Cancellation	28,019	5,050	3,374	45,840
Taxes	649,686	698,594	778,899	821,867
Licenses and Permits	10,821	11,315	11,632	11,081
Fines, Forfeitures and Penalties	22,123	21,406	20,746	19,461
Realignment	600,465	699,206	794,979	781,493
Proposition 172	116,052	146,537	174,267	177,199
Mental Health Services	78,736	87,944	115,768	207,264
Clerk/Recorder Fees	3,080	3,009	3,009	2,564
Use of Money and Property	5,319	6,744	7,647	16,821
Aid from Other Government Agencies (state and federal)	1,053,761	1,135,788	1,223,724	1,319,925
Charges for Current Services	131,130	123,072	138,198	140,776
Other Revenues	70,641	55,933	45,249	36,931
TOTAL AVAILABLE FUNDS	<u>\$ 2,987,335</u>	<u>3,359,832</u>	<u>3,712,125</u>	<u>3,897,936</u>

<sup>(1)</sup> Board of Supervisors adopted budget prior to any Appropriation Adjustment Requests (AAR).

**COUNTY OF SACRAMENTO  
HISTORY OF GROSS ASSESSED VALUATIONS  
(amounts expressed in thousands)**

Fiscal Year	Total Gross Assessed Valuation	Secured/Unsecured Roll Growth	
2014-15	\$ 134,497,818	6.48	%
2015-16	140,691,284	4.60	%
2016-17	148,052,405	5.23	%
2017-18	157,548,105	6.41	%
2018-19	168,181,180	6.75	%
2019-20	179,165,611	6.53	%
2020-21	189,847,799	5.96	%
2021-22	199,704,342	5.19	%
2022-23	215,673,183	8.00	%
2023-24	231,698,751	7.43	%

**Countywide Secured Tax Levies, Delinquencies and Collections  
(excludes levies for bond debt service and special assessments)  
(amounts expressed in thousands)**

Fiscal Year	Secured Tax Levies	Current Levy Delinquent June 30	Percent Current Levy Delinquent June 30	Total Collections June 30 <sup>1</sup>	Total Collection Current Levy
2014-15	\$ 1,219,035	12,480	1.02 %	1,206,555	98.98 %
2015-16	1,273,652	10,723	0.84 %	1,262,929	99.16 %
2016-17	1,344,330	10,670	0.79 %	1,333,660	99.21 %
2017-18	1,437,087	11,672	0.80 %	1,425,415	99.20 %
2018-19	1,535,361	12,370	0.80 %	1,522,911	99.20 %
2019-20	1,651,294	16,005	0.97 %	1,635,289	99.03 %
2020-21	1,750,891	13,996	0.80 %	1,736,895	99.20 %
2021-22	1,874,955	12,894	0.69 %	1,835,060	99.31 %
2022-23	1,996,826	17,044	0.86 %	1,929,782	99.15 %

1) Includes prior years' redemption, penalties and interest.

**COUNTY OF SACRAMENTO**  
**Largest Secured Taxpayers FY 2023-24**  
**(includes levies for bond debt service and special assessments)**

Taxpayer	Amount
Pacific Gas & Electric Co.	\$ 23,866,798
Intel Corporation	8,787,136
PW Fund	7,815,913
Oakmont Properties	7,710,919
NP Sacramento	7,504,861
BRE Delta Industrial Sacramento	7,170,526
AT&T Communications	6,553,224
MP Holdings LLC	6,110,208
Conrad Ethan	6,067,926
Metro Land Ownership	4,887,124
Total (represents 3.01 percent secured tax roll levy):	<u><u>\$ 86,474,635</u></u>



**COUNTY OF SACRAMENTO**  
**Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2018-19 through FY 2022-23**  
**(amounts expressed in thousands)**

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
Beginning Fund Balance	\$ 367,758	354,691	434,900	533,251	724,563
<b>Revenues</b>					
Taxes	587,675	611,245	657,123	744,507	770,676
Use of money and property	12,073	10,470	9,959	2,178	34,419
Licenses and permits	11,460	11,161	11,529	12,630	11,849
Intergovernmental	1,590,790	1,817,146	1,862,804	2,108,837	2,297,752
Charges for sales and services	129,071	131,450	151,125	133,171	131,897
Fines, forfeitures and penalties	28,745	21,999	26,119	21,829	21,699
Miscellaneous	62,037	55,170	92,439	29,282	28,257
Total Revenues	<u>2,421,851</u>	<u>2,658,641</u>	<u>2,811,098</u>	<u>3,052,434</u>	<u>3,296,549</u>
Transfers in	10,882	9,432	16,257	19,269	12,748
Issuance of long-term debt				3,203	23,504
Total Revenues and Transfers	<u>2,432,733</u>	<u>2,668,073</u>	<u>2,827,355</u>	<u>3,074,906</u>	<u>3,332,801</u>
<b>Expenditures</b>					
General government	121,310	126,161	132,413	137,717	195,979
Public assistance	675,857	671,279	668,157	754,437	842,654
Public protection	849,736	899,142	935,849	971,907	1,068,499
Health and sanitation	655,505	743,011	829,250	797,834	924,451
Recreation and culture	22,007	22,671	22,619	25,105	29,755
Education	389	422	433	436	451
Debt Service:					
Principal				30,008	33,811
Interest and fiscal charges				3,623	3,318
Total Expenditures	<u>2,324,804</u>	<u>2,462,686</u>	<u>2,588,721</u>	<u>2,721,067</u>	<u>3,098,918</u>
Transfers out	120,996	125,178	132,532	162,527	190,907
Total Expenditures and Transfers	<u>2,445,800</u>	<u>2,587,864</u>	<u>2,721,253</u>	<u>2,883,594</u>	<u>3,289,825</u>
Net change in fund balance	<u>(13,067)</u>	<u>80,209</u>	<u>106,102</u>	<u>191,312</u>	<u>42,976</u>
Ending Fund Balance	<u>\$ 354,691</u>	<u>434,900</u>	<u>541,002</u>	<u>724,563</u>	<u>767,539</u>

**COUNTY OF SACRAMENTO**  
**Financing Obligations**

**As of July 1, 2023**

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	County Liability
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	\$ 36,150,000	\$ 20,165,000	2035	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	18,675,000	2030	66% (if ticket receipts insufficient)
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	62,100,000	2034	100%
2020 COP Refunding	Rio Cosumnes Correctional Center	27,080,000	22,070,000	2030	100%
2019 Key Government Finance, Inc. Master Lease	CISCO Systems Equipment Lease	15,650,124	3,934,609	2024	100%
2013 Motorola SmartZone Radio System Lease	Motorola Systems Equipment Lease	3,771,410	357,110	2024	100%
2015 Motorola Radio System Lease	Motorola Systems Equipment Lease	13,662,797	4,500,374	2026	100%
2020 Motorola Microwave	Motorola Systems Equipment Lease	3,463,701	2,280,510	2025	100%
2023 DTECH Cisco	CoSwan Network	21,999,968	17,854,854	2028	100%

**COUNTY OF SACRAMENTO  
Pension Obligation Bonds**

**As of July 1, 2023**

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Obligation Bonds, Series 2003B <sup>(1)</sup>	Partially Refund Series 1995A	\$ 97,441,330	\$ 38,921,000	2024	75%
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	359,165,000	87,325,000	2027	75%
County of Sacramento Taxable Pension Bonds, Series 2011A	Refund Series 1995B,C	183,365,000	58,260,000	2024	75%
County of Sacramento Taxable Pension Bonds, Series 2011B	Refund Series 2009	73,875,000	73,875,000	2025	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	111,960,000	2026	75%
County of Sacramento Taxable Pension Bonds - Direct Placement, Series 2023	Refund Series 2008 (2030 Maturity Only)	180,740,000	180,740,000	2031	75%

<sup>(1)</sup> Series 2003B amounts outstanding reflect fully accreted value of capital appreciation bonds. Full accretion date and conversion to current interest for the 2003B Series occurred on February 15, 2009.

## COUNTY OF SACRAMENTO

### Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and resets quarterly. There are no pre-payment penalties, thereby providing the County with the flexibility to opt-in at a later date into an alternative form of Teeter Plan financing.

**As of June 30, 2023**  
**(amounts expressed in thousands)**

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 20,372	717	08/01/2023
Sacramento County (Teeter Plan)	20,639	1,660	08/01/2024
Sacramento County (Teeter Plan)	25,131	2,990	08/01/2025
Sacramento County (Teeter Plan)	22,967	5,022	08/01/2026
Sacramento County (Teeter Plan)	23,416	11,884	08/01/2027

**COUNTY OF SACRAMENTO**  
**County of Sacramento Aggregate Debt Service**  
**Current Outstanding Debt-Certificates of Participation Only**  
**(includes principal and interest)**  
**As of July 1, 2023**

Period Ending June 30	Series 2003 Juvenile Court COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	Series 2020 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds <sup>(1)</sup>	Fiscal Year Total
2024	\$ 2,215,450	4,870,500	4,791,375	3,736,000	2,340,980	17,954,305
2025	2,214,281	4,871,000	4,791,000	3,737,500	2,337,278	17,951,059
2026	2,215,419	4,871,250	4,793,125	3,732,000	2,334,002	17,945,796
2027	2,214,006	4,870,750	4,787,500	3,734,125	2,327,147	17,933,528
2028	2,214,938	4,873,875	4,793,625	3,738,250	2,322,568	17,943,256
2029	2,213,106		4,791,000	3,739,000	2,315,989	13,059,095
2030	2,212,000		4,789,375	3,736,125	2,309,799	13,047,299
2031	2,215,750		4,788,250			7,004,000
2032	2,215,000		4,796,875			7,011,875
2033	2,214,625		4,789,875			7,004,500
2034	2,214,375		4,791,875			7,006,250
2035	2,214,000					2,214,000
<b>Total</b>	<b>\$ 26,572,950</b>	<b>\$ 24,357,375</b>	<b>\$ 52,703,875</b>	<b>\$ 26,153,000</b>	<b>\$ 16,287,763</b>	<b>\$ 146,074,963</b>

<sup>(1)</sup> County required to pay **only** if ticket receipts are insufficient. The County has never been required to make any debt service payments.

**COUNTY OF SACRAMENTO**  
**County of Sacramento Aggregate Debt Service**  
**Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation**  
**(includes principal and interest)**  
**As of July 1, 2023**

Period Ending June 30	Series 2003B Refunding POBs	Series 2008 Refunding POBs <sup>(1)</sup>	Series 2011A Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs	Series 2023 Refunding POBs - Direct Placement <sup>(1)</sup>	FY POBs Total	FY COPs Total	FY Financed Purchase Obligations Total <sup>(2)</sup>	FY POBs, COPs, & Financing Obligations Combined
2024	\$40,035,058	25,154,888	60,130,146	4,894,219	8,117,100	11,850,328	150,181,739	17,954,305	8,197,603	176,333,647
2025		26,128,662		76,322,109	34,437,113	11,849,099	148,736,983	17,951,059	7,767,721	174,455,763
2026		28,106,049			87,718,563	11,845,124	127,669,736	17,945,796	6,584,530	152,200,062
2027		17,755,915				24,024,107	41,780,022	17,933,528	4,999,992	64,713,542
2028						43,045,531	43,045,531	17,943,256	4,999,992	65,988,779
2029						45,088,187	45,088,187	13,059,095		58,147,282
2030						46,874,793	46,874,793	13,047,299		59,922,092
2031						47,942,334	47,942,334	7,004,000		54,946,334
2032								7,011,875		7,011,875
2033								7,004,500		7,004,500
2034								7,006,250		7,006,250
2035								2,214,000		2,214,000
<b>Total</b>	<b>\$40,035,058</b>	<b>97,145,514</b>	<b>60,130,146</b>	<b>81,216,328</b>	<b>130,272,776</b>	<b>242,519,503</b>	<b>651,319,325</b>	<b>146,074,963</b>	<b>32,549,838</b>	<b>829,944,126</b>

<sup>(1)</sup> Assumed swap rate of 5.901% for the 2026 Term Bond; 6.375% for \$166,950,000 of the 2030 Term Bond; 4.122% for \$13,385,000 of the 2030 Term Bond. True interest rates will be based on the Secured Overnight Financing Rate (SOFR) plus 0.11% for the Index Adjustment, plus 0.45% for the Credit Spread.

<sup>(2)</sup> Does not include leases with a pledge of net revenues of an enterprise fund

**COUNTY OF SACRAMENTO**  
**Variable Rate Debt/Interest Rate Swaps**

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo USD-LIBOR-BBA*
Bond Amount Outstanding as of July 1, 2023	\$87,325,000
Insurer	FSA
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$87,325,000
Payment Terms	County pays 5.901% fixed; Counterparty pays USD LIBOR (BBA) adjusted monthly; 5,19057%
Est. Valuation (includes accrued interest)	Negative (\$1,380,067)
County Credit Rating Risk (threshold for termination event for swap agreement)	County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P) or BBB (Fitch)
Footnote	*This swap will follow the federal guidance fallback provisions in Fiscal Year 2024 to transition from LIBOR to SOFR.
Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR +0.56448%
Bond Amount Outstanding as of July 1, 2023	\$166,950,000
Insurer	N/A
Swap Counterparty	Bank of America, N/A
Swap Notional Amount	\$166,950,000
Payment Terms	County pays 6.375% fixed; Counterparty pays SOFR+ 0.56448%; 5.61781%
Est. Valuation (includes accrued interest)	Negative (\$15,684,658)

**COUNTY OF SACRAMENTO**  
**Variable Rate Debt/Interest Rate Swaps**

Issue	2023 Refunding POB (portion of)
County Credit Rating Risk (threshold for termination event for swap agreement)	<p>The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&amp;P/Fitch:</p> <p>Tier I = 0.45% (A2/A/A and above)  Tier II = 0.55 % (A3/A-/A-)  Tier III = 0.77% (Baa1/BBB+/BBB+)  Tier IV = 0.90% (Baa2/BBB/BBB)</p> <p>The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&amp;P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).</p>
Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR + 0.56448%
Bond Amount Outstanding as of July 1, 2023	\$13,790,000
Insurer	N/A
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$13,790,000
Payment Terms	County pays 4.122% fixed; Counterparty pays SOFR+ 0.56448%: 5.61931%
Est. Valuation (includes accrued interest)	Positive \$236,439
County Credit Rating Risk (threshold for termination event for swap agreement)	<p>The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&amp;P/Fitch:</p> <p>Tier I = 0.45% (A2/A/A and above)  Tier II = 0.55 % (A3/A-/A-)</p>



**COUNTY OF SACRAMENTO**  
**Variable Rate Debt/Interest Rate Swaps**

Issue	2023 Refunding POB (portion of)
	Tier III = 0.77% (Baa1/BBB+/BBB+) Tier IV = 0.90% (Baa2/BBB/BBB) The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).

## COUNTY OF SACRAMENTO

### Department of Airports Annual Report (Airport Enterprise Fund)

In accordance with the requirements of the Continuing Disclosure Certificates for the County of Sacramento Airport System Senior Revenue Bonds, Series 2008 and 2009, the Airport System Senior Revenue Refunding Bonds, Series 2016A, 2018A, 2018B, 2018C, and 2020, the Airport System Subordinate and PFC Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B, 2018D, 2018E, and 2018F, (collectively, the "Certificate"), the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2007-2008, and each ACFR thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The ACFR is filed with each National and State Repository specified in the Rule, and with any other repository that shall be identified in the future.

### ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Department of Airports for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- (B) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
  - 4. Historical Enplaned Passengers – Exhibit 1
  - 5. Historical Aircraft Landed Weight – Exhibit 2
  - 6. Airlines' Market Shares of Enplaned Passengers – Exhibit 3
  - 7. Statement of Revenues, Expenses and Changes in Net Position – Exhibit 4
  - 8. Airline and Nonairline Revenues – Exhibit 5
  - 9. Summary of Historical Revenues, Expenses and Debt Service Coverage – Exhibit 6

### REPORTING OF MATERIAL EVENTS

In connection with the issuance of the County's not to exceed \$50,000,000 County of Sacramento Airport System Subordinate Revenue Notes, Series 2022 Subseries A (AMT) and Subseries B (Taxable) (the "2022 Notes"), the County entered into a Revolving Credit Agreement, dated as of December 8, 2022 (the "Revolving Credit Agreement"), with Wells Fargo Bank, National Association, as lender.

The above events were disclosed as material events when announced. No additional material events, as identified in Section 5 of the Certificate, have occurred for any of the outstanding bonds issued by Sacramento County and there is no knowledge on the part of the County of any impending material events that would require disclosure under the provisions of the Certificate.

**COUNTY OF SACRAMENTO**  
**Historical Enplaned Passengers - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 1**

Enplanements	2014 <sup>2</sup>	2015	2016	2017	2018	2019	2020	2021	2022	2023
Major and other airlines <sup>1</sup>	4,061,686	4,306,807	4,483,792	4,713,231	5,175,936	5,701,245	4,496,776	3,003,922	5,324,255	6,002,584
Regional airlines	314,551	321,790	459,393	484,953	585,650	597,202	444,264	206,242	469,477	441,740
<b>Total</b>	<b>4,376,237</b>	<b>4,628,597</b>	<b>4,943,185</b>	<b>5,198,184</b>	<b>5,761,586</b>	<b>6,298,447</b>	<b>4,941,040</b>	<b>3,210,164</b>	<b>5,793,732</b>	<b>6,444,324</b>
Percent change from prior year	(0.98)%	5.77 %	6.80 %	5.16 %	10.84 %	9.32 %	(21.55)%	(35.03)%	80.48 %	11.23 %

Source: Department of Airports statistics reports.

<sup>1</sup> Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

<sup>2</sup> FY 2014 figures have been revised.

**COUNTY OF SACRAMENTO**  
**Historical Aircraft Landed Weight - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 2**  
**(in 1,000 lb. units)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Passenger airlines										
Major and other airlines <sup>1</sup>	4,693,297	4,782,686	4,890,000	5,182,816	5,731,091	6,243,996	5,503,729	4,097,086	5,999,400	6,837,816
Regional airlines	353,852	350,506	508,376	570,233	674,706	689,413	576,404	332,231	573,402	518,627
Subtotal	<u>5,047,149</u>	<u>5,133,192</u>	<u>5,398,376</u>	<u>5,753,049</u>	<u>6,405,797</u>	<u>6,933,409</u>	<u>6,080,133</u>	<u>4,429,317</u>	<u>6,572,802</u>	<u>7,356,443</u>
All cargo airlines	964,965	651,887	687,612	728,575	1,038,232	1,276,124	1,286,887	1,434,370	1,252,780	1,080,048
Total	<u>6,012,114</u>	<u>5,785,079</u>	<u>6,085,988</u>	<u>6,481,624</u>	<u>7,444,029</u>	<u>8,209,533</u>	<u>7,367,020</u>	<u>5,863,687</u>	<u>7,825,582</u>	<u>8,436,491</u>
Percent change from prior year	4.02 %	(3.78)%	5.20 %	6.50 %	14.85 %	10.28 %	(10.26)%	(20.41)%	33.46 %	7.81 %

Source: Department of Airports records.

<sup>1</sup> Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

**COUNTY OF SACRAMENTO**  
**Airlines' Market Shares of Enplaned Passengers - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 3**

Page 1 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Percentage of Total Enplanements</b>										
<b>Major Airlines <sup>1</sup></b>										
Southwest Airlines	52.6 %	53.1 %	51.8 %	51.5 %	53.2 %	53.3 %	51.8 %	49.9 %	51.5 %	56.1 %
United Airlines	8.4	7.6	10.1	9.9	9.9	10.7	9.1	9.8	10.4	9.0
Delta Air Lines	6.5	6.3	11.1	10.6	10.6	10.2	10.7	11.6	10.5	9.8
Alaska Airlines	5.3	6.2	8.4	8.1	8.1	7.9	6.3	3.8	6.0	5.4
US Airways	5.5	5.8								
American Airlines	5.5	5.3	12.2	13.0	12.0	10.7	10.1	11.9	9.4	8.6
Jet Blue Airlines	3.0	2.9	2.8	2.9	2.8	2.4	2.2	0.5	1.0	1.2
Horizon Airlines	2.6	2.3					1.8	3.0	1.6	0.9
Hawaiian Airlines	1.9	1.8	1.7	1.7	1.5	1.5	1.8	1.9	2.4	2.3
Frontier Airlines						0.8	1.2	2.3	1.9	0.9
Aeromexico	0.8	1.0	1.1	1.3	1.0	0.9	0.9	1.2	0.9	0.7
Air Canada						0.3	0.3			0.3
Spirit						0.1	2.0	2.1	2.8	3.1
Sun Country						0.1	0.3			
Contour						0.1	0.3			
Volaris Airlines	0.6	0.8	0.8	1.0	0.9	1.0	1.2	2.0	1.6	1.7
Republic Airlines	0.1									
<b>Regional Airlines <sup>2</sup></b>										
Skywest	7.2	6.1								
Mesa/Delta Connection		0.8								
<b>Subtotal</b>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Source: Department of Airports statistics reports.

1 Defined for this analysis as scheduled airlines operating with 60 or more seats.

2 Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16.

**COUNTY OF SACRAMENTO**  
**Airlines' Market Shares of Enplaned Passengers - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 3**

Page 2 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Ranking</b>										
<b>Major Airlines <sup>1</sup></b>										
Southwest Airlines	1	1	1	1	1	1	1	1	1	1
American Airlines	5	7	2	2	2	2	3	2	4	4
Delta Air Lines	4	3	3	3	3	4	2	3	2	2
United Airlines	2	2	4	4	4	3	4	4	3	3
Alaska Airlines	7	4	5	5	5	5	5	5	5	5
US Airways	6	6								
Jet Blue Airlines	8	8	6	6	6	6	6	12	11	9
Horizon Airlines	9	9					8	6	9	11
Hawaiian Airlines	10	10	7	7	7	7	9	10	7	7
Frontier Airlines						10	10	7	8	10
Aeromexico	11	11	8	8	8	9	12	11	12	12
Air Canada						11	14		13	13
Spirit						12	7	8	6	6
Sun Country						13	13	13		
Contour						14	15			
Boutique						15	16	14	14	
Volaris Airlines	12	12	9	9	9	8	11	9	10	8
Swift Air								15	15	
Seaport		13								
<b>Regional Airlines <sup>2</sup></b>										
Skywest	3	5								
Mesa/Delta Connection		12								

Source: Department of Airports statistics reports.

<sup>1</sup> Defined for this analysis as scheduled airlines operating with 60 or more seats.

<sup>2</sup> Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16

**COUNTY OF SACRAMENTO**  
**Statement of Revenues, Expenses and Changes in Net Position - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 4**

Page 1 of 2

	2014 <sup>1</sup>	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenue:										
Concessions	\$ 69,451,723	73,880,574	78,775,227	82,409,252	90,323,536	99,038,728	80,277,417	56,012,009	93,641,280	106,392,621
Building rents	61,119,198	61,887,092	65,012,503	66,066,673	60,059,320	58,504,461	69,725,164	57,906,467	64,390,549	71,732,556
Airfield charges	25,299,370	19,102,672	21,043,860	23,671,438	27,172,330	27,879,071	25,519,182	31,005,490	31,170,310	31,555,006
Ground leases	1,927,849	1,910,052	2,034,604	2,107,408	3,046,387	3,524,845	3,951,171	4,209,371	10,692,383	9,834,059
Sale of fuel	854,030	664,423	604,640	461,300	554,321	747,844	418,914	544,327	464,859	922,763
Airport services	331,277	798,098	1,000,679	949,129	498,253	380,200	617,198	403,387	919,883	427,692
Other	13,902	196,451	72,246	84,267	6,391	(4,148,559)	3,414	24,029	14,553	3,633
Total operating revenue	<u>158,997,349</u>	<u>158,439,362</u>	<u>168,543,759</u>	<u>175,749,467</u>	<u>181,660,538</u>	<u>185,926,590</u>	<u>180,512,460</u>	<u>150,105,080</u>	<u>201,293,817</u>	<u>220,868,330</u>
Operating expense:										
Salaries and benefits	30,302,735	27,021,772	26,842,856	30,372,684	33,422,424	34,463,798	40,599,630	44,608,558	35,393,935	39,869,392
Services and supplies	54,044,934	51,885,789	58,110,395	57,602,169	64,470,461	68,725,697	77,594,078	71,175,541	85,264,445	102,617,535
Cost of sales and services	648,940	509,938	431,554	361,608	499,671	680,942	558,780	493,926	861,995	860,635
Depreciation and amortization	54,204,762	53,531,817	50,565,547	52,011,580	52,013,372	52,647,894	52,842,238	54,892,487	55,649,935	57,091,392
Other	413,110	229,703	480,259	574,703	218,429	51,266	10,984,101	310,098	484,516	433,684
Total operating expense	<u>139,614,481</u>	<u>133,179,019</u>	<u>136,430,611</u>	<u>140,922,744</u>	<u>150,624,357</u>	<u>156,569,597</u>	<u>182,578,827</u>	<u>171,480,610</u>	<u>177,654,826</u>	<u>200,872,638</u>
Operating income (loss):	<u>19,382,868</u>	<u>25,260,343</u>	<u>32,113,148</u>	<u>34,826,723</u>	<u>31,036,181</u>	<u>29,356,993</u>	<u>(2,066,367)</u>	<u>(21,375,530)</u>	<u>23,638,991</u>	<u>19,995,692</u>
Nonoperating revenue (expense):										
Investment income (loss)	813,327	(54,853)	2,000,910	1,915,111	3,222,805	8,479,767	5,981,289	936,698	(2,474,652)	13,297,492
Passenger facility charges revenue	17,160,771	18,514,213	19,285,187	20,544,539	22,782,880	25,587,275	19,191,446	13,680,710	22,865,394	25,950,108
Customer facility charges revenue						1,269,420	5,840,576	3,233,524	5,066,535	9,014,790
Intergovernmental revenue	838,145	467,561	867,632	404,582	1,695,305	595,695	35,484,822	16,327,555	50,451,763	9,955,581
Gain (loss) on disposal of assets	(62,967)	141,167	(29,493)	260,372	369,892	(212,510)	(893,634)	67,175	105,558	(1,450,990)
Other nonoperating revenue (expense)	(32,690)	208,536	299,019	149,481	139,045	153,682	1,843,812	4,710,955	2,857,024	280,400
Amortization of bond issuance cost <sup>1,4</sup>	(405,146)	(405,146)	(405,146)	(388,175)	(313,653)	(25,902)	(25,902)	(24,220)	(24,337)	(21,100)
Interest expense	<u>(58,323,780)</u>	<u>(57,381,887)</u>	<u>(56,140,352)</u>	<u>(53,042,527)</u>	<u>(49,551,243)</u>	<u>(39,402,511)</u>	<u>(38,910,448)</u>	<u>(34,480,405)</u>	<u>(33,427,662)</u>	<u>(32,137,012)</u>
Net nonoperating revenue (expense)	<u>(40,012,340)</u>	<u>(38,510,409)</u>	<u>(34,122,243)</u>	<u>(30,156,617)</u>	<u>(21,654,969)</u>	<u>(3,555,084)</u>	<u>28,511,961</u>	<u>4,451,992</u>	<u>45,419,623</u>	<u>24,889,269</u>

**COUNTY OF SACRAMENTO**  
**Statement of Revenues, Expenses and Changes in Net Position - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 4**

Page 2 of 2

	<u>2014<sup>1</sup></u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Income (loss) before capital contributions and transfers	(20,629,472)	(13,250,066)	(2,009,095)	4,670,106	9,381,212	25,801,909	26,445,594	(16,923,538)	69,058,614	44,884,961
Capital contributions	9,421,605	11,456,573	11,368,943	15,534,748	3,279,101	11,421,118	20,520,520	5,668,571	7,552,491	16,343,566
Transfer out <sup>2</sup>	(2,711,985)	(2,765,151)	(2,231,084)	(2,406,265)	(2,484,035)	(2,552,322)	(2,546,362)	(2,814,183)	(2,902,410)	(2,952,604)
Changes in net position	(13,919,852)	(4,558,644)	7,128,764	17,798,589	10,176,278	34,670,705	44,419,752	(14,069,150)	73,708,695	58,275,923
Total net position, beginning of year <sup>3</sup>	<u>591,684,369</u>	<u>553,291,895</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>571,733,735</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>	<u>720,640,015</u>
Total net position, end of year	<u>\$ 577,764,517</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>573,660,604</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>	<u>720,640,015</u>	<u>778,915,938</u>

<sup>1</sup> Starting with FY 2014, the amortization of bond issuance cost includes only the amortized bond prepaid insurance.

<sup>2</sup> Transfer Out - Pension Obligation Bond allocated to the Department of Airports starting with FY 2014.

<sup>3</sup> The beginning net positions for FY 2015 and 2018 have been restated to reflect the implementation of GASB Statement No. 68 and GASB Statement No. 75, respectively.

<sup>4</sup> Amortization of bond issuance cost includes a rounding adjustment for FY 2022 as the Total Net Position at end of year was misstated.



**COUNTY OF SACRAMENTO**  
**Airline and Nonairline Revenues - Last 7 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 5**

Page 1 of 2

	2017	2018 <sup>2</sup>	2019 <sup>2</sup>	2020 <sup>2</sup>	2021 <sup>2</sup>	2022	2023
<b>Airline Revenue</b>							
Terminal building rents and fees	\$ 52,839,550	44,431,455	52,452,234	60,813,934	46,698,567	52,804,244	58,695,698
Aircraft parking fees	3,416,495	2,479,673	2,374,015	2,767,919	3,476,740	4,558,768	5,051,747
Loading bridge fees	2,922,392	1,673,891	1,580,825	1,595,724	1,394,900	2,105,216	2,182,908
Landing fees	23,677,390	26,790,520	26,843,659	27,388,248	30,911,283	31,069,803	31,440,323
Airlines revenue sharing		(4,163,064)	(10,660,522)				
Total Airline Revenue	<u>82,855,827</u>	<u>71,212,475</u>	<u>72,590,211</u>	<u>92,565,825</u>	<u>82,481,490</u>	<u>90,538,031</u>	<u>97,370,676</u>
Less cargo revenues	<u>2,966,959</u>	<u>4,321,249</u>	<u>5,263,448</u>	<u>6,123,700</u>	<u>9,031,621</u>	<u>5,821,439</u>	<u>5,087,026</u>
Passenger airline operating revenues	<u>\$ 79,888,868</u>	<u>66,891,226</u>	<u>67,326,763</u>	<u>86,442,125</u>	<u>73,449,869</u>	<u>84,716,592</u>	<u>92,283,650</u>
Enplaned passengers	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732	6,444,324
Cost per Enplaned Passenger (CPE)	\$ 15.37	11.61	10.69	17.49	22.88	14.62	14.32
<b>Nonairline Revenue</b>							
<b>Airfield area</b>							
Other landing fees	56,359						
Fuel sales	737,132	1,060,702	1,489,918	1,475,151	1,552,406	1,898,107	1,694,531
Subtotal	<u>793,491</u>	<u>1,060,702</u>	<u>1,489,918</u>	<u>1,475,151</u>	<u>1,552,406</u>	<u>1,898,107</u>	<u>1,694,531</u>
<b>Terminal building</b>							
Food/beverage	4,662,410	4,873,267	5,655,423	4,842,511	3,430,125	3,878,105	5,992,690
Merchandise	2,323,964	2,372,005	2,483,578	2,317,653	2,182,660	1,755,446	2,202,142
Advertising	813,827	724,537	724,409	767,367	705,914	166,701	380,474
Telephones	394,664	409,439	404,196	428,162	439,319	30,251	29,703
Vending	445,267	434,162	327,444	377,124	375,411	291,434	328,256
Other terminal rents	1,422,993	2,016,294	1,759,039	1,798,162	1,590,343	1,796,290	2,148,745
Subtotal	<u>10,063,125</u>	<u>10,829,704</u>	<u>11,354,089</u>	<u>10,530,979</u>	<u>8,723,772</u>	<u>7,918,227</u>	<u>11,082,010</u>
<b>Parking</b>	<u>57,052,230</u>	<u>61,446,320</u>	<u>66,700,985</u>	<u>51,510,237</u>	<u>32,638,657</u>	<u>65,445,614</u>	<u>73,446,876</u>

Source: Airports financial statements.

<sup>1</sup> As defined in the Bond Indenture.

<sup>2</sup> Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

**COUNTY OF SACRAMENTO**  
**Airline and Nonairline Revenues - Last 7 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 5**

Page 2 of 2

	<u>2017</u>	<u>2018 <sup>2</sup></u>	<u>2019 <sup>2</sup></u>	<u>2020 <sup>2</sup></u>	<u>2021 <sup>2</sup></u>	<u>2022</u>	<u>2023</u>
<b>Other areas</b>							
Autorentals	\$ 11,841,060	12,882,207	14,161,083	11,927,386	9,760,797	15,052,041	14,945,707
Autorental shuttle bus fees	3,577,686	4,420,013	4,667,613	4,990,880	5,166,015	4,413,678	5,465,795
Taxi/TNC	1,293,349	2,364,656	3,491,081	2,797,975	1,072,975	2,191,504	3,024,296
Tiedown and hangars	734,240	716,462	746,577	737,232	729,161	754,699	764,095
FBO rentals	92,460	92,334	92,334	95,860	75,988	94,486	94,557
Aviation ground leases	1,831,576	2,540,006	2,782,772	3,093,218	3,201,291	2,442,127	2,025,972
Other rentals/miscellaneous	4,705,159	3,931,754	4,186,758	4,259,218	4,216,467	10,001,953	10,446,722
Subtotal	<u>24,075,530</u>	<u>26,947,431</u>	<u>30,128,218</u>	<u>27,901,769</u>	<u>24,222,694</u>	<u>34,950,488</u>	<u>36,767,144</u>
<b>Other revenue</b>							
Service fees	949,129	498,253	380,200	418,914	403,387	464,859	427,692
Miscellaneous revenue	514,198	1,728,539	829,399	36,087,202	20,975,539	50,730,646	7,984,426
Subtotal	<u>1,463,327</u>	<u>2,226,792</u>	<u>1,209,599</u>	<u>36,506,116</u>	<u>21,378,926</u>	<u>51,195,505</u>	<u>8,412,118</u>
Total Non Airline Revenue	93,447,703	102,510,949	110,882,809	127,924,252	88,516,455	161,407,941	131,402,679
Interest income <sup>1</sup>	1,805,024	3,882,123	7,159,293	3,823,472	(555,647)	469,389	14,789,822
Total Non Airline Revenue	<u>\$ 95,252,727</u>	<u>106,393,072</u>	<u>118,042,102</u>	<u>131,747,724</u>	<u>87,960,808</u>	<u>161,877,330</u>	<u>146,192,501</u>

Source: Airports financial statements.

<sup>1</sup> As defined in the Bond Indenture.

<sup>2</sup> Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

**COUNTY OF SACRAMENTO**  
**Summary of Historical Revenue, Expenses and Debt Service Coverage - Last 10 Years**  
**Fiscal Years Ended June 30**  
**Exhibit 6**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Rate Covenant per Section 6.04 (b)(i)</b>										
Revenues <sup>1</sup>	\$ 160,589,380	158,928,261	171,150,791	178,108,554	187,410,070	193,835,260	209,664,618	170,587,943	252,523,996	245,894,132
Operating expenses <sup>2</sup>	(88,121,704)	(82,412,353)	(88,096,148)	(91,317,429)	(101,128,080)	(106,474,025)	(121,588,396)	(119,402,306)	(124,907,302)	(146,734,349)
Net revenues	72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694	99,159,783
Transfer (limited to 25%)	12,357,018	13,391,226	13,390,638	13,338,831	9,800,819	10,972,283	11,714,793	6,895,236	6,655,225	6,436,413
Net revenues + Transfers	\$ 84,824,694	89,907,134	96,445,281	100,129,956	96,082,809	98,333,518	99,791,015	58,080,873	134,271,919	105,596,196
Accrued debt service on senior obligations <sup>3</sup>	\$ 49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650
Debt service coverage (>1.25)	1.72	1.68	1.80	1.88	2.45	2.24	2.13	2.11	5.04	4.10
<b>Rate Covenant per Section 6.04 (b)(ii)</b>										
Net revenues	\$ 72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694	99,159,783
Transfer (limited to 10%)	4,942,807	5,356,490	5,356,255	5,335,533	3,920,328	4,388,913	4,685,917	2,758,095	2,662,090	2,574,565
Net revenues + Transfers	\$ 77,410,483	81,872,398	88,410,898	92,126,658	90,202,318	91,750,148	92,762,139	53,943,732	130,278,784	101,734,348
Accrued debt service on senior obligations	\$ 49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650
Debt service on subordinate obligations	30,211,816	30,271,621	21,944,846	20,832,404	13,494,431	16,145,064	16,703,950	16,709,750	16,709,750	16,710,000
Less: PFC Revenues	(21,940,816)	(21,942,737)	(21,944,846)	(20,832,404)	(13,494,431)	(16,145,064)	(16,703,950)	(16,709,750)	(16,709,750)	(16,710,000)
Less: Available Grant Revenues	(8,271,000)	(8,328,884)								
Accrued debt service on senior & subordinate obligations	\$ 49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650
Debt Service Coverage (>1.10)	1.57	1.53	1.65	1.73	2.30	2.09	1.98	1.96	4.89	3.95

Note: The information presented in the above table reflects the definitions, conventions and debt service coverage calculation methodology set forth in the Master Indenture of Trust, approved by the Board of Supervisors and dated May 1, 2008, and under the terms of supplemental indentures.

<sup>1</sup> Per Bond Indenture, Revenues include the Department's revenues excluding certain interest earnings and restricted revenues.

<sup>2</sup> Per Bond Indenture, Operating Expenses include the Department's operating expenses and other non-operating expenses. Operating Expenses exclude depreciation, amortization and debt service.

<sup>3</sup> The Accrued Debt Service includes the principal payment and interest due on July 1st of the following fiscal year.

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Years Ended June 30, 2019 through 2023**

On April 8, 2003, the Sacramento County Water Agency (Agency) entered into a Joint Exercise of Powers Agreement with Sacramento County to form the Sacramento County Water Agency Financing Authority (the Authority) for the purpose of facilitating the financing of acquisition and/or construction of real and personal property in and for the Agency. The Board of Directors of the Agency serves as the Authority's governing board. For financial reporting purposes, the Master Installment Purchase Contract between the Agency and the Authority has been eliminated.

The Authority is a blended component unit of the Sacramento County Water Agency. The Sacramento County Water Agency includes the Agency's Enterprise Fund, however, it includes more than one fund. All balances and transactions of the Authority are presented in the financial statements of the Agency Enterprise Fund.

This section is provided in accordance with the requirements of the Continuing Disclosure Certificate (the Certificate) for the Sacramento County Water Financing Authority Revenue Bonds Series 2007A and Series 2007B, the Sacramento County Water Financing Authority Revenue Bonds Series 2019, the Sacramento County Water Financing Authority Revenue Bonds Series 2022A. The material provided under the Certificate is intended to meet or exceed the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The data tables provided herein apply to the 2007B, 2019, and 2022A issues.

This Bond Disclosure Section included within the Sacramento County's Annual Comprehensive Financial Report (ACFR) provides the information required by the Continuing Disclosure Certificate. The ACFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

## **ANNUAL REPORT**

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided, that if the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (B) The Annual Report shall include an annual updating, to reflect results of the most recently completed fiscal year, of information of the type contained in the following tables contained in the Official Statement for the Series 2007B, Series 2019, and Series 2022A Bonds dated April 26, 2007, October 16, 2019, and February 1, 2022 respectively (the "Official Statement"). Projections do not have to be updated.
  - 1. Approximate number of connections to which the Agency delivered water - Exhibit 1
  - 2. Historical and Projected Monthly Service Fees - Exhibit 2
  - 3. Historical and Projected Impact & Connection Fees - Exhibit 3
  - 4. Annual Water Production Summary - Exhibit 4
  - 5. Water Service Accounts by Service Areas - Exhibit 5
  - 6. Zone 40 and 41 Service Areas Top Ten Customers - Exhibit 6
  - 7. Historical Operating Results - Exhibit 7

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Years Ended June 30, 2019 through 2023**

**REPORTING OF SIGNIFICANT EVENTS**

On June 26, 2023, the Sacramento County Water Agency (the “Agency”) adhered to the ISDA IBOR 2020 Fallbacks Protocol, as published by the International Swaps and Derivatives Association, Inc. (ISDA) on October 23, 2020 (the “Protocol”). The Agency previously entered into two interest rate swap agreements (the “Swaps”) in April 2007, as amended, in anticipation of the issuance of the Revenue Bonds (Sacramento County Water Agency Zones 40 And 41 2007 Water System Project) Series 2007B (the “Series 2007B Bonds”) issued by the Sacramento County Water Financing Authority (the “Authority”) on May 9, 2007. The Swaps have an aggregate notional amount of \$227,015,000 and amortize in tandem with the expected amortization of the Authority’s Series 2007B Bonds. Under the terms of the Swaps, in connection with each calculation period, the Agency pays to the swap counterparty a fixed rate and receives from the swap counterparty a floating rate based on LIBOR.

By adhering to the Protocol, following the cessation of LIBOR, the floating rate under the Swaps will convert from the lesser of (i) 67% of three-month LIBOR plus a specified credit spread or (ii) 12% to the lesser of (i) 67% of Fallback Rate (SOFR) for a three-month tenor (based on compounded SOFR calculated in arrears, plus a specified spread adjustment), plus a specified credit spread or (ii) 12% (with the cessation of LIBOR occurring on June 30, 2023, SOFR would apply to calculation periods beginning September 1, 2023).

**ADDITIONAL INFORMATION**

The Certificate requires that the following information be updated annually:

**Exhibit 1 - A table indicating the approximate number of connections to which the Agency delivered water.**

Fiscal Year:	2018-19	2019-20	2020-21	2021-22	2022-23
Number of connections	56,137	57,541	58,890	60,004	61,348
Annual Percent Increase	1.7 %	2.5 %	2.3 %	1.9 %	2.2 %

**Exhibit 2 - Historical and Projected Monthly Service Fees  
Zone 40 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	2018-19	2019-20	2020-21	2021-22	2022-23
Monthly Rate:	\$ 28.80	28.80	28.80	28.80	28.80

**Exhibit 2 - Historical and Projected Monthly Service Fees  
Zone 41 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	2018-19	2019-20	2020-21	2021-22	2022-23
Monthly Rate:	\$ 46.22	47.90	49.57	49.57	49.57

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Years Ended June 30, 2019 through 2023**

**Exhibit 3 - Historical and Projected Impact & Connection Fees  
Zone 40 Impact Fees.**

Effective Date (Month-Yr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 16,962	17,601	17,985	19,535	20,857
Annual increase	2 %	4 %	2 %	9 %	7 %
Commercial Service (per acre)	\$ 9,663	10,027	10,245	11,128	11,881
Annual increase	2 %	4 %	2 %	9 %	7 %
Other Service (per acre)	\$ 1,872	1,942	1,984	2,155	2,301
Annual increase	2 %	4 %	2 %	9 %	7 %

**Exhibit 3 - Historical and Projected Impact & Connection Fees  
Zone 41 Connection Fees.**

Effective Date (Month-Yr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Connection Fee (per EDU)	\$ 376	376	376	376	376

**Exhibit 4 - Annual Water Production Summary**

Water Supply Production (In Acre Feet)	2019	2020	2021	2022	2023
Ground Water	19,821	22,299	29,212	24,649	26,974
Surface Water	18,761	20,119	17,832	18,116	15,580
Recycled Water	826	977	987	686	585
<b>Total Production</b>	<b>39,408</b>	<b>43,395</b>	<b>48,031</b>	<b>43,451</b>	<b>43,139</b>
<b>Percentage Breakdown</b>					
Ground Water	50 %	52 %	61 %	57 %	63 %
Surface Water	48 %	46 %	37 %	41 %	36 %
Recycled Water	2 %	2 %	2 %	2 %	1 %

**Exhibit 5 - Water Service Accounts by Service Area**

	2019	2020	2021	2022	2023
Zone 40 and Zone 41	52,530	53,933	55,262	56,364	57,675
Zone 40 but not within Zone 41	4,438	4,772	4,913	4,927	4,970
Zone 41 but not within Zone 40	3,607	3,608	3,628	3,640	3,673
<b>Total</b>	<b>60,575</b>	<b>62,313</b>	<b>63,803</b>	<b>64,931</b>	<b>66,318</b>

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Year Ended June 30, 2023**

**Exhibit 6 - Zone 40 and 41 Service Areas Top Ten Customers**

<b>Customer</b>	<b>Annual Water use Acre Feet (AF)</b>	<b>% of Total Water use</b>
Elk Grove Unified School District	299	0.7 %
Sacramento Regional County Sanitation District	277	0.6 %
Aramark Uniform Services Inc.	140	0.3 %
Cintas Sales Corporation	126	0.3 %
Bre Delta Industrial Sacramento Ltd Partnership	121	0.3 %
Federal Government	93	0.2 %
Cosumnes Community Services District	78	0.2 %
USA in Trust for Wilton Rancheria	66	0.2 %
DS Properties 18 LP	55	0.1 %
Folsom Cordova Unified School District	35	0.1 %
<b>Total</b>	<b>1,290</b>	<b>3.0 %</b>

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Years Ended June 30, 2019 through 2023**

**Exhibit 7 - Historical Operating Results**

(amounts expressed in thousands)

	2018-19	2019-20	2020-21	2021-22	2022-23
Revenues:					
Operating revenues					
Water service charges	\$ 50,257	54,570	58,126	58,647	56,803
Charges for services	2,390	2,325	2,179	2,486	3,292
Development fees (2)	29,204	26,141	30,840		
Connection fees	502	507	483	633	456
Other	2,383	1,787	1,969	3,314	3,241
Total net operating revenues	<u>84,736</u>	<u>85,330</u>	<u>93,597</u>	<u>65,080</u>	<u>63,792</u>
Nonoperating revenues					
Total interest income	2,688	3,873	1,669	1,864	7,927
Less: interest earnings on reserves	(1,204)	(1,191)	(1,198)	(1,212)	(1,199)
Net interest income	<u>1,484</u>	<u>2,682</u>	<u>471</u>	<u>652</u>	<u>6,728</u>
Development fees (2)				42,890	38,396
Total nonoperating revenues	<u>1,484</u>	<u>2,682</u>	<u>471</u>	<u>43,542</u>	<u>45,124</u>
Total revenues	<u>86,220</u>	<u>88,012</u>	<u>94,068</u>	<u>108,622</u>	<u>108,916</u>
Adjusted annual revenues (1)	86,220	88,012	94,068	108,622	108,916
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	<u>27,521</u>	<u>29,156</u>	<u>32,456</u>	<u>34,159</u>	<u>38,743</u>
Net revenues (1)	<u>58,699</u>	<u>58,856</u>	<u>61,612</u>	<u>74,463</u>	<u>70,173</u>
Impact fee credits	(3,561)	(2,396)	(2,467)	(1,720)	(951)
Net revenue less impact fee credits	<u>55,138</u>	<u>56,460</u>	<u>59,145</u>	<u>72,743</u>	<u>69,222</u>
Debt service					
Debt service on 2007 Bonds	25,712	9,578	9,627	9,627	11,525
Debt service on 2019 bonds		14,771	13,666	13,656	11,767
Less interest earnings on reserve	(1,204)	(1,191)	(1,198)	(1,207)	(1,199)
Adjusted annual debt service	<u>24,508</u>	<u>23,158</u>	<u>22,095</u>	<u>22,076</u>	<u>22,093</u>
Debt service coverage (1)	2.40	2.54	2.79	3.37	3.18
Pay-as-you-go capital	<u>17,155</u>	<u>20,742</u>	<u>25,542</u>	<u>29,296</u>	<u>35,879</u>
Net cash flow of year's operations	<u>\$ 13,475</u>	<u>12,560</u>	<u>11,508</u>	<u>21,235</u>	<u>11,250</u>
Reserves end of year	<u>\$ 65,648</u>	<u>64,986</u>	<u>71,318</u>	<u>52,506</u>	<u>134,040</u>
Bond reserve account end of year	<u>\$ 25,713</u>	<u>22,892</u>	<u>22,892</u>	<u>22,892</u>	<u>22,892</u>

(1) Calculated in accordance with the Master Installment Purchase Contact

(2) Beginning FY2021-22 Zone 40 Development fees were reclassified from operating revenues to nonoperating revenues



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**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
For The Fiscal Year Ended June 30, 2023**

