



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**BEN LAMERA
DIRECTOR OF FINANCE**

**COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Photo Credit: James Wright, Assistant Civil Engineer
Department of Transportation

The cover image displays the American River Banks at Gristmill Recreation Area, which is part of Sacramento County Regional Parks. The photograph was taken early during the morning of November 10, 2014, and portrays the serene beauty of the American River in the fall.

Cover Design: Chris Baker, Geographic Information Systems Analyst II
Department of Technology

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2019



COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

Ben Lamera, Director of Finance

**COUNTY OF SACRAMENTO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTRODUCTORY SECTION

Department of Finance**Ben Lamera****Director****County of Sacramento**

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

November 27, 2019

To the Citizens of Sacramento County
Sacramento, California

Dear Citizens:

The Comprehensive Annual Financial Report (CAFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2019, 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 enclosed data is accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information and related budgetary schedules for the General Fund and other funds, of the County, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The CAFR 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, 2018 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, and a list of public officials. 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 non-major fund financial statements 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 MD&A and should be read in conjunction with it. The County's MD&A, which is unaudited, can be found on pages 5 through 21 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, 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 (2022, 2026, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2020, 2024, 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., Sacramento County 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, certain districts and agencies are accounted for in the following funds: Special Revenue, Debt Service, Capital Projects, Proprietary and Agency and Trust Fund Types are reported as part of the primary government.

ECONOMIC CONDITION AND OUTLOOK

The national economy grew at a solid pace in 2018, with Gross Domestic Product (GDP) increasing by 2.9 percent for the year. GDP growth in 2018 was the strongest since 2015 and significantly better than the 2.2 percent logged for 2017. GDP grew at an annualized rate of 3.2 percent in the first quarter of 2019. This was a higher rate than most economists were projecting and the best start to a year since 2015. Notwithstanding the strong first quarter numbers, most forecasts project that the rate of growth will be moderate over the year and GDP growth in 2019 and 2020 will be closer to the post-recession average of 2.1 percent. For example, the most recent report from the Federal Reserve Open Market Committee reflects a median GDP growth forecast of 2.1 percent in 2019 and 1.9 percent in 2018 and a report from Beacon Economics projects GDP growth of 2.2 percent in FY 2019-20.

The local economy continues its improvement with gross assessed valuations expected to increase in FY 2019-20 by approximately 6.5 percent, following a 6.8 percent increase in FY 2018-19. These increases follow four consecutive years of increases giving the County the highest total gross assessed valuations in the County's history. The Sacramento Metropolitan Statistical Area (including Sacramento, Yolo, El Dorado and Placer counties) unemployment rate (not seasonally adjusted) slightly increased to 4.0 percent in July 2019 from 3.9 percent in July 2018.

California counties are closely linked to the financial condition of the State of California (the "State"), and are responsible for delivering health and welfare services on behalf of the State. The State has experienced its own fiscal stress, but it has seen improvements in revenue growth over the last four years, in part due to the improving economy and in part due to a voter approved long-term temporary tax increase. In addition to dealing with its

local issues, the County must deal with the impact of adverse State and Federal budget actions, as State and Federal revenues make up approximately 69 percent of the County's General Fund budgeted revenues. However, when State or Federal funding has been cut back, the County generally has reduced programs in proportion to the funding received and not utilized County General Fund revenues to backfill the reductions in State or Federal funding. With limited exceptions, the County plans to continue to reduce programs if there are additional State or Federal funding reductions.

Housing Market

The U.S. Department of Commerce reported that housing starts in July 2019 fell 4 percent from June 2019, declining in the past three months due to the result of persistent weakness in the single-family segment of the market. According to the Department of Commerce, housing starts in July 2019 were 0.6 percent higher than the number of housing starts in July 2018. Permits for new construction, a sign of future demand, have increased 8.4 percent from June to July 2019 and are running 1.5 percent above the July 2018 level.

Despite recent projections of a slow-down by economists and housing industry analysts, home prices nationally are continuing to increase. A report from Zillow showed that in June 2019 the median home price increased by 5.2 percent over the last year and Zillow projects the median price will increase by 2.2 percent over the next year.

Home prices in California are also continuing to rise, though at a slower pace. According to a recent report from Zillow, the median home price in California was \$547,500 as of June 2019, a 1.3 percent increase over the past year. Zillow projects that California home prices will decrease 0.1 percent over the coming year.

Residential property represents the largest component of the County's assessed value, and changes in assessed value have a direct impact on changes in property tax revenue, which is the largest component of the County's discretionary revenue.

In FY 2018-19, the County's property tax revenue increased by 7.0 percent, following an increase of 5.8 percent in FY 2017-18. This is the sixth annual consecutive increase since FY 2012-13, for a total increase of 41.6 percent. The County is expecting a growth of 6.5 percent in FY 2019-20. The recent growth in assessed values is partially due to the Assessor continuing to move a number of parcels out of Proposition 8 "Decline in Value" status, a continued increase in the number of new home sales with higher values, and property assessed values increasing countywide.

Labor Market

The national unemployment rate fell to 3.8 percent in June 2019, down from 4.2 percent from June 2018. Economists are now projecting that the unemployment rate will stabilize at that level over the next few years. For example, a recent Federal Reserve Open Market Committee report reflects a median unemployment rate forecast of 3.7 percent in 2019 and 3.8 percent in 2020.

The number of jobs added each month has been relatively strong, with nonfarm payroll increasing by 263,000 in April 2019, on top of an average monthly gain of 213,000 over the prior 12 months. In addition, we are starting to see evidence of wage growth – though the rate is still less than robust. In April 2019 average hourly earnings increased by 3.2 percent, which is higher than the rate of inflation. On the other hand, despite significant job growth and the decline in unemployment, the labor participation rate has not changed over the last year, the number of persons employed part-time for economic reasons has remained the same and there has been no change in the number of “discouraged” workers (persons not looking for work because they believe no jobs are available for them).

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 General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, County staff prepares a

General Fund Five-Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition under three scenarios:

- A *Baseline Scenario* that assumes discretionary revenue and reimbursements will grow at an annual average rate of 5 percent over the projection period and that Net County Cost will grow by 4.5 percent in FY 2020-21 (the last three-year phase-in of the impact the County Retirement System's discount rate reduction) and then at a moderate average annual rate of 3 percent after adjusting for known or likely changes in Net County Cost. This scenario also assumes that each year's beginning available balance will be 8 percent of the prior year's budgeted Net County Cost. Based on recent economic trends and fiscal conditions, we believe that this is a reasonable scenario to use for fiscal planning purposes.
- A *More Conservative Scenario* that shows what the impact might be if discretionary revenue and reimbursements grew at a slower rate or Net County Cost increased at a higher rate than the assumptions used in the Baseline Scenario (the impact of slower discretionary revenue growth is essentially the same as the impact of a greater increase in Net County Cost). This scenario assumes that both discretionary revenue and reimbursements and Net County Cost will grow at an average annual rate of 4 percent. This scenario also assumes that the Foster Care Title IV-E Waiver is not renewed, effective with FY 2020-21, and that the General Fund backfills the \$29 million reduction in revenue and that each year's beginning available balance will be 6 percent of the prior year's budgeted Net County Cost. However, this scenario does not assume additional costs associated with the Schnieder/Hardesty lawsuit in appeals with the U.S. Court of Appeals for the Ninth Circuit.
- A *More Optimistic Scenario* that shows what the impact might be if discretionary revenue grew at a faster rate and/or Net County Cost grew at a lower rate than the assumptions used in the Baseline Scenario. This scenario assumes that total discretionary revenue and reimbursements will grow at an average annual rate of 6 percent, Net County Cost will grow at 4.5 percent in FY 2020-21 and an average annual rate of 2 percent thereafter, and that the beginning available balance will be 10 percent of the prior year's budgeted Net County Cost.

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP), which includes a Technology Improvement Plan, for consideration by the Board of Supervisors. The most recent CIP was initially approved by the Board in June of 2019 and identified capital and major technology system needs through FY 2023-24.

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 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 structural balance. Any plan to achieve structural balance should include a provision to replenish the General Reserves to the 10 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.

County Budget Priorities:

The following are the Board Priorities in order of priority:

- Mandated Countywide Obligations;
- Mandated Municipal Obligations;
- Financial Obligations (for example debt service);
- Budget Priorities:
 1. Discretionary Law Enforcement
 2. Safety Net
 3. Quality of Life
 4. General Government
 5. Prevention

MAJOR INITIATIVES

Sacramento County is undertaking several major initiatives in FY 2019-20:

Homeless Services: The County continues its commitment to providing crisis response services, including emergency shelters and permanent housing opportunities to persons experiencing homelessness. In FY 2018-19, the Board allocated \$44 million in Mental Health Services Act (MHSA) funding through the County Department of Health Services (DHS) and authorized the County Department of Human Assistance (DHA) to accept over \$11 million in State Funding, through Sacramento Steps Forward (SSF), for the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions and Housing (CESH) funding. The MHSA allocation provides expanded services over a three-year period for individuals with serious mental illness and/or co-occurring substance use disorders who are homeless or at risk of becoming homeless. The HEAP and CESH funding will allow DHA to expand over the next two years upon the County homeless initiatives by expanding the Emergency Family Shelters to serve an additional seven families per night; expand the Full Service Rehousing Shelter (FSRS) by an additional 40 beds per night; and create a Flexible Housing Pool (FHP) that is modeled after the Flexible Supportive Rehousing Program (FSRP) to serve approximately 600 persons with intensive case management and property related services towards rehousing. The expansion of these programs commenced at the end of FY 2018-19 and is expected to be fully implemented in FY 2019-20.

Corrections: In FY 2019-20 \$21.7 million (\$19.7 million Net County Cost; \$2 million Community Corrections Realignment) have been allocated to make improvements to the County's jails as part of continuing efforts to resolve conditions of confinement concerns identified in a recent lawsuit filed against the County, including \$8 million for planning and design costs for new construction and renovation of jail facilities.

Pre-Trial Assessment and Monitoring Pilot: The County has allocated \$1.2 million 2011 Realignment Local Innovation funds to add seven positions in Probation to establish a Pre-Trial Assessment and Monitoring Pilot Program. The goal of the program is to identify detainees in the County's jails who can be safely monitored in the community pending trial and release them under conditions that will support their future appearance.

Drug Medi-Cal Waiver: Implementation of the Drug Medi-Cal Organized Delivery System (DMC-ODS) which provides for a service system with expanded access to high-quality care for Medi-Cal enrollees with substance use disorders (SUD). The goal of the DMC-ODS is to demonstrate how organized SUD care improves beneficiary health outcomes, while decreasing system-wide health care costs. A full continuum of SUD benefits modeled after the American Society of Addiction Medicine (ASAM) criteria. This approach is expected to provide eligible enrollees with access to the care and services needed for a sustainable and successful recovery. Additionally, this system will have increased program oversight, data collection, reporting, compliance, quality assurance, and utilization management. Services will include outpatient, intensive outpatient, multiple levels of residential treatment, increased narcotic treatment services, withdrawal management, recovery services, physician consultation, and case management.

DEPARTMENT FOCUS

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2018-19, we have selected the following activities:

Human Assistance (DHA)

- Telephonic Signature was implemented in the Medi-Cal-Fresh and CalWORKs Service Centers. Telephonic Signature allows DHA customers to virtually sign select documents over the phone, reducing mail delays and processing time.
- Homeless Services:
 - The Winter Sanctuary Program (WSP) continues its staging operation at the 1400 North A Street facility with First Step Communities as the provider. In addition to the standard WSP services during the winter months, DHA staff, in collaboration with the City of Sacramento, has extended the use of the North A facility with First Step Communities to provide additional rehousing services to persons experiencing homelessness in the immediate area, including the River District.
 - In December 2018, the Board authorized DHA to accept \$10.7 million in Homeless Emergency Aid Program (HEAP) and \$0.5 million in California Emergency Solutions and Housing (CESH) funding through a contract with Sacramento Steps Forward. The additional funding will allow DHA to expand capacity for the Emergency Family Shelters, the Full Service Rehousing Shelters (scattered sites) and the Flexible Supportive Rehousing Program.
 - The Sacramento Homeless Information Network Ecosystem (SHINE) continued its expansion and now includes access to three (3) out of the four (4) Homeless Initiative providers. This system provides case management tools, data reporting, and availability of all pertinent information related to the initiatives in one location.

Health Services

- Primary Care - Implemented increased enrollment cap for Healthy Partners (healthcare program for undocumented Sacramento County residents).
- Public Health - Responded to Shasta County and Butte County for two separate wild fires providing Public Health Nursing support to local shelters in their respective areas.

Sheriff

- The Sheriff's Office, in partnership with the Sacramento County Department of Health Services, was successful in obtaining funding for an additional Mental Health Clinician. The clinician, partnered with a Deputy Sheriff, was the second Mobile Crisis Response Team (MCRT) deployed in the Sheriff's North Division. The MCRT provides an immediate law enforcement/clinical response to calls for service involving individuals who may be suffering from mental health crises.
- The Strategies in Policing Innovations (SPI) grant funded on-call Deputy Sheriffs who work directly with the County's homeless population to find long-term options which help get people the resources necessary to get off the streets. In partnership with the Sheriff's Homeless Outreach Team, this has been an incredibly successful program. The grant and its funds will expire at the end of FY 2018-19. The Sheriff's Office will be researching other funding options to keep the program going.

Voter Registration and Elections

- Completed the implementation of the Voter's Choice Act (VCA), with comprehensive reports to the Secretary of State.

Debt Management

- In November 2018, Certificates of Participation (COP) Bonds from Series 2003 COP – Public Facilities Projects, 2006 COP Public Facilities Projects, and 2007 COP Animal Care Facility/Youth Detention Facility – 120 Bed Expansion were refunded by the COP Series 2018A and 2018B Bonds. A cash flow savings of \$27.4 million was achieved.

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, Agency Funds, and Trust 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 2018-19 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2020.

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, Capital Projects Funds, and Proprietary Funds, is adopted no later than August 30. The Board may, by resolution, extend on a permanent basis or for a limited time, the date from August 30 to 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 Special Revenue and Debt Service Funds; and 3) Sacramento County Public Financing Authority Debt Service 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 of Supervisors. During FY 2018-19, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report 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, municipal notes, and U.S. Treasury and Agency investments. The average yield on investments during FY 2018-19 was 2.24 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 1.92 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 property damage, liability, workers' compensation, and unemployment 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 comprehensive annual financial reports for each of the last thirty 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 comprehensive annual financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

A handwritten signature in blue ink, appearing to read "Ben Lamera".

Ben Lamera
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Sacramento
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

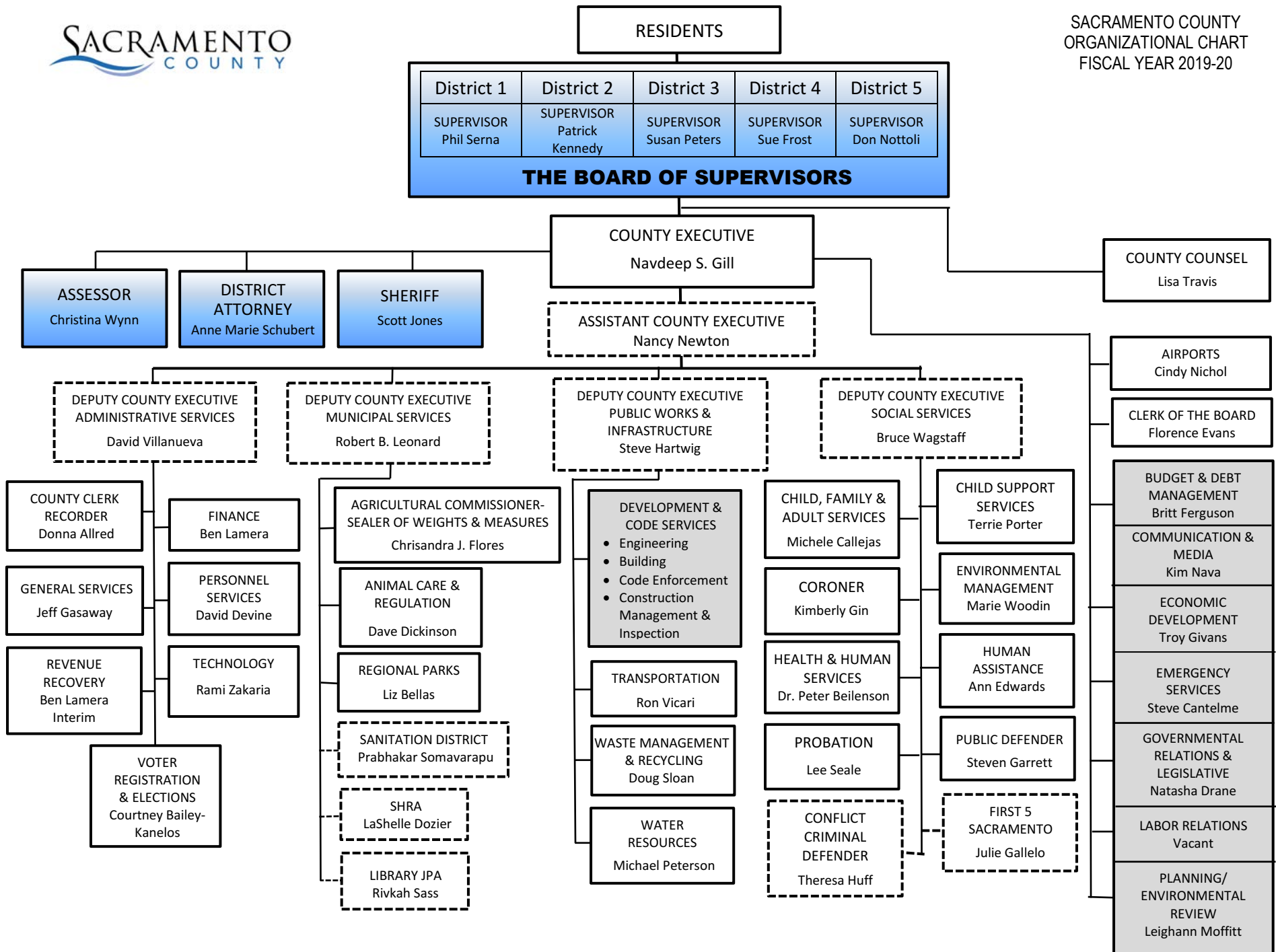
Christopher P. Morill

Executive Director/CEO





SACRAMENTO COUNTY
ORGANIZATIONAL CHART
FISCAL YEAR 2019-20



LEGEND — INDICATES LINE OF DIRECT AUTHORITY --- INDICATES COORDINATIVE RELATIONSHIP ■■■ INDICATES ELECTED OFFICIAL ■■■ INDICATES "OFFICE OF..."

**COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2019**

ELECTED:

Board of Supervisors:

Phil Serna	District 1
Patrick Kennedy	District 2
Susan Peters	District 3
Sue Frost	District 4
Don Nottoli	District 5

Department Heads:

Christina Wynn	Assessor
Anne Marie Schubert	District Attorney
Scott Jones	Sheriff

APPOINTED:

Navdeep S. Gill	County Executive
Nancy Newton	Assistant County Executive
David Villanueva	Deputy County Executive
Ben Lamera	Director of Finance

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
COUNTY OF SACRAMENTO

For the Fiscal Year Ended June 30, 2019

ACKNOWLEDGEMENT

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

Ben Lamera, Director of Finance
Joyce Renison, Assistant Auditor-Controller
Mark Aspesi, Chief of Financial Reporting and Control
Lincoln Bogard, Sr. Accounting Manager
Ross McCarthy, Accounting Manager
Sean Stoyanowski, Accounting Manager
Alina Mangru, Sr. Administrative Analyst
Jun Nguyen, Sr. Accountant
Jane Martinez, Sr. Accountant
Alex Iliescu, Sr. Accountant

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FINANCIAL
SECTION**



Certified
Public
Accountants

Independent Auditor's Report

Honorable Board of Supervisors
County of Sacramento, California

Report on the Financial Statements

We have audited the accompanying 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 County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the 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, 2019, 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.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, statistical section, and bond disclosures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 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.

A handwritten signature in dark ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Sacramento, California

November 27, 2019

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2019. 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 the 2018-19 fiscal year by \$924,322 (net position). Of this amount, \$810,147 is restricted for specific purposes (restricted net position), and \$2,416,387 is the County's net investment in capital assets. The County's total net position increased by \$24,123 during the fiscal year.
- As of June 30, 2019, the County governmental funds reported combined fund balances of \$773,168 for a decrease of \$17,454, in comparison with the prior year. Total amounts available for spending include restricted and assigned fund balances, which totaled \$754,849, (97.6 percent), of the ending fund balance. Of this amount, \$679,546 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund decreased \$13,067 to \$354,691, which equates to 15.3 percent of total General Fund expenditures for the year.
- At the end of the fiscal year, assigned fund balance for the General Fund was a positive \$75,303 or 3.2 percent of total General Fund expenditures.
- The County's investment in capital assets decreased by \$9,724 or 0.3 percent in comparison with June 30, 2018 balances.
- The County's total long-term obligations had a net decrease of \$123,669 in comparison with June 30, 2018 balances. This net decrease was comprised of a gross decrease of \$360,182 and a gross increase of \$236,513 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes, pension obligation bonds and compensated absences. The increase resulted primarily from the issuance of certificates of participation, issuance of a Teeter, and compensated absences.

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; Solid Waste Authority; Sunrise, Carmichael, and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (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 Authority and the County. The debts and liabilities of the 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 debts and liabilities of the Authority belong solely to it, and neither the County nor the Agency are in any way responsible for those liabilities.

Sacramento County First 5 Commission is reported as a discretely presented component unit. Although the County Board of Supervisors 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 begin on page 23 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 44 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* elsewhere in this report.

The governmental funds financial statements can be found on pages 26 - 29 of this report. The general fund budgetary statement is found on pages 30 - 31 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; worker's compensation self-insurance; self-insurance for unemployment 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* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32 - 38 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. The accounting used for fiduciary funds is much like that used for proprietary funds, except for agency funds, which have more limited accounting and financial statements because of their purely custodial nature. Fiduciary funds report the Agency Funds, Investment Trust Funds, including the Treasurer's Pool and Non-pooled Investments, and Private-Purpose Trust Funds.

The fiduciary fund financial statements can be found on pages 39 - 40 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 41 - 116 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, enterprise, internal service, agency, and trust funds, and can be found on pages 121 - 201 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 \$924,322 at the close of the most recent fiscal year (see Condensed Statement of Net Position and analysis on page 9).

In FY 2018-19, approximately \$(17,454) of the change in the government-wide financial statements related to changes in the fund balances of the governmental funds addressed in the Financial Analysis of the County's Funds beginning on page 12.

The other significant changes in the government-wide financial statements involved the pension related balances. 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 is equal to the fair value of plan assets. The County's proportionate share of the SCERS NPL decreased by \$116,327 in FY 2018-19 to \$1,733,444, primarily due to an increase in the fair value of plan assets, which increased the plan's fiduciary net position. 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 decreased by \$167,561 in FY 2018-19 to \$663,321. Deferred inflows of resources related to pensions increased by \$76,508 in FY 2018-19 to \$171,096. The net change for the pension related items was negative \$127,742.

Governmental activities decreased the County's net position by \$47,699, from (\$437,046) to (\$484,745) in the current fiscal year. The decrease in net position resulted primarily due to the County's increase in net pension related items totaling \$124,169, net increase in total OPEB related items totaling \$9,036 and a net decrease in capital assets totaling \$20,573. This was offset by the County's reduction in long-term liabilities (excluding pension and OPEB) totaling \$114,357.

Business-type activities increased the County's net position by \$71,822 to \$1,409,067 in the current fiscal year. See page 16 for additional comments on changes to proprietary funds net position.

Condensed Statement of Net Position
June 30, 2019
(amount expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 1,315,970	1,279,556	624,405	557,152	1,940,375	1,836,708
Capital assets, net of depreciation	1,704,261	1,724,834	2,227,900	2,217,051	3,932,161	3,941,885
Total assets	3,020,231	3,004,390	2,852,305	2,774,203	5,872,536	5,778,593
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement	80,729	65,076	63,181	45,251	143,910	110,327
Deferred amounts on refundings	27,952	32,019	35,927	38,418	63,879	70,437
Deferred outflows - pensions	636,352	796,350	26,969	34,532	663,321	830,882
Deferred outflows - OPEB	11,496	5,741	379	328	11,875	6,069
Total deferred outflows of resources	756,529	899,186	126,456	118,529	882,985	1,017,715
Liabilities:						
Current and other liabilities	707,525	651,247	192,341	146,631	899,866	797,878
Long-term debt obligations	3,372,556	3,589,270	1,369,074	1,402,778	4,741,630	4,992,048
Total liabilities	4,080,081	4,240,517	1,561,415	1,549,409	5,641,496	5,789,926
Deferred inflows of resources:						
Deferred amounts on refundings			161	193	161	193
Deferred inflows amount related to pension	163,719	89,216	7,377	5,372	171,096	94,588
Deferred inflows - OPEB	17,705	10,889	741	513	18,446	11,402
Total deferred inflows of resources	181,424	100,105	8,279	6,078	189,703	106,183
Net position:						
Net investment in capital assets	1,415,121	1,416,649	1,001,266	957,979	2,416,387	2,374,628
Restricted	679,546	677,982	130,601	106,816	810,147	784,798
Unrestricted	(2,579,412)	(2,531,677)	277,200	272,450	(2,302,212)	(2,259,227)
Total net position (deficit)	\$ (484,745)	(437,046)	1,409,067	1,337,245	924,322	900,199

Net Position. The largest portion of the County's net position totaling \$2,416,387 (261.4 percent), reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, pension, and OPEB, net of depreciation 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 \$41,759 (1.8 percent), increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt.

Capital asset additions of \$255,959 were related primarily to infrastructure (roads & road improvements), building projects, and additions to equipment. The County recorded depreciation of \$192,162 against its assets in the current fiscal year.

Another significant portion of the County's net position totaling \$810,147 (87.6 percent) 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 \$53,816 (6.6 percent), debt service \$102,383 (12.6 percent), capital projects \$97,557 (12.0 percent), health and sanitation programs \$244,992 (30.2 percent), public protection \$73,086 (9.0 percent), public assistance \$38,742 (4.8 percent), passenger facility charges \$37,791 (4.7 percent), transportation programs \$60,982 (7.5 percent) and economic development programs \$57,691 (7.1 percent). The County's restricted net position increased by \$25,349 from the prior year restricted net position amount of \$784,798. The increase is due primarily to the combination of increases for health and sanitation of \$13,344, transportation of \$16,176, and passenger facility charges of \$10,082. The increases were offset by decreases for economic development of \$22,289 and debt service of \$7,468.

The remaining balance of total net position, a negative \$2,302,212 is unrestricted. Unrestricted net position decreased by \$42,985 from the prior year. The decrease is primarily the result of the aforementioned changes in the County's pension and OPEB related items.

The County's total net position increased by \$24,123 during the current fiscal year, which results in an increase of 2.6 percent of total net position from prior year.

Revenues. When compared to the prior year, government-wide revenues increased approximately \$115,738 (3.6 percent). Program revenues increased by \$26,285 (1.2 percent) mostly due to an increase in charges for services of \$15,789 (2.1 percent), comprised primarily from business-type activities, and increase in operating grants and contributions of \$13,350 (0.9 percent), comprised primarily in governmental activities. 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 67.6 percent of the County's funding.

General revenues increased by \$89,453 (9.1 percent). These revenues included general taxes which 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 \$34,376 (7.0 percent), investment earnings of \$28,241 (168.5 percent) and grants and contributions not restricted to specific programs revenue \$12,392 (4.9 percent). Total general revenues represent 32.4 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 113 FTEs from 12,332 in the prior year to 12,445 at June 30, 2019. When compared to the prior year, government-wide expenses increased approximately \$123,422 (3.9 percent). The following functions provided the most significant increases in expenses in the current year: general government \$27,068 (15.5 percent); public protection \$53,287 (5.6 percent); and health and sanitation of \$36,580 (5.4 percent). These increases are due to the changes in the payroll costs, other postemployment benefits, pension related items, coupled with 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 Statement of Activities
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for service	\$ 378,692	379,732	382,932	366,103	761,624	745,835
Operating grants and contributions	1,416,772	1,402,804	2,541	3,159	1,419,313	1,405,963
Capital grants and contributions	29,327	42,584	19,039	8,636	48,366	51,220
General revenue:						
Taxes:						
Property	525,232	490,856			525,232	490,856
Transient	6,699	6,583			6,699	6,583
Sales and use	96,730	86,146		802	96,730	86,948
Unrestricted investment earnings	30,907	10,678	14,094	6,082	45,001	16,760
Grants and contributions not restricted to specific programs	264,231	251,839			264,231	251,839
Pledged tobacco settlement	14,555	15,016			14,555	15,016
Miscellaneous	118,482	113,475			118,482	113,475
Total revenues	<u>2,881,627</u>	<u>2,799,713</u>	<u>418,606</u>	<u>384,782</u>	<u>3,300,233</u>	<u>3,184,495</u>
Expenses:						
General government	201,781	174,713			201,781	174,713
Public assistance	692,159	690,787			692,159	690,787
Public protection	1,006,545	953,258			1,006,545	953,258
Health and sanitation	714,167	677,587			714,167	677,587
Public ways and facilities	173,551	165,056			173,551	165,056
Recreation and culture	41,833	45,305			41,833	45,305
Education	1,561	1,535			1,561	1,535
Interest and fiscal charges	104,203	102,065			104,203	102,065
Airports			195,411	199,349	195,411	199,349
Solid Waste			78,402	75,770	78,402	75,770
Water Agency			62,005	61,270	62,005	61,270
Parking Enterprise			2,067	3,781	2,067	3,781
County Transit			2,425	2,212	2,425	2,212
Total expenses	<u>2,935,800</u>	<u>2,810,306</u>	<u>340,310</u>	<u>342,382</u>	<u>3,276,110</u>	<u>3,152,688</u>
Changes in net position before transfers	(54,173)	(10,593)	78,296	42,400	24,123	31,807
Transfers	6,474	6,506	(6,474)	(6,506)		
Changes in net position	(47,699)	(4,087)	71,822	35,894	24,123	31,807
Net position (deficit), beginning of year, as restated	(437,046)	(432,959)	1,337,245	1,301,351	900,199	868,392
Net position (deficit), end of year	<u>\$ (484,745)</u>	<u>(437,046)</u>	<u>1,409,067</u>	<u>1,337,245</u>	<u>924,322</u>	<u>900,199</u>

Note: Beginning net position for FY 2017-18 was restated due to implementing GASB 75.

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, 2019, the County's governmental funds reported combined fund balances of \$773,168, a decrease of \$17,454 in comparison with the prior year's total ending fund balance of \$790,622. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

- *Nonspendable fund balance*, \$18,319, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventory of \$1,358; 2) prepaid items of \$3,881; 3) long-term receivables/advances of \$6,380; 4) legally required Teeter Tax program loss reserves of \$5,809; and 5) Teeter Tax delinquencies of \$891.
- *Restricted fund balance*, \$679,546, 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 \$244,992; 2) capital projects of \$96,696; 3) debt service of \$79,225; 4) public ways and facilities of \$59,937; 5) economic development of \$57,691, 6) public protection of \$73,086, 7) environmental management of \$13,806 and 8) public assistance \$38,742.
- *Assigned fund balance*, \$75,303, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 97.6 percent, or \$754,849, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$18,319, \$679,546 is available for appropriation for restricted purposes and \$75,303 is assigned for County Board of Supervisors approved uses.

The decrease of \$17,454 in the governmental funds combined fund balances was primarily attributable to a decrease in debt service funds totaling \$17,312 and \$13,067 in the General Fund, offset by increases in special revenue funds of \$6,459 and capital project funds of \$6,466.

The General Fund is the principle operating fund of the County. The General Fund's total fund balance decreased by 3.6 percent, or \$13,067, to \$354,691 at June 30, 2019. The nonspendable portion of fund balance was \$18,319, which is a decrease of \$18,159 from the prior year balance of \$36,478 and the spendable portion was \$336,372, an increase of \$5,092 from the prior year spendable balance of \$331,280.

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 15.3 percent of total General Fund expenditures while spendable fund balance equates to 14.5 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$261,069, or 77.6 percent, is restricted.

Other governmental funds: The total fund balances of the remaining governmental funds decreased 1.0 percent, or \$4,387, to \$418,477 with the following significant changes:

- The special revenue funds increased by \$6,459 from \$237,582 to \$244,041, primarily due to 1) the addition of the new Inmate Welfare Fund totaling \$7,646; 2) increase of \$15,374 in the Roads Fund due to increasing activity relating to various projects; 3) decrease in Economic Development Fund of \$22,289 primarily due to increased activity relating to the agreement with the McClellan Business Park; and 4) net increase of \$5,728 amongst several special revenue funds due to current year operating results.
- The capital projects funds increased by \$6,466 primarily due to the Accumulated Outlay Fund. This was due to timing of project expenditures compared to revenue inflows.
- The debt service funds decreased by \$17,312 from \$87,913 to \$70,601 primarily due to the 1) refunding of the 1997 Public Facilities Refunding COPs \$7,012; 2) refunding of the 2003 Public Facilities COPs \$975; 3) refunding of the 2006 Public Facilities COPs \$2,361; and 4) refunding of the 2007 Public Facilities COPs \$3,077.

Revenues for total governmental funds totaled \$2,857,556 in FY 2018-19, which represents an increase of 2.0 percent from FY 2017-18.

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 2019		FY 2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 628,661	22.00 %	583,585	20.83 %	45,076	7.72 %
Use of money and property	29,960	1.05 %	10,937	0.39 %	19,023	173.93 %
Licenses and permits	63,338	2.22 %	71,853	2.57 %	(8,515)	(11.85)%
Intergovernmental	1,684,433	58.94 %	1,685,673	60.18 %	(1,240)	(0.07)%
Charges for sales and services	274,573	9.61 %	269,158	9.61 %	5,415	2.01 %
Fines, forfeitures and penalties	40,781	1.43 %	38,721	1.38 %	2,060	5.32 %
Pledged tobacco settlement	14,555	0.51 %	15,016	0.54 %	(461)	(3.07)%
Contributions from property owners	6,037	0.21 %	12,626	0.45 %	(6,589)	(52.19)%
Miscellaneous	115,218	4.03 %	113,475	4.05 %	1,743	1.54 %
Total	<u>\$ 2,857,556</u>	<u>100.00 %</u>	<u>2,801,044</u>	<u>100.00 %</u>	<u>56,512</u>	<u>2.02 %</u>

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

- Taxes increased \$45.1 million primarily due to \$34.4 million increase in property tax revenue due to an increase in assessed property values.
- Licenses and permits decreased by \$8.5 million, primarily due to decreased activities in roadway fees totaling \$5.7 million.
- Contributions from property owners decreased by \$6.6 million due to a contribution in McClellan Park Community Facilities District in FY 2017-18 offset by \$6.0 million relating to a contribution in FY 2018-19 in Florin Vineyard Community Facilities District.

Expenditures for governmental funds totaled \$2,899,535 in FY 2018-19, which represents an increase of 4.2 percent from FY 2017-18.

The following table presents expenditures by function compared to prior year amounts:

Expenditures by Function Governmental Funds (amounts expressed in thousands)						
Expenditures by Function	FY 2019		FY 2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 190,191	6.56 %	154,698	5.56 %	35,493	22.94 %
Public assistance	675,857	23.31 %	673,167	24.18 %	2,690	0.40 %
Public protection	918,419	31.68 %	860,247	30.90 %	58,172	6.76 %
Health and sanitation	693,869	23.93 %	655,842	23.56 %	38,027	5.80 %
Public ways and facilities	138,291	4.77 %	143,330	5.15 %	(5,039)	(3.52)%
Recreation and culture	39,132	1.35 %	40,990	1.47 %	(1,858)	(4.53)%
Education	1,367	0.05 %	1,487	0.05 %	(120)	(8.07)%
Capital outlay	37,196	1.28 %	51,992	1.87 %	(14,796)	(28.46)%
Debt service:						
Principal	111,160	3.83 %	60,668	2.18 %	50,492	83.23 %
Interest and fiscal charges	93,778	3.23 %	141,405	5.08 %	(47,627)	(33.68)%
Bond issuance costs	275	0.01 %		%	275	100.00 %
Total	<u>\$ 2,899,535</u>	<u>100.00 %</u>	<u>2,783,826</u>	<u>100.00 %</u>	<u>115,709</u>	<u>4.16 %</u>

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

- General government increased by \$35.5 million primarily due to 1) the first payment of \$7.5 million relating to UCD settlement; 2) increase of \$17.1 million in Economic Development Fund relating to payments for the McClellan Business Park letter of credits issued in FY 2018-19; 3) \$8.7 million payment from the General Fund to the Fixed Asset Revolving capital fund relating to the county's fixed asset financing program.
- Public protection increased by \$58.2 million primarily due to 1) a \$48.3 million increase in the General Fund, with \$39 million relating to salaries and benefits. The increase was primarily due to COLA increases, salary step increases, equity adjustments, as well as an increase in the retirement contribution rates for safety employees; and 2) a \$6.7 million increase in special revenue funds due to the addition of the Inmate Welfare Fund.
- Health and sanitation increased by \$38.0 million primarily due to 1) a \$10 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) increase of \$31 million in provider payments; and 3) a decrease of \$3 million in welfare assistance payments.
- Capital outlay decreased by \$14.8 million primarily due to 1) a decrease of \$12.6 million in the McClellan Park CFD projects; 2) a decrease of \$6.6 million in the Accumulated Capital Outlay Capital Project Fund due to timing of construction activity for various projects; and 3) offset by an increase of \$9.0 million for North Vineyard Station CFD projects.

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

	FY 2019	FY 2018	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 181,761	186,135	(4,374)	(2.35)%
Transfers out	(164,981)	(159,219)	(5,762)	3.62 %
Issuance of debt	20,372	18,241	2,131	11.68 %
Premiums on debt issued	11,659		11,659	100.00 %
Refunding debt issued	89,125		89,125	100.00 %
Payment to refunded bonds escrow agent	(113,411)		(113,411)	100.00 %
Total other financing sources (uses)	<u>\$ 24,525</u>	<u>45,157</u>	<u>(20,632)</u>	<u>(45.69)%</u>

- Transfers in/out: Decrease in net transfers is primarily due to increased transfers out and decreased transfers in for debt service activity and capital projects.
- Issuance of debt: Increase is due to the issuance of Teeter note resulting from a slight reduction in property tax collections, as well as the timing of property tax collections.
- Refunding debt issued/premiums on debt issued: In FY 2018-19, the County issued the 2018 Certificates of Participation Bonds at a premium totaling \$100,784.
- Payment to refunded bonds escrow agent: The proceeds from the 2018 Certificates of Participation Bonds were used to defease the 1997 Public Facilities Refunding, the 2003 Public Facilities Projects - ADA improvements, the 2006 Public Facilities Project, and the 2007 Certificates of Participation.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the fiscal year, the unrestricted net position for Airports Enterprise Fund was \$144,244, Solid Waste Enterprise Fund \$30,640, Water Agency Enterprise Fund \$60,868, Parking Enterprise Fund was \$5,835 and County Transit Enterprise Fund was \$0. The internal service funds that are used to account for certain governmental activities had unrestricted net position of a deficit \$102,434.

Airports' total net position increased by \$34,671 during fiscal year ended June 30, 2019, primarily as a result of a combination of operating income of \$29,357; a decrease in net nonoperating expenses of \$3,555, capital contributions of \$11,421, and a transfer out of \$2,552. Increased revenues of \$12,303 were primarily a result of increased concession revenues of \$8.7 million, passenger facility charges (PFC) of \$2.8 million, and customer facility charges of \$1.3 million. The revenue was offset by an increase of operating expenses of \$5.9 and a decrease in interest expense of \$10.1 million.

The Solid Waste's total net position increased by \$3,055 during fiscal year ended June 30, 2019. This increase was a result of a combination of operating income of \$3,077, net nonoperating income of \$2,885, with a transfer out of \$2,907. The increase in net position is primarily the result of operating revenues for residential service charges and tipping fees exceeding the cost of providing these services.

The Water Agency's total net position increased by \$30,797 during fiscal year ended June 30, 2019. This increase was a result of a combination of operating income of \$37,580; net nonoperating expenses of \$12,336; a transfer out of \$983; and capital contributions of \$6,536. The increase in net position is primarily the result of water service charges and development fee revenues exceeding the cost of providing these services.

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
Proprietary Funds
(amounts expressed in thousands)

	Major Enterprise Funds			Nonmajor Enterprise Funds			Internal Service Funds
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit	Totals	
Operating revenues	\$ 185,927	82,104	84,736	3,028	253	356,048	298,077
Operating expenses	(156,570)	(79,027)	(47,156)	(2,124)	(2,425)	(287,302)	(284,319)
Operating income (loss)	29,357	3,077	37,580	904	(2,172)	68,746	13,758
Nonoperating revenues (expenses)	(3,555)	2,885	(12,336)	192	1,638	(11,176)	(314)
Income before capital contributions and transfers	25,802	5,962	25,244	1,096	(534)	57,570	13,444
Transfers in (out)	(2,552)	(2,907)	(983)	(32)		(6,474)	(10,306)
Capital contributions	11,421		6,536		1,082	19,039	
Changes in net position	\$ 34,671	3,055	30,797	1,064	548	70,135	3,138

The income before capital contributions and transfers of enterprise funds of \$57,570 resulted primarily from net increases for Airports of \$25,802, Solid Waste of \$5,962, and Water Agency of \$25,244.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget resulted in a \$18.3 million increase in expenditures, and are briefly summarized as follows:

General Government: Decreased by \$22.3 million primarily due to a decrease in the interagency procurement activities resulting from the elimination of flow-through departmental capital asset purchases. This decrease was partially offset by rebudgeting \$1.1 million for the Mather Veteran's Village, funding for a Library Master Plan study, and a \$3.1 million increase in appropriations for contingency due to additional Proposition 172 public safety sales tax revenue.

Public Assistance: Increased by \$5.9 million in the Department of Human Assistance for cost of living adjustments and enhancements to emergency shelter and other rehousing programs.

Public Protection: Increased by \$19.4 million due to a \$4.7 million increase in the Sheriff's budget and Correctional Health primarily to address deficiencies in the jails, an increase of \$1.5 million in grant funding for the Office of Emergency Services, a \$3.6 million increase to establish an AB 109 Community Corrections reserve, approximately \$8.4 million in cost of living increases and increases in miscellaneous state and federal funding resulting in increased appropriations.

Health and Sanitation: Increased by \$14.1 million due primarily to rebudgeting of \$5.7 million for supplemental pay related to the In-Home Supportive Services Maintenance of Effort, increases in Child Protective Services programs in the Department of Child, Family and Adult Services, a \$3.8 million increase to the 1991 Realignment Social Services reserve, and miscellaneous increases in state and federal funding resulting in increased appropriations.

Actual revenues for the General Fund were \$95.3 million less than the final budgetary estimates. The under-collection of revenues was due primarily to reduced public protection, health and sanitation, and public assistance program costs that resulted in a reduction of approximately \$84.7 million in federal and state revenue along with other increases and decreases in revenue including an increase in property and sales tax revenues of \$8.1 million.

Actual expenditures were \$215.0 million less than budgetary estimates. Expenditures less than budget were due to reduced health and sanitation costs totaling \$81.7 million; and public assistance program costs totaling \$58.6 million for a combined total of approximately \$140.3 million; and reduced costs of \$34.3 million in general government. These decreases were a timing result of programs implementations and preparation for FY 2019-20 reductions. Additionally, there were miscellaneous increases and decreases across County departments.

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, 2019, amounted to \$3,932,161, net of accumulated depreciation. This investment in capital assets includes land and easements, computer software and other intangibles, water facility rights, infrastructure, building and improvements, equipment, and construction in progress. The total decrease in the County's investment in capital assets for the current year was 0.25 percent.

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

Schedule of Capital Assets
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease) Percent of Change
	2019	2018	2019	2018	2019	2018	
Nondepreciable:							
Land	\$ 133,728	131,980	133,960	133,970	267,688	265,950	0.65 %
Construction in progress	37,037	41,795	98,865	69,832	135,902	111,627	21.75 %
Permanent easement	14,876	13,160	57	57	14,933	13,217	12.98 %
Water facility rights			196,478	196,478	196,478	196,478	
Other intangible			1,904	1,904	1,904	1,904	
Intangible asset under project	66	66			66	66	
Depreciable:							
Buildings and improvements	393,284	403,414	1,604,167	1,633,827	1,997,451	2,037,241	(1.95)%
Infrastructure	1,054,906	1,066,267	146,515	136,997	1,201,421	1,203,264	(0.15)%
Equipment	66,203	63,103	44,724	43,142	110,927	106,245	4.41 %
Computer software	4,161	5,049	412	1	4,573	5,050	(9.45)%
Water facility rights			818	843	818	843	(2.97)%
Total	<u>\$ 1,704,261</u>	<u>1,724,834</u>	<u>2,227,900</u>	<u>2,217,051</u>	<u>3,932,161</u>	<u>3,941,885</u>	(0.25)%

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

- Land: Increased in total by approximately \$1.7 million. This increase is primarily due to the purchase of two parcels on Fair Oaks Boulevard.
- Permanent easement: This increase is primarily due to the Roads Fund of \$1.7 million.
- Buildings and improvements: Decreased in total by approximately \$39.8 million. This is due to increases in completed projects in the governmental funds including \$5.1 million and \$1.9 million for reroofing the Lorenza Patino Hall of Justice and the Coroner Crime Laboratory, respectively, and other completed projects totaling \$7.8 million. Mission Oaks Recreation and Park District completed a redevelopment of Eastern Oak Community Park for approximately \$3.3 million. In addition, Airports completed Phase Two of the Sacramento International Airport Terminal A Rehabilitation for \$3.9 million and an extension of Truemper Way from Van Karmann Street for \$5.1 million, and other projects totaling \$15.7 million. Solid Waste and the Water Agency completed \$0.4 million and \$12.2 million in various projects, respectively. These net with decreases due to depreciation of \$28.7 million in governmental funds, \$49.6 million in Airports, \$1.8 million in Solid Waste, and \$14.9 million in the Water Agency.
- Construction in progress: Increased by approximately \$24.3 million. This is due to a combination of decreases due to governmental fund projects being capitalized to building costs of \$18.2 million and to infrastructure of \$9.9 million, as well as other projects being capitalized to building costs or infrastructure for Airports of \$19.9 million and the Water Agency of \$19.7 million. Increases to construction in progress include \$23.6 million for governmental funds, \$38.6 million for Airports, \$3.0 million for Solid Waste, and \$26.2 million for the Water Agency.
- Equipment: Increased in total by approximately \$4.7 million. This is due to increases in governmental funds of \$5.1 million, General Services of \$13.2 million, Department of Technology of \$3.6 million, and Regional Radio Communications System of \$2.3 million. Additions in equipment for Airports of \$5.8 million and Solid Waste of \$1.7 million. Decreases due to depreciation were as follows: governmental funds of \$5.1 million, General Services of \$8.5 million, Department of Technology of \$2.8 million, Regional Radio Communications System of \$2.3 million, Airports of \$2.9 million, and Solid Waste of \$4.8 million.

Additional information on the County's capital assets can be found in Note 5 on pages 67 - 69.

The County has entered into several agreements related to the construction of capital projects. For governmental funds, \$14.3 million relates to various overlay projects throughout the County and \$2.9 million relates to a bridge improvement project on Winding Way. There is also \$29.2 million which relates to numerous projects throughout the County. For Airports, \$8.5 million was for loading bridge replacements in Terminal A at Sacramento International Airport (SMF) and \$13.5 million for runway improvements at SMF. Total commitments can be found in Note 12 on page 93.

Debt Administration. At June 30, 2019, the County's governmental activities had long-term obligations, totaling \$1.7 billion. Of this amount \$157.0 million are certificates of participation, \$229.0 million are revenue bonds for the securitization of the tobacco settlement agreement, \$68.0 million are 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 \$35.9 million, and \$87.2 million as litigation liability. Other significant long-term obligations include \$21.5 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$862.4 million in pension obligation bonds, and \$65.7 million associated accreted interest for pension obligation bonds. The remaining represents various other debt obligations. In addition, compensated absences amounted to \$122.0 million and capital lease obligations were \$0.8 million.

Business-type activities had long-term obligations of approximately \$1.3 billion. This includes \$970.3 million of Airports revenue bonds and other Airports debt, and Sacramento County Water Agency revenue bonds, reimbursement agreements, water rights, and usage fees totaling \$345 million.

For the year ended June 30, 2019, the County's total long-term obligations had a net decrease of \$123,669. The net decrease is primarily a result of scheduled principal retirements of revenue bonds and associated accreted interest in the amount of \$15.0 million, a net decrease in pension obligation bonds and associated accreted interest in the amount of \$69.5 million, a litigation liability payment of \$6.4 million, and a net decrease in certificates of participation of \$38.7 million including the current year refunding outlined in Note 8. The decreases were offset by \$4.0 million increases related to unamortized amounts.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2019	2018	2019	2018	2019	2018	Amount	Percent
Governmental activities:								
Compensated absences	\$ 122,006	118,754	6,871	6,630	128,877	125,384	3,493	2.79 %
Certificates of participation	156,980	195,690			156,980	195,690	(38,710)	(19.78)%
Teeter notes	21,460	21,618			21,460	21,618	(158)	(0.73)%
Pension obligation bonds	862,383	925,700			862,383	925,700	(63,317)	(6.84)%
Accreted interest	65,732	71,885			65,732	71,885	(6,153)	(8.56)%
Revenue bonds	296,952	302,267	970,260	983,560	1,267,212	1,285,827	(18,615)	(1.45)%
Accreted interest	35,910	32,337			35,910	32,337	3,573	11.05 %
Other long-term debt	493	581			493	581	(88)	(15.15)%
Litigation liability	87,182	93,620			87,182	93,620	(6,438)	100.00 %
Capital lease obligations	780	2,227			780	2,227	(1,447)	(64.98)%
Unamortized amounts								
Issuance premiums	12,741	2,991	108,240	114,445	120,981	117,436	3,545	3.02 %
Issuance discounts	(5,639)	(6,053)			(5,639)	(6,053)	414	(6.84)%
PFC and subordinate revenue bonds			230,380	230,380	230,380	230,380		0.00 %
Reimbursement agreements			4,421	3,430	4,421	3,430	991	28.89 %
Water rights - SMUD assignment			1,921	2,680	1,921	2,680	(759)	(28.32)%
	<u>\$ 1,656,980</u>	<u>1,761,617</u>	<u>1,322,093</u>	<u>1,341,125</u>	<u>2,979,073</u>	<u>3,102,742</u>	<u>(123,669)</u>	<u>(3.99)%</u>

Additional information regarding the County's long-term debt can be found in Note 8, pages 75 through 86.

Economic Factors and Next Year's Budget and Rates

- Six major sources of revenue generated from the performance of the economy are:
 - Property tax revenues (from all sources – secured, unsecured, and delinquent.) budgeted for FY 2019-20 in the amount of \$286,137, are expected to increase over the FY 2018-19 adopted budget by \$17,412, a 6.2 percent increase. The FY 2019-20 projection is a \$15,124 increase of 5.6 percent over the FY 2018-19 actual collections. The FY 2019-20 projection is based on the July assessment roll prepared by the County Assessor.
 - Sales and use tax revenues budgeted for FY 2019-20 in the amount of \$88,765, are expected to increase over the FY 2018-19 adopted budget by \$2,575, a 3.0 percent increase. The FY 2019-20 projection is a \$2,271 decrease of 2.5 percent from FY 2018-19 actual collections. The FY 2019-20 projection is based on the full 1.0 percent share of the statewide collected sales tax rate of 7.7 percent, collected from the unincorporated area.
 - Utility tax revenues budgeted for FY 2019-20 in the amount of \$18,409, are expected to decrease over the FY 2018-19 adopted budget by \$1,957, a 9.6 percent decrease. The FY 2019-20 projection is a \$234 decrease of 2.3 percent from FY 2018-19 actual collections.
 - Proposition 172 revenues budgeted for FY 2019-20 in the amount of \$131,830, are expected to increase over the FY 2018-19 adopted budget by \$8,950, a 7.8 percent increase. The FY 2019-20 projection is a \$4,388 increase of 3.4 percent from FY 2018-19 actual collections. The FY 2019-20 projection is based on a growth rate in statewide Proposition 172 sales tax collections of approximately 3.6 percent and a moderate increase in Sacramento County's share of the statewide total revenue.
 - Realignment revenues budgeted for FY 2019-20 in the amount of \$699,066, are expected to increase over the FY 2018-19 adopted budget by approximately \$22,738, a 3.4 percent increase. The budget estimates is comprised of \$49,099 in revenue carried forward from prior years and, \$649,966 in current year base and growth revenue. The realignment revenue is supported by a portion of the statewide sales tax and vehicle license fee collections.
 - Property tax in-lieu of vehicle license fees revenues budgeted for FY 2019-20 in the amount of \$181,653 is expected to increase over the FY 2018-19 adopted budget by \$11,100, a 6.5 percent increase. The FY 2019-20 projection is a \$11,331 increase of 6.7 percent from FY 2018-19 actual collections.

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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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2019
(amounts expressed in thousands)**

Page 1 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Assets:				
Current assets:				
Cash and investments	\$ 919,607	365,978	1,285,585	28,486
Restricted cash and investments		38,981	38,981	
Receivables, net of allowance for uncollectibles:				
Billed	72,781	26,543	99,324	1
Interest	8,306	5,498	13,804	
Intergovernmental	239,759	11,651	251,410	4,229
Prepaid items	4,414	413	4,827	
Internal balances	(35,373)	35,373		
Inventories	2,590	702	3,292	
Total current assets	1,212,084	485,139	1,697,223	32,716
Noncurrent assets:				
Restricted assets		138,791	138,791	
Loan receivable from County Successor Agency	59,645		59,645	
Loan receivable from City Successor Agency	5,695		5,695	
Long-term receivables	34,403		34,403	
Prepaid bond insurance	4,143	475	4,618	
Capital assets:				
Land and other nondepreciable assets	185,707	431,264	616,971	
Buildings & improvements, infrastructure, equipment and intangibles, net	1,518,554	1,796,636	3,315,190	
Total capital assets	1,704,261	2,227,900	3,932,161	
Total noncurrent assets	1,808,147	2,367,166	4,175,313	
Total assets	3,020,231	2,852,305	5,872,536	32,716
Deferred outflows of resources:				
Accumulated decrease in fair value of SWAP agreement	80,729	63,181	143,910	
Deferred amounts on refunding	27,952	35,927	63,879	
Deferred outflows related to pensions	636,352	26,969	663,321	724
Deferred outflows related to OPEB	11,496	379	11,875	8
Total deferred outflows of resources	756,529	126,456	882,985	732
Total assets and deferred outflows of resources	3,776,760	2,978,761	6,755,521	33,448

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, 2019
(amounts expressed in thousands)**

Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Liabilities:				
Current liabilities:				
Warrants payable	\$ 28,475	4,032	32,507	
Accrued liabilities	120,416	27,035	147,451	2,195
Intergovernmental payable	22,960	22	22,982	1,747
Accrued interest payable	17,964		17,964	
Current portion of insurance claims payable	38,711		38,711	
Current portion of long-term debt obligations	117,597	30,712	148,309	54
Current liabilities payable from restricted assets		21,756	21,756	
Unearned revenues	79,259	3,991	83,250	
Total current liabilities	425,382	87,548	512,930	3,996
Noncurrent liabilities:				
Insurance claims payable	201,414		201,414	
Long-term debt obligations	1,539,383	1,291,381	2,830,764	154
Derivative instrument liability	80,729	63,181	143,910	
Landfill closure and postclosure care		41,612	41,612	
Net pension liability	1,664,820	68,624	1,733,444	1,821
Total OPEB liability	168,353	9,069	177,422	182
Total noncurrent liabilities	3,654,699	1,473,867	5,128,566	2,157
Total liabilities	4,080,081	1,561,415	5,641,496	6,153
Deferred inflows of resources:				
Deferred inflows related to refunding		161	161	
Deferred inflows related to pensions	163,719	7,377	171,096	317
Deferred inflows related to OPEB	17,705	741	18,446	16
Total deferred inflows of resources	181,424	8,279	189,703	333
Total liabilities and deferred inflows of resources	4,261,505	1,569,694	5,831,199	6,486
Net position:				
Net investment in capital assets	1,415,121	1,001,266	2,416,387	
Restricted	679,546	130,601	810,147	
Unrestricted	(2,579,412)	277,200	(2,302,212)	26,962
Total net position (deficit)	\$ (484,745)	1,409,067	924,322	26,962

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, 2019
(amounts expressed in thousands)**

	Primary Government						Component Unit	
			Operating	Capital	Net (Expenses)	Revenues and Changes in Net Position		
		Charges for	Grants and	Grants and	Governmental	Business-type		First 5
Function/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Commission
Primary Government								
Governmental Activities:								
General Government	\$ 201,781	99,530	23,040		(79,211)		(79,211)	
Public Assistance	692,159		681,611		(10,548)		(10,548)	
Public Protection	1,006,545	154,328	114,814	2,767	(734,636)		(734,636)	
Health and Sanitation	714,167	37,415	548,255	691	(127,806)		(127,806)	
Public Ways and Facilities	173,551	75,339	49,052	25,698	(23,462)		(23,462)	
Recreation and Culture	41,833	12,080		171	(29,582)		(29,582)	
Education	1,561				(1,561)		(1,561)	
Interest and fiscal charges	104,203				(104,203)		(104,203)	
Total governmental activities	2,935,800	378,692	1,416,772	29,327	(1,111,009)		(1,111,009)	
Business-type Activities:								
Airport	195,411	212,783	596	11,421		29,389	29,389	
Solid Waste	78,402	82,104	322			4,024	4,024	
Water Agency	62,005	84,736	35	6,536		29,302	29,302	
Parking Enterprise	2,067	3,028				961	961	
County Transit	2,425	281	1,588	1,082		526	526	
Total business-type activities	340,310	382,932	2,541	19,039		64,202	64,202	
Total primary government	\$ 3,276,110	761,624	1,419,313	48,366	(1,111,009)	64,202	(1,046,807)	
Component Unit:								
First 5 Commission	20,384		14,671					(5,713)
Total component unit	\$ 20,384		14,671					(5,713)
General Revenues:								
Taxes:								
Property Taxes					525,232		525,232	
Transient Occupancy					6,699		6,699	
Sales/Use Taxes					96,730		96,730	
Unrestricted Investment Earnings					30,907	14,094	45,001	983
Grants and Contributions Not Restricted to Specific Programs					264,231		264,231	
Pledged Tobacco Settlement					14,555		14,555	
Miscellaneous					118,482		118,482	
Transfers					6,474	(6,474)		
Total general revenues and transfers					1,063,310	7,620	1,070,930	983
Changes in net position					(47,699)	71,822	24,123	(4,730)
Net position (deficit), beginning of year					(437,046)	1,337,245	900,199	31,692
Net position (deficit), end of year					\$ (484,745)	1,409,067	924,322	26,962

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 287,495	403,208	690,703
Receivables, net of allowance for uncollectibles:			
Billed	56,318	16,462	72,780
Interest	3,863	4,381	8,244
Intergovernmental	234,290	5,337	239,627
Due from other funds	470		470
Prepaid items	3,881		3,881
Inventories	1,358		1,358
Long-term advances to other funds		240	240
Loan receivable from County Successor Agency		59,645	59,645
Loan receivable from City Successor Agency		5,695	5,695
Long-term receivables	12,037	22,278	34,315
Total assets	<u>\$ 599,712</u>	<u>517,246</u>	<u>1,116,958</u>
 Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Warrants payable	\$ 20,968	1,785	22,753
Accrued liabilities	95,741	16,313	112,054
Intergovernmental payable	12,994	9,718	22,712
Due to other funds		470	470
Unearned revenue	72,212	1,673	73,885
Long-term advances from other funds	18,549		18,549
Total liabilities	<u>220,464</u>	<u>29,959</u>	<u>250,423</u>
 Deferred inflows of resources:			
Unavailable revenue	<u>24,557</u>	<u>68,810</u>	<u>93,367</u>
 Fund balances:			
Nonspendable	18,319		18,319
Restricted	261,069	418,477	679,546
Assigned	75,303		75,303
Total fund balances	<u>354,691</u>	<u>418,477</u>	<u>773,168</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 599,712</u>	<u>517,246</u>	<u>1,116,958</u>

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, 2019
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 773,168
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,646,825
Accrued interest is not reported in the funds.	(17,964)
Prepaid bond insurance of the governmental activities are not current financial resources and, therefore are not reported in the funds.	4,143
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred loss on refunding, are not due and payable in the current period or represent current financial resources and therefore are not reported in the funds.	(1,617,959)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as deferred inflows of resources in the funds.	93,367
Net pension liability including related deferred outflows and inflows are not reported in the funds.	(1,123,059)
Total OPEB liability including related deferred outflows and inflows are not reported in the funds.	(162,655)
Internal service funds are used by management to charge the costs of certain activities,related to public works, general services, self-insurance, regional communications,and department of technology to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement net position.	<u>(80,611)</u>
Net position (deficit) of governmental activities	<u><u>\$ (484,745)</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, 2019
(amounts expressed in thousands)

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 587,675	40,986	628,661
Use of money and property	12,073	17,887	29,960
Licenses and permits	11,460	51,878	63,338
Intergovernmental	1,590,790	93,643	1,684,433
Charges for sales and services	129,071	145,502	274,573
Fines, forfeitures and penalties	28,745	12,036	40,781
Pledged tobacco settlement		14,555	14,555
Contributions from property owners		6,037	6,037
Miscellaneous	62,037	53,181	115,218
Total revenues	<u>2,421,851</u>	<u>435,705</u>	<u>2,857,556</u>
Expenditures:			
Current:			
General government	121,310	68,881	190,191
Public assistance	675,857		675,857
Public protection	849,736	68,683	918,419
Health and sanitation	655,505	38,364	693,869
Public ways and facilities		138,291	138,291
Recreation and culture	22,007	17,125	39,132
Education	389	978	1,367
Capital outlay		37,196	37,196
Debt service:			
Principal		111,160	111,160
Bond issuance costs		275	275
Interest and fiscal charges		93,778	93,778
Total expenditures	<u>2,324,804</u>	<u>574,731</u>	<u>2,899,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,047</u>	<u>(139,026)</u>	<u>(41,979)</u>
Other financing sources (uses):			
Transfers in	10,882	170,879	181,761
Transfers out	(120,996)	(43,985)	(164,981)
Issuance of long-term debt		20,372	20,372
Refunding debt issued		89,125	89,125
Premiums on debt issued		11,659	11,659
Payment to refunded bonds escrow agent		(113,411)	(113,411)
Total other financing sources (uses)	<u>(110,114)</u>	<u>134,639</u>	<u>24,525</u>
Changes in fund balances	<u>(13,067)</u>	<u>(4,387)</u>	<u>(17,454)</u>
Fund balances - beginning	<u>367,758</u>	<u>422,864</u>	<u>790,622</u>
Fund balances - ending	<u>\$ 354,691</u>	<u>418,477</u>	<u>773,168</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, 2019
(amounts expressed in thousands)

Changes in fund balances - total governmental funds	\$ (17,454)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(23,333)
Change in accrued interest payable.	(1,877)
Change in prepaid bond insurance.	(893)
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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	100,564
Pension related expenses, including changes in deferred inflows and deferred 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.	(120,684)
OPEB related expenses, including changes in deferred inflows and deferred 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.	(8,597)
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.	23,124
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>1,451</u>
Change in net position of governmental activities	<u><u>\$ (47,699)</u></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 BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 569,566	569,394	587,675	18,281
Use of money and property	6,303	6,313	12,073	5,760
Licenses and permits	11,712	11,734	11,460	(274)
Intergovernmental	1,737,556	1,737,705	1,590,790	(146,915)
Charges for sales and services	166,867	127,999	129,071	1,072
Fines, forfeitures and penalties	27,106	28,641	28,745	104
Miscellaneous	32,768	35,357	62,037	26,680
Total revenues	<u>2,551,878</u>	<u>2,517,143</u>	<u>2,421,851</u>	<u>(95,292)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	55,620	31,211	16,450	14,761
Finance	76,589	77,281	61,322	15,959
Counsel	4,918	5,048	4,745	303
Human resources	12,903	13,361	11,675	1,686
Elections	11,896	12,439	11,992	447
Other	16,013	16,256	15,126	1,130
Total general government	<u>177,939</u>	<u>155,596</u>	<u>121,310</u>	<u>34,286</u>
Public assistance:				
Administration	308,779	314,775	293,834	20,941
Aid programs	386,313	385,696	349,956	35,740
Other	33,454	33,968	32,067	1,901
Total public assistance	<u>728,546</u>	<u>734,439</u>	<u>675,857</u>	<u>58,582</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 BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Public protection:				
Judicial	\$ 160,727	162,687	158,585	4,102
Police protection	348,642	359,066	345,160	13,906
Detention and correction	295,107	299,960	289,534	10,426
Protection and inspection	4,816	5,008	4,666	342
Other	58,279	60,211	51,791	8,420
Total public protection	<u>867,571</u>	<u>886,932</u>	<u>849,736</u>	<u>37,196</u>
Health and sanitation	723,102	737,205	655,505	81,700
Recreation and culture	23,906	25,237	22,007	3,230
Education	389	389	389	
Total expenditures	<u>2,521,453</u>	<u>2,539,798</u>	<u>2,324,804</u>	<u>214,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,425</u>	<u>(22,655)</u>	<u>97,047</u>	<u>119,702</u>
Other financing sources (uses):				
Transfers in	10,882	10,882	10,882	
Transfers out	(120,996)	(120,996)	(120,996)	
Total other financing sources (uses)	<u>(110,114)</u>	<u>(110,114)</u>	<u>(110,114)</u>	
Changes in fund balance	(79,689)	(132,769)	(13,067)	119,702
Fund balance - beginning	367,758	367,758	367,758	
Fund balance - ending	<u>\$ 288,069</u>	<u>234,989</u>	<u>354,691</u>	<u>119,702</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, 2019
(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	\$ 199,458	87,182	71,284	8,054	365,978	228,904
Restricted cash and investments	38,981				38,981	
Receivables, net of allowance for uncollectibles:						
Billed	11,251	11,099	4,137	56	26,543	1
Interest	3,286	1,208	916	88	5,498	62
Intergovernmental	10,427	398	52	774	11,651	132
Prepaid items	413				413	533
Inventories	488	214			702	1,232
Total current assets	264,304	100,101	76,389	8,972	449,766	230,864
Noncurrent assets:						
Restricted assets	101,407	10,610	26,774		138,791	
Long-term advances to other funds						18,549
Prepaid bond insurance	475				475	
Long-term receivables						88
Capital assets:						
Land and other nondepreciable assets	124,834	38,161	266,435	1,834	431,264	
Buildings & improvements, infrastructure, equipment and intangibles, net	1,136,385	84,506	574,262	1,483	1,796,636	57,436
Total capital assets	1,261,219	122,667	840,697	3,317	2,227,900	57,436
Total noncurrent assets	1,363,101	133,277	867,471	3,317	2,367,166	76,073
Total assets	1,627,405	233,378	943,860	12,289	2,816,932	306,937
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement			63,181		63,181	
Deferred outflows related to refunding	35,119		808		35,927	
Deferred outflows related to pensions	12,858	8,432	5,553	126	26,969	32,376
Deferred outflows related to OPEB	162	148	65	4	379	553
Total deferred outflows of resources	48,139	8,580	69,607	130	126,456	32,929
Total assets and deferred outflows of resources	1,675,544	241,958	1,013,467	12,419	2,943,388	339,866

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, 2019
(amounts expressed in thousands)**

Page 2 of 3

	Business-type Activities - Enterprise Funds					Governmental
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities-Internal Service Funds
Liabilities:						
Current liabilities:						
Warrants payable	\$ 1,283	1,752	701	296	4,032	5,722
Accrued liabilities	18,747	4,706	3,071	511	27,035	8,362
Intergovernmental payable				22	22	248
Current portion of insurance claims payable						38,711
Current portion of long-term debt obligations	17,456	72	13,184		30,712	613
Current liabilities payable from restricted assets	21,756				21,756	
Unearned revenue	3,991				3,991	5,374
Total current liabilities	63,233	6,530	16,956	829	87,548	59,030
Noncurrent liabilities:						
Insurance claims payable						201,414
Long-term debt obligations	954,555	2,288	334,500	38	1,291,381	10,456
Derivative instrument liability			63,181		63,181	
Long-term advances from other funds		240			240	
Landfill closure and postclosure care		41,612			41,612	
Net pension liability	32,892	21,767	13,644	321	68,624	84,828
Total OPEB liability	3,987	3,388	1,603	91	9,069	10,644
Total noncurrent liabilities	991,434	69,295	412,928	450	1,474,107	307,342
Total liabilities	1,054,667	75,825	429,884	1,279	1,561,655	366,372
Deferred inflows of resources:						
Deferred inflows related to refunding	161				161	
Deferred inflows related to pensions	3,748	2,231	1,324	74	7,377	16,676
Deferred inflows related to OPEB	387	225	121	8	741	1,816
Total deferred inflows of resources	4,296	2,456	1,445	82	8,279	18,492
Total liabilities and deferred inflows of resources	1,058,963	78,281	431,329	1,361	1,569,934	384,864

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, 2019
(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	\$ 381,026	122,427	494,496	3,317	1,001,266	57,436
Restricted	91,311	10,610	26,774	1,906	130,601	
Unrestricted	144,244	30,640	60,868	5,835	241,587	(102,434)
Total net position (deficit)	<u>\$ 616,581</u>	<u>163,677</u>	<u>582,138</u>	<u>11,058</u>	<u>1,373,454</u>	<u>(44,998)</u>
Adjustment to reflect internal service fund activities related to enterprise funds					35,613	
Net position of business-type activities					<u>\$ 1,409,067</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, 2019**

	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	\$ 185,913	80,530	82,353	3,082	351,878	293,847
Other	14	1,574	2,383	199	4,170	4,230
Total operating revenues	<u>185,927</u>	<u>82,104</u>	<u>84,736</u>	<u>3,281</u>	<u>356,048</u>	<u>298,077</u>
Operating expenses:						
Salaries and benefits	34,464	30,928	12,591	378	78,361	98,580
Services and supplies	68,726	40,338	12,426	1,740	123,230	109,581
Cost of sales and services	681			1,787	2,468	3,010
Depreciation and amortization	52,648	6,588	19,481	587	79,304	14,806
Claim payments and actuarial estimates						57,640
Landfill closure costs		1,173			1,173	
Other	51		2,658	57	2,766	702
Total operating expenses	<u>156,570</u>	<u>79,027</u>	<u>47,156</u>	<u>4,549</u>	<u>287,302</u>	<u>284,319</u>
Operating income (loss)	<u>29,357</u>	<u>3,077</u>	<u>37,580</u>	<u>(1,268)</u>	<u>68,746</u>	<u>13,758</u>
Nonoperating revenues (expenses):						
Use of money and property	8,480	2,712	2,688	214	14,094	1,532
Intergovernmental	596	322	35	1,588	2,541	
Passenger facility charges	25,587				25,587	
Customer facility charges	1,269				1,269	
Interest expense	(39,403)	(10)	(15,047)		(54,460)	(95)
Other revenues (expenses)	(84)	(139)	(12)	28	(207)	(1,751)
Total nonoperating revenues (expenses)	<u>(3,555)</u>	<u>2,885</u>	<u>(12,336)</u>	<u>1,830</u>	<u>(11,176)</u>	<u>(314)</u>
Income before transfers and capital contributions	25,802	5,962	25,244	562	57,570	13,444
Transfers in						1,000
Transfers out	(2,552)	(2,907)	(983)	(32)	(6,474)	(11,306)
Capital contributions	11,421		6,536	1,082	19,039	
Changes in net position	34,671	3,055	30,797	1,612	70,135	3,138
Net position (deficit), beginning of year	581,910	160,622	551,341	9,446		(48,136)
Net position (deficit), end of year	<u>\$ 616,581</u>	<u>163,677</u>	<u>582,138</u>	<u>11,058</u>		<u>(44,998)</u>
Adjustment to reflect internal service fund activities related to enterprise funds					1,687	
Change in net position of business-type activities					<u>\$ 71,822</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, 2019
(amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 185,221	73,103	80,002	3,258	341,584	99,132
Receipts from interfund services provided						205,765
Receipts for other operating activities	154	7,992	2,383		10,529	
Payments to suppliers	(46,634)	(34,847)	(13,297)	(2,995)	(97,773)	(147,556)
Payments to employees	(33,120)	(29,361)	(12,563)	(368)	(75,412)	(94,450)
Payments for other operating activities		(1,497)		(57)	(1,554)	(1,146)
Payments for interfund services used	(22,941)	(3,211)		(13)	(26,165)	(23,738)
Net cash provided by (used for) operating activities	<u>82,680</u>	<u>12,179</u>	<u>56,525</u>	<u>(175)</u>	<u>151,209</u>	<u>38,007</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Receipt on advances to other funds						6,727
Transfers from other funds						1,000
Transfers to other funds	(2,552)	(2,907)	(983)	(32)	(6,474)	(11,306)
Intergovernmental revenue	719	1,224		1,675	3,618	
Net cash provided by (used for) noncapital financing activities	<u>(1,833)</u>	<u>(1,683)</u>	<u>(983)</u>	<u>1,643</u>	<u>(2,856)</u>	<u>(3,579)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Passenger facility charges	24,978				24,978	
Customer facility charges	584				584	
Capital contributions	2,732			322	3,054	
Acquisition and construction of capital assets	(44,642)	(5,061)	(22,947)	(1,082)	(73,732)	(20,444)
Payment on long-term advances from other funds		(230)			(230)	
Interest paid on long-term advances from other funds		(10)			(10)	
Principal paid on long-term obligations	(2,865)		(12,496)		(15,361)	
Interest paid on long-term obligations	(33,431)		(15,104)		(48,535)	(95)
Proceeds from the sale of capital assets	180	344		28	552	1,413
Net cash used for capital and related financing activities	<u>(52,464)</u>	<u>(4,957)</u>	<u>(50,547)</u>	<u>(732)</u>	<u>(108,700)</u>	<u>(19,126)</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, 2019
 (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
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received on cash and investments	7,212	2,171	2,468	176	12,027
Net increase in cash and cash equivalents	35,595	7,710	7,463	912	51,680
Cash and cash equivalents, beginning of year	301,680	90,082	66,265	7,142	465,169
Cash and cash equivalents, end of year	<u>\$ 337,275</u>	<u>97,792</u>	<u>73,728</u>	<u>8,054</u>	<u>516,849</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and investments	\$ 199,458	87,182	71,284	8,054	365,978
Restricted cash and investments	38,981				38,981
Restricted noncurrent assets (net of accrued interest)	101,407	10,610	26,774		138,791
Less: Long-term investments included in restricted assets	(2,571)		(24,330)		(26,901)
Cash and cash equivalents	<u>\$ 337,275</u>	<u>97,792</u>	<u>73,728</u>	<u>8,054</u>	<u>516,849</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, 2019
(amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds					Governmental
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities- Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 29,357	3,077	37,580	(1,268)	68,746	13,758
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	52,648	6,588	19,481	587	79,304	14,806
Provision for uncollectible accounts	13				13	
Impact fee credits applied			(2,259)		(2,259)	
Other nonoperating revenue	154			28	182	
Other nonoperating expense		(1,556)	(1,254)		(2,810)	(303)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	(698)	(170)	1,211	155	498	23
Intergovernmental		149			149	123
Prepaid items	(178)				(178)	(460)
Inventories	(2)				(2)	392
Long-term receivables						(1)
Warrants payable	(58)	1,079	67	(168)	920	552
Accrued liabilities	156	398	418	501	1,473	(812)
Intergovernmental payable				(7)	(7)	246
Unearned revenues	(21)			(13)	(34)	331
Landfill closure and postclosure care		890			890	
Compensated absences	67	132	42		241	(6)
Insurance claims payable						5,434
Net pension liability and related deferred outflows and inflows	1,031	1,389	1,147	6	3,573	3,485
Total OPEB liability and related deferred outflows and inflows	211	203	92	4	510	439
Total adjustments	53,323	9,102	18,945	1,093	82,463	24,249
Net cash provided by (used for) operating activities	\$ 82,680	12,179	56,525	(175)	151,209	38,007
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets	\$		6,536		6,536	
Amortization of bonds premiums	5,817		388		6,205	
Issuance of reimbursement agreements			2,293		2,293	
Capital grants receivable	8,689				8,689	
Amortization of deferred outflows and inflows - bonds	2,405		(54)		2,351	
Capital assets purchases included in accrued liabilities and warrants payable	6,469				6,469	

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, 2019
(amounts expressed in thousands)

	<u>Agency</u>	<u>Investment Trust</u>	<u>Redevelopment Obligation Retirement Fund - Successor Agency</u>
Assets:			
Cash and investments	\$ 246,821	3,507,083	12,427
Receivables, net of allowance for uncollectibles:			
Billed	1,971		
Interest	5,498		131
Intergovernmental	65		2,702
Prepaid items	183		
Buildings & improvements, infrastructure, equipment and intangibles, net			2,306
Total assets	<u>\$ 254,538</u>	<u>3,507,083</u>	<u>17,566</u>
Liabilities:			
Warrants payable	\$ 11,239		
Accrued liabilities	39,554		631
Intergovernmental payable	203,745		4,885
Other long-term liabilities			5,476
Loan due to County Public Financing Authority			
Due within one year			1,855
Due after one year			57,790
Total liabilities	<u>\$ 254,538</u>	<u></u>	<u>70,637</u>
Net position (deficit) held in trust		<u>\$ 3,507,083</u>	<u>(53,071)</u>

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, 2019
(amounts expressed in thousands)

	<u>Investment Trust</u>	<u>Redevelopment Obligation Retirement Fund - Successor Agency</u>
Additions:		
Property taxes	\$	7,345
Contributions on pooled investments	10,809,895	
Use of money and property	<u>79,597</u>	<u>124</u>
Total additions	<u>10,889,492</u>	<u>7,469</u>
Deductions:		
Distributions from pooled investments	10,546,722	
Services and supplies		1,072
Other		<u>(2,054)</u>
Total deductions	<u>10,546,722</u>	<u>(982)</u>
Changes in net position	342,770	8,451
Net position (deficit) held in trust, beginning of year	<u>3,164,313</u>	<u>(61,522)</u>
Net position (deficit) held in trust, end of year	<u><u>\$ 3,507,083</u></u>	<u><u>(53,071)</u></u>

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

NOTES TO BASIC FINANCIAL STATEMENTS

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Sacramento (County or 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 District 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 Number Ten
Water Agency Special Revenue Funds
In-Home Support Services Authority
Solid Waste Authority

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 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 debts and 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 and 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, 2019
(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 County 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 County Board of Supervisors 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 of Supervisors appoints the governing board of the Corporation, which is responsible for the fiscal and administrative activities of the Corporation. For financial reporting purposes, capitalized 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 of ABX1 26 to transfer all of the assets, liabilities, and obligations of the former redevelopment agency. The County's Board of Supervisors 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 as Private Purpose Trust fund.

Discretely Presented Component Unit:

Sacramento County First 5 Commission (First 5 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 presented 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 Sacramento County First 5 Commission, 2750 Gateway Oaks Drive, Suite 330, Sacramento CA 95833.

Excluded from the Reporting Entity:

The *Sacramento County Employees' Retirement System (SCERS)* is fiscally independent of the County and is governed by a separate Board of Retirement and not by the County Board of Supervisors, thus the County cannot impose its will.

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.

Certain assets, principally cash and investments, of these separate legal entities are held by the County in a custodial capacity and are included in the investment trust fund.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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

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
Waste water 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

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. The County has no continuing financial liability and does not expect any financial benefit/burden from its participation in any of these agencies. 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 this partnership 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. 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 overall 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, 2019
(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. 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 non-major 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 as well as 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 and unemployment; Regional Radio Communication for emergency communications services; and Department of Technology.

The 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, and pass through for property tax collections. These funds represent assets, primarily cash and investments, held by the County in trust for these participants.

Agency funds account for the assets held by the County as an agent for various individuals, private organizations and other governmental agencies. These include Law Enforcement, Unapportioned Tax Collection, and others.

The 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.

Measurement Focus and Basis of Accounting

The government-wide, proprietary, Investment Trust and the Successor Agency Private Purpose Trust fund financial statements are reported using the economic resources measurement focus and accrual basis accounting. The Agency fiduciary fund financial statements also are reported using the accrual basis of accounting, however they have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

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 and 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 and capital leases 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 services 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 and unemployment claims, emergency communication functions, telecommunication and data processing. Operating expenses for enterprise funds and internal services funds include cost of services, administrative expenses and depreciation 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 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. 83, *Certain Asset Retirement Obligations*

Effective July 1, 2018, the County implemented GASB Statement No. 83. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. There was no material impact to the financial statements.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Effective July 1, 2018, the County implemented GASB Statement No. 88. The objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Refer to Note 8 for additional disclosures.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

Effective July 1, 2018, the County implemented GASB Statement No. 89. The objectives of this Statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and 2) to simplify accounting for interest cost incurred before the end of a construction period. There was no material impact to the financial statements.

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 statements 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 2018-19 is July 1 and the lien date is January 1 (unsecured property taxes are paid in one installment August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

Beginning in FY 1993-94, the County Board of Supervisors 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 Sacramento 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 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, which begins on page 75.

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 then.

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 then.

COUNTY OF SACRAMENTO
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In addition to liabilities, the balance sheet of governmental funds reports a separate section for deferred inflows of resources. Unavailable revenue reported consists primarily of revenues which have been earned but was not received within the County's 120 day availability policy. This separate financial statement element represents an acquisition of net assets that applies to future period(s) 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 claims or be directly recovered from the County.

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

Inventory 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 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.

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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, structures and improvements, infrastructure, machinery and equipment, computer software, water facility rights, and other intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5 and an estimated useful life in excess of four years except for computer software, computer and peripheral equipment which have an estimated useful life of three years. 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 cost 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. 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. Amortization of assets acquired under capital leases are included in depreciation and amortization. Structures and improvements, infrastructure, equipment and intangible assets of the primary government, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	4 to 50
Infrastructure	20 to 50
Equipment	3 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. It is the policy of the County to pay certain employees a portion of their sick leave at retirement.

The County accrues for compensated absences in the government-wide and proprietary fund statement for which they 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 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 type statement of net position. Issuance costs, are expensed in the year incurred, with the exception of prepaid insurance.

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 proprietary funds, bond premiums and discounts are amortized on a straight-line basis over the life of related debt.

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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 of Supervisors), 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 by Board of Supervisors), or by a body or an official designated by the Board of Supervisors for that purpose. The Board of Supervisors has 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 that includes amounts not contained in the other classification. 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.

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 of Supervisors, 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 at 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 and deferred outflows of resources, into one component of net position. Accumulated depreciation, unspent proceeds, 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.

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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/Property, Workers Compensation and Department of Technology Internal Service Funds (ISF) Deficit Net Position

As of June 30, 2019, the Liability/Property, Workers' Compensation and Department of Technology ISF have deficit net position of \$35,193, \$84,050 and \$18,662, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability/property and workers' compensation. The County is collecting additional amounts from the departments to eliminate the unfunded liability. The deficit in the Department of Technology ISF is primarily the result of the fund's net pension liability.

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 and the required supplementary information (RSI) section immediately following the Notes to Basic Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use 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 on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional basis five-year period of recognition.

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 \$773,168 differs from net position of governmental activities of \$(484,745) because of the the long-term economic focus in the statement of net position versus the current financial resources measurement focus in the governmental fund balance sheet. The effect of the differences is illustrated below:

	Balance Sheet/Statement of Net Position				
	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 690,703		228,904		919,607
Receivables, net of allowance for uncollectibles:					
Billed	72,780		1		72,781
Interest	8,244		62		8,306
Intergovernmental	239,627		132		239,759
Prepaid items	3,881		533		4,414
Due from other funds/internal balances	470		(35,613)	(230)	(35,373)
Inventories	1,358		1,232		2,590
Total current assets	1,017,063		195,251	(230)	1,212,084
Noncurrent assets:					
Loan receivable from County Successor Agency	59,645				59,645
Loan receivable from City Successor Agency	5,695				5,695
Long-term receivables	34,315		88		34,403
Prepaid bond insurance		4,143			4,143
Long-term advances to other funds	240		18,549	(18,789)	
Capital assets:					
Land and other nondepreciable assets		185,707			185,707
Buildings & improvements, infrastructure, equipment and intangibles, net		1,461,118	57,436		1,518,554
Total capital assets		1,646,825	57,436		1,704,261
Total noncurrent assets	99,895	1,650,968	76,073	(18,789)	1,808,147
Total assets	1,116,958	1,650,968	271,324	(19,019)	3,020,231
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement		80,729			80,729
Deferred amounts on refunding		27,952			27,952
Deferred outflows related to pensions		603,976	32,376		636,352
Deferred outflows related to OPEB		10,943	553		11,496
Total deferred outflows of resources		723,600	32,929		756,529
Total assets and deferred outflows of resources	1,116,958	2,374,568	304,253	(19,019)	3,776,760

COUNTY OF SACRAMENTO
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	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities:					
Current liabilities:					
Warrants payable	\$ 22,753		5,722		28,475
Accrued liabilities	112,054		8,362		120,416
Intergovernmental payable	22,712		248		22,960
Accrued interest payable		17,964			17,964
Due to other funds	470			(470)	
Current portion of insurance claims payable			38,711		38,711
Current portion of long-term debt obligations		116,984	613		117,597
Unearned revenue	73,885		5,374		79,259
Total current liabilities	<u>231,874</u>	<u>134,948</u>	<u>59,030</u>	<u>(470)</u>	<u>425,382</u>
Noncurrent liabilities:					
Insurance claims payable			201,414		201,414
Long-term debt obligations		1,528,927	10,456		1,539,383
Derivative instrument liability		80,729			80,729
Net pension liability		1,579,992	84,828		1,664,820
Total OPEB liability		157,709	10,644		168,353
Long-term advances from other funds	18,549			(18,549)	
Total noncurrent liabilities	<u>18,549</u>	<u>3,347,357</u>	<u>307,342</u>	<u>(18,549)</u>	<u>3,654,699</u>
Total liabilities	<u>250,423</u>	<u>3,482,305</u>	<u>366,372</u>	<u>(19,019)</u>	<u>4,080,081</u>
Deferred inflows of resources:					
Unavailable revenue	93,367	(93,367)			
Deferred inflows related to pensions		147,043	16,676		163,719
Deferred inflows related to OPEB		15,889	1,816		17,705
Total deferred inflows of resources	<u>93,367</u>	<u>69,565</u>	<u>18,492</u>		<u>181,424</u>
Total liabilities and deferred inflows of resources	<u>343,790</u>	<u>3,551,870</u>	<u>384,864</u>	<u>(19,019)</u>	<u>4,261,505</u>
Fund balances/net position:					
Nonspendable	\$ 18,319			(18,319)	
Restricted	679,546			(679,546)	
Assigned	75,303			(75,303)	
Net investment in capital assets		1,646,825	57,436	(289,140)	1,415,121
Restricted				679,546	679,546
Unrestricted		(2,824,127)	(138,047)	382,762	(2,579,412)
Total fund balances / net position (deficit)	<u>\$ 773,168</u>	<u>(1,177,302)</u>	<u>(80,611)</u>		<u>(484,745)</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, 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	\$ 4,361,782
Accumulated depreciation	<u>(2,714,957)</u>
Total	<u>1,646,825</u>
Accrued interest payable	(17,964)
Prepaid bond insurance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net position.	4,143
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 or represent current financial resources 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.	
Compensated absences	(110,937)
Bonds, notes, COPs, capital leases, other payables	(1,346,150)
Derivative instrument liability	(80,729)
Accreted interest	(101,642)
Accumulated decrease in fair value of SWAP agreement	80,729
Loss on refunding	27,952
Litigation liability	<u>(87,182)</u>
Total	<u>(1,617,959)</u>
Net Pension Liability:	
Deferred outflows related to pensions	603,976
Net pension liability	(1,579,992)
Deferred inflows related to pensions	<u>(147,043)</u>
Total	<u>(1,123,059)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	10,943
Total OPEB liability	(157,709)
Deferred inflows related to OPEB	<u>(15,889)</u>
Total	<u>(162,655)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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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 revenue	\$ 93,367
Total	<u>\$ (1,177,302)</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, and liabilities and deferred inflows, of certain internal service funds are included in governmental activities in the statement of net position.	
	<u>\$ (80,611)</u>

The net change in fund balances for governmental funds of \$(17,454), differs from the change in net position for governmental activities of \$(47,699) 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 is illustrated on next page.

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	\$ 525,232					525,232
Transient occupancy	6,699					6,699
Sales / use taxes	96,730					96,730
Use of money and property	29,960			947		30,907
Licenses and permits	63,338				(63,338)	
Intergovernmental	1,684,433		19,860		(1,704,293)	
Charges for sales and services	274,573				104,119	378,692
Operating grants and contributions					1,416,772	1,416,772
Capital grants and contributions					29,327	29,327
Grants and contributions not restricted to specific programs					264,231	264,231
Contributions from property owners	6,037				(6,037)	
Fines, forfeitures and penalties	40,781				(40,781)	
Pledged tobacco settlement	14,555					14,555
Miscellaneous	115,218		3,264			118,482
Total revenues	<u>2,857,556</u>		<u>23,124</u>	<u>947</u>		<u>2,881,627</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

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	\$ 190,191	9,634	3,370	(1,414)		201,781
Public assistance	675,857	409	18,232	(2,339)		692,159
Public protection	918,419	12,114	81,443	(5,431)		1,006,545
Health and sanitation	693,869	2,648	19,625	(1,975)		714,167
Public ways and facilities	138,291	33,514	2,469	(723)		173,551
Recreation and culture	39,132	1,956	868	(123)		41,833
Education	1,367	254	6	(66)		1,561
Capital outlay	37,196	(37,196)				
Debt service:						
Principal	111,160		(111,160)			
Bond issuance costs	275				(275)	
Interest and fiscal charges	93,778		7,468	1,261	1,696	104,203
Total expenditures/expenses	2,899,535	23,333	22,321	(10,810)	1,421	2,935,800
Excess (deficiency) of revenues over (under) expenditures/expenses	(41,979)	(23,333)	803	11,757	(1,421)	(54,173)
Other financing sources (uses):						
Transfers in	181,761			1,000		182,761
Transfers out	(164,981)			(11,306)		(176,287)
Issuance of long-term debt	20,372		(20,372)			
Refunding debt issued	89,125		(89,125)			
Premiums on debt issue	11,659		(11,659)			
Payment to refunded bonds escrow agent	(113,411)		111,990		1,421	
Total other financing sources (uses)	24,525		(9,166)	(10,306)	1,421	6,474
Changes in fund balances/net position	(17,454)	(23,333)	(8,363)	1,451		(47,699)
Fund balances/net position (deficit) - beginning	790,622	1,670,158	(2,815,764)	(82,062)		(437,046)
Fund balances/net position (deficit) - ending	\$ 773,168	1,646,825	(2,824,127)	(80,611)		(484,745)

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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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 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 expense. As a result, fund balance decreases by the amount of depreciation expense charged for the year. Donated assets result in an increase in net position.

Capital expenditures	\$ 76,178
Depreciation expense	(98,052)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-in, disposals)	<u>(1,459)</u>
Total	<u><u>\$ (23,333)</u></u>

- (4) Bond issuance costs 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.

\$ (893)

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	127,835
Teeter notes	20,530
Revenue bonds	5,315
Pension obligation bonds	63,317
Accreted interest	6,153
Capital leases obligations	1,447
Litigation liability	6,438
Other long-term debt	<u>88</u>
Total	<u><u>231,123</u></u>

COUNTY OF SACRAMENTO
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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 do not affect the statement of activities. Proceeds were received from:

Teeter notes	\$ (20,372)
Certificate of participation	(89,125)
Issuance premium	<u>(11,659)</u>
Total	<u>(121,156)</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	(3,258)
Accreted interest	(3,573)
Amortization of deferred amount on refunded debt	(4,067)
Amortization of issuance premiums/discounts	<u>1,495</u>
Total	<u>(9,403)</u>

Net effect of long-term debt and related items 100,564

Changes in net pension liability and related deferred inflows/outflows (120,684)

Changes in total other postemployment benefits (OPEB) liability and related deferred inflows/outflows (8,597)

Some revenues will not be collected within the County's availability period, and therefore are reported as unavailable revenue in the governmental funds. Deferred inflows of resources decreased by this amount during the year. 23,124

Increase in accrued interest (1,877)

Total \$ (8,363)

- (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. \$ 1,451

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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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 of Supervisors 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 2018-19 was adopted on September 5, 2018. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors in June 2018. 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, 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 presents revenues at the source level and expenditures at the function level. Negative variances on these statements are not indicative of the County's legal level of control. 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 Special Revenue and Debt Service Funds and the Sacramento County Public Financing Authority Debt Service 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.

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 "Countywide Expenditure Status Report." Significant amendments, appropriation transfers between departments or funds, and transfers from contingencies must be approved by the Board of Supervisors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board of Supervisors.

During FY 2018-19 the original adopted budget was amended by the Board of Supervisors. 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 2018-19, the appropriation limit for the FY 2018-19 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.

NOTE 4 - CASH, INVESTMENTS, AND RESTRICTED ASSETS

All investments are reported on the statement of net position/balance sheet, at fair value, except for the investment agreement(s) and certain money market mutual funds, which are carried 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 agency 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.

A separately issued report of the County Treasurer's Internal and External Pools is available at <http://www.finance.saccounty.net/Investments/Pages/Reports.aspx>.

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Cash, investments, and restricted assets as shown on the basic financial statements at June 30, 2019, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 1,285,585
Restricted cash and investments	38,981
Restricted assets, included in noncurrent assets	138,791
Fiduciary funds statement of net position:	
Agency	246,821
Investment Trust	3,507,083
Redevelopment Obligation Retirement Fund - Successor Agency	12,427
Discretely presented component unit (First 5 Commission)	<u>28,486</u>
Total cash, investments, and restricted assets including interest receivable	5,258,174
Less interest receivable included in restricted assets	<u>(5,014)</u>
Total cash, investments, and restricted cash and investments	<u><u>\$ 5,253,160</u></u>

Investments Authorized by Debt Agreement

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, 2019, all cash held by fiscal agents was covered by federal depository insurance or by Securities Investor Protection Corporation insurance, or by collateral held by the County's financial institutions 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.

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 purchase. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, 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, the Federal

COUNTY OF SACRAMENTO
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Home Loan Bank Board 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 total portfolio) of “prime quality” (the highest ranking provided by either Moody’s investor services or Standard and Poor’s Corporation) 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 and not to exceed 20 percent of the portfolio; 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 County Board of Supervisors annually adopts an “Annual Investment Policy for the Pooled Investment Fund” (Investment Policy). The Investment Policy is prepared 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.

Note: The investments in guaranteed investment contracts are authorized within bond documents related to debt issuances. These funds are identified as nonpooled investments.

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, 2019, of the County’s \$5.3 billion in investments held by the Treasurer and \$27 million held by fiscal agents, over 70.8 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 320 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 rating, the issuers’ rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by Standard & Poor’s and 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 62.

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. As of June 30, 2019, 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.

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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:

	<u>Reported Amount</u>
Federal Home Loan Banks	\$ 794,035
International Bank for Reconstruction and Development	488,923
Inter-American Development Bank	294,673
Federal Farm Credit Bank	436,264

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The following schedule indicates the credit and interest rate risk at June 30, 2019. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's Investor Services and Standard and Poor's, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Ratings	Under 30 Days	31-180 Days	Maturity 181-365 Days	1-5 Years	Over 5 Years	Amount
Imprest cash							\$ 549
Cash in banks							8,635
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							13
Cash in banks							77,026
Total cash and cash deposits in custody of the Treasurer							77,039
Investments held by Treasurer:							
Treasury bills	Aaa/AA+	\$	66,102	21,971			88,073
Federal Farm Credit Bank	Aaa/AA+		99,863		251,955		351,818
Federal Farm Credit Bank discount notes	Aaa/AA+		64,833	19,613			84,446
Federal Home Loan Banks	Aaa/AA+	24,994	55,010	30,691	219,069		329,764
Federal Home Loan Banks discount notes	Aaa/AA+	192,615	254,000	17,656			464,271
Federal National Mortgage Association	Aaa/AA+		9,985	29,926	130,021		169,932
Federal Home Loan Mortgage Corporation discount notes	Aaa/AA+		4,996	34,854	9,858		49,708
State and local government securities	Aaa/AAA					3,567	3,567
Commercial paper	P-1/A-1+	424,637	950,130				1,374,767
Supranationals	Aaa/AAA		176,456	124,970	541,770		843,196
Supranationals discount notes	Aaa/AAA	56,440					56,440
Negotiable certificates of deposit	P-1/A-1+	315,035	790,324	30,001			1,135,360
Other assets held by Treasurer (primarily Teeter Plan notes)	NR		1,013		20,447		21,460
Local Agency Investment Fund	NR	65,000					65,000
Money market mutual funds	AAAm	79,327					79,327
Guaranteed investment contracts	NR					22,595	22,595
Total investments held by Treasurer		1,158,048	2,472,712	309,682	1,173,120	26,162	5,139,724
Total in custody of Treasurer							5,216,763
Investments held by fiscal agents:							
Money market mutual funds	AAA/Aaa	5,524					5,524
Money market mutual funds	Aaa/AAAm	21,689					21,689
Total investments held by fiscal agents		27,213					27,213
Total investments		\$ 1,185,261	2,472,712	309,682	1,173,120	26,162	
Total cash and investments							\$ 5,253,160

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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 at June 30, 2019:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	<u>\$ 4,430,063</u>	<u>786,700</u>	<u>5,216,763</u>
Equity of internal pool participants	\$ 1,561,208	148,472	1,709,680
Equity of external pool participants	<u>2,868,855</u>	<u>638,228</u>	<u>3,507,083</u>
Total equity	<u>\$ 4,430,063</u>	<u>786,700</u>	<u>5,216,763</u>
Statement of changes in net position			
Net position at July 1, 2018	\$ 4,077,255	635,807	4,713,062
Net changes in investments by pool participants	<u>352,808</u>	<u>150,893</u>	<u>503,701</u>
Net position at June 30, 2019	<u>\$ 4,430,063</u>	<u>786,700</u>	<u>5,216,763</u>

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2019, are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Governmental securities	\$ 1,541,579	1,533,493	1.13-3.38	7/19-5/26
Supranationals	899,636	889,717	1.13-3.88	7/19-4/24
Commercial paper	1,374,767	1,366,458	2.13-2.81	7/19-11/19
Negotiable certificates of deposit	1,135,360	1,134,997	2.21-2.83	7/19-5/20
Other assets held by Treasurer (primarily Teeter Plan notes)	21,460	21,460	2.49	5/19-8/23
Local Agency Investment Fund	65,000	65,000	2.45	N/A
Money market mutual funds	79,327	79,327	.00-.45	N/A
Guaranteed investment contracts	<u>22,595</u>	<u>22,595</u>	5.3	5/39
Total investments held by Treasurer	<u>\$ 5,139,724</u>	<u>5,113,047</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, 2019. 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 County 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 2a7 Money Market Mutual funds held by the County Treasurer is at one-dollar net asset value (NAV) per share. The total fair value of these at June 30, 2019 was \$79,327. 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 2a7 Money Market Mutual Funds held by Fiscal Agents is at one-dollar NAV per share. The total value of these at June 30, 2019, was \$27,213. 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, 2019, the County had the following recurring fair value measurements:

		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)
	Fair Value			
Investments by fair value level				
Treasury bills	\$ 88,073		88,073	
Federal Farm Credit Bank (FFCB)	351,818		351,818	
Federal Home Loan Bank (FHLB)	329,764		329,764	
Federal National Mortgage Association	169,932		169,932	
FFCB discount notes	84,446		84,446	
FHLB discount notes	464,271		464,271	
Federal Home Loan Mortgage Corporation	49,708		49,708	
Supranationals	843,196		843,196	
Supranationals discount notes	56,440		56,440	
Commercial paper	1,374,767		1,374,767	
Negotiable certificates of deposits	1,135,360		1,135,360	
State and local government securities (SLGS)	3,567		3,567	
Other assets held by Treasurer (primarily Teeter Plan notes)	21,460			21,460
Total Investments by fair value level	<u>4,972,802</u>		<u>4,951,342</u>	<u>21,460</u>
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy				
Local Agency Investment Fund	65,000			
Guaranteed investment contracts	<u>22,595</u>			
Total Investments Not Measured at Fair Value or subject to fair value hierarchy	<u>87,595</u>			
Investments held by Treasurer measured at NAV				
Money market mutual funds	<u>79,327</u>			
Total Investments held by Treasurer	5,139,724			
Investments held by fiscal agent measured at NAV				
Money market mutual funds	<u>27,213</u>			
Total Investments	<u>\$ 5,166,937</u>			

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NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 131,980	2,467	(719)	133,728
Construction in progress	41,795	23,656	(28,414)	37,037
Permanent easement	13,160	1,730	(14)	14,876
Intangible assets under project	66			66
Total capital assets not being depreciated	<u>187,001</u>	<u>27,853</u>	<u>(29,147)</u>	<u>185,707</u>
Capital assets, being depreciated:				
Buildings and improvements	925,595	19,353	(737)	944,211
Infrastructure	3,076,696	51,843		3,128,539
Equipment	287,289	25,177	(59,019)	253,447
Intangible - computer software	47,278	1,413	(2,864)	45,827
Total capital assets being depreciated	<u>4,336,858</u>	<u>97,786</u>	<u>(62,620)</u>	<u>4,372,024</u>
Less accumulated depreciation for:				
Buildings and improvements	(522,181)	(28,746)		(550,927)
Infrastructure	(2,010,429)	(63,204)		(2,073,633)
Equipment	(224,186)	(18,620)	55,562	(187,244)
Intangible - computer software	(42,229)	(2,288)	2,851	(41,666)
Total accumulated depreciation	<u>(2,799,025)</u>	<u>(112,858)</u>	<u>58,413</u>	<u>(2,853,470)</u>
Total capital assets, being depreciated	<u>1,537,833</u>	<u>(15,072)</u>	<u>(4,207)</u>	<u>1,518,554</u>
Total governmental activities	<u>\$ 1,724,834</u>	<u>12,781</u>	<u>(33,354)</u>	<u>1,704,261</u>

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	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 133,970		(10)	133,960
Construction in progress	69,832	68,673	(39,640)	98,865
Permanent easement	57	1	(1)	57
Water facility rights	196,478			196,478
Other intangible assets	1,904			1,904
Total capital assets not being depreciated	<u>402,241</u>	<u>68,674</u>	<u>(39,651)</u>	<u>431,264</u>
Capital assets, being depreciated:				
Buildings and improvements	2,397,267	37,291	(29,048)	2,405,510
Infrastructure	182,786	13,908		196,694
Equipment	93,189	9,983	(4,139)	99,033
Computer software	14	464		478
Water facility rights	1,273			1,273
Total capital assets being depreciated	<u>2,674,529</u>	<u>61,646</u>	<u>(33,187)</u>	<u>2,702,988</u>
Less accumulated depreciation for:				
Buildings and improvements	(763,440)	(66,504)	28,601	(801,343)
Infrastructure	(45,789)	(4,390)		(50,179)
Equipment	(50,047)	(8,332)	4,070	(54,309)
Computer software	(13)	(53)		(66)
Water facility rights	(430)	(25)		(455)
Total accumulated depreciation	<u>(859,719)</u>	<u>(79,304)</u>	<u>32,671</u>	<u>(906,352)</u>
Total capital assets, being depreciated, net	<u>1,814,810</u>	<u>(17,658)</u>	<u>(516)</u>	<u>1,796,636</u>
Total business-type activities	<u>\$ 2,217,051</u>	<u>51,016</u>	<u>(40,167)</u>	<u>2,227,900</u>

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

	Depreciation Expense
Governmental activities:	
General government	\$ 16,761
Public assistance	490
Public protection	21,312
Health and sanitation	3,458
Public ways and facilities	51,416
Recreation and culture	3,952
Education	663
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	14,806
Total depreciation expense - governmental activities	<u><u>\$ 112,858</u></u>
Business-type activities:	
Airport	\$ 52,648
Solid Waste	6,588
Water Agency	19,481
Parking Enterprise	225
County Transit	362
Total depreciation expense - business-type activities	<u><u>\$ 79,304</u></u>

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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, 2019.

Due To / From Other Funds at June 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 470
	Total	<u>\$ 470</u>

The amount due to the General Fund is for Department of Child, Family, and Adult Services - In-Home Support Services.

Advances To/From Other Fund at June 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental	Solid Waste	\$ 240
Internal service	General	18,549
	Total	<u>\$ 18,789</u>

The amount advanced from the nonmajor governmental fund is related to the purchase of land for the North Area Recovery Station and is to be fully repaid by the end of FY 2019-20. Amounts advanced from internal service funds relate to General Fund advances. The advances to the General Fund were for operations. Repayment of interfund loans will be addressed annually until fully repaid.

Under the Interfund Transfer Repayment Plan, the County would commit to a \$6,698 annual repayment starting in FY 2018-19 and full repayment would be complete by the end of FY 2022-23. In FY 2018-19, the General Fund repaid \$6,698 to internal service funds.

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Transfers Out / In Other Funds for the fiscal year ended June 30, 2019, are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Description</u>
General	Nonmajor governmental	\$ 119,996	Transfer to cover debt service payments and special revenue
General	Internal service	1,000	Transfer to cover general liability self-insurance payment
Nonmajor governmental	General	9,561	Transfers to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	34,424	Transfer to cover debt service payments and capital project
Internal service	Nonmajor governmental	11,306	Transfer to cover debt service, Pension Obligation Bond debt service, and departmental reorganization
Enterprise - Water Agency	Nonmajor governmental	983	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	2,552	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	1,586	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	32	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	General	<u>1,321</u>	Transfer to Regional Parks for clean up and safety initiatives
	Total	<u>\$ 182,761</u>	

COUNTY OF SACRAMENTO
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NOTE 7 - LEASES

Capital Leases:

The County has entered into certain capital lease agreements under which the related asset will become the property of the County when all terms of the lease agreements are met.

As of June 30, 2019, the future minimum lease payments under capital leases are as follows:

Fiscal Year Ending June 30	Governmental Activities
2020	\$ 279
2021	279
2022	279
Total minimum lease payments	837
Less: Amount representing interest	(57)
Net present value of minimum lease payments	<u>\$ 780</u>

The following is a schedule of capital assets under capital leases by major classes at June 30, 2019:

Capital Assets Under Capital Leases	Governmental Activities
<u>Asset:</u>	
Land	\$ 673
Buildings and improvements	10,560
Total	11,233
Less: Accumulated depreciation	(8,210)
Net capital assets under lease	<u>\$ 3,023</u>

**COUNTY OF SACRAMENTO
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Operating Leases:

The County also leases buildings and equipment under operating leases, some of which contain escalation clauses. Future minimum non-cancelable operating lease payments for governmental and proprietary fund types as of June 30, 2019, are as follows:

Fiscal Year Ending June 30	<u>Operating Leases Commitment</u>	
	<u>Governmental</u>	<u>Business - type</u>
2020	\$ 29,430	753
2021	21,068	471
2022	17,606	345
2023	14,082	345
2024	10,278	345
2025 - 2029	18,667	1,263
2030 - 2034	515	
	<u>\$ 111,646</u>	<u>3,522</u>

Operating leases may be terminated without substantial penalty if the Board of Supervisors determines that funds are not available for appropriation in the County budget.

Total rental payments for operating leases recorded for the fiscal year ended June 30, 2019, were \$36,710.

Lease Income and Receivables

The Airport derives a substantial portion of its revenues from charges to air carriers and concessionaires. Substantially all of the assets classified under capital assets in the Airport Fund are for the purpose of rental or related use.

Airport as lessor, leases land, buildings and terminal space to air carriers and concessionaires on a fixed fee as well as a contingent basis. All of the Airport's leases are treated as operating leases for accounting purposes. Most of the leases provide for an annual review and re-determination of the rental amounts.

In FY 2018-19, Airports received approximately \$8,095 for contingent rental payments in excess of stated minimum annual guarantees.

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The following is a schedule of future minimum rentals on non-cancelable operating leases for the Airport fund as of June 30, 2019.

Fiscal Year Ending June 30	Future Minimum Rentals Business -Type Activities
2020	\$ 82,482
2021	81,559
2022	78,335
2023	17,431
2024	16,594
2025 - 2029	9,781
2030 - 2034	3,168
2035 - 2039	2,338
2040 - 2044	1,930
2045 - 2049	1,882
2050 - 2054	1,882
2055 - 2059	1,820
Total future minimum rentals	<u>\$ 299,202</u>

COUNTY OF SACRAMENTO
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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, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 118,754	103,293	(100,041)	122,006	8,736
Certificates of participation	195,690	89,125	(127,835)	156,980	13,160
Teeter notes	21,618	20,372	(20,530)	21,460	6,263
Pension obligation bonds	925,700		(63,317)	862,383	70,769
Accreted interest	71,885		(6,153)	65,732	7,916
Revenue bonds	302,267		(5,315)	296,952	5,935
Accreted interest	32,337	3,573		35,910	
Other long-term debt	581		(88)	493	107
Litigation liability	93,620		(6,438)	87,182	5,102
Capital lease obligations	2,227		(1,447)	780	249
Unamortized amounts					
Issuance premiums	2,991	11,659	(1,909)	12,741	(1,054)
Issuance discounts	(6,053)		414	(5,639)	414
Total governmental activities - long-term obligations	<u>\$ 1,761,617</u>	<u>228,022</u>	<u>(332,659)</u>	<u>1,656,980</u>	<u>117,597</u>
Business-type activities:					
Compensated absences	\$ 6,630	6,198	(5,957)	6,871	366
Revenue bonds	983,560		(13,300)	970,260	23,360
PFC and subordinate revenue bonds	230,380			230,380	4,805
Reimbursement agreements	3,430	2,293	(1,302)	4,421	1,422
Water rights - SMUD assignment	2,680		(759)	1,921	759
Unamortized amounts					
Issuance premiums	114,445		(6,205)	108,240	
Total business-type activities - long-term obligations	<u>\$ 1,341,125</u>	<u>8,491</u>	<u>(27,523)</u>	<u>1,322,093</u>	<u>30,712</u>
Component Unit (First Five Commission):					
Compensated absences	<u>\$ 231</u>	<u>126</u>	<u>(149)</u>	<u>208</u>	<u>54</u>

COUNTY OF SACRAMENTO
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Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$11,069 of the internal services funds compensated absences balance is included in governmental activities. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and Internal Service Funds.

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2019 are as follows:

Governmental Activities:

	Amount Outstanding at <u>June 30, 2019</u>
Certificates of Participation (COP):	
County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003. Principal payments are due December 1, 2019, through December 1, 2034, escalating from \$1,060 to \$2,160, with interest rates ranging from 4.1 percent to 5.0 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.	\$ 24,740
County of Sacramento 2010 Certificates of Participation issued on March 3, 2010. The County issued the 2010 bonds to refund and defease \$30,494 of outstanding debt for 2003 Refunding Certificates of Participation, Main Jail Detention Facility; \$5,459 for 1999 Refunding Certificates of Participation – Cherry Island Golf Course; \$67,055 for 1997 Refunding Certificates of Participation (1994 Public Facilities Project), to pay costs of issuance, debt service reserve of \$12,532 and to pay the Swap termination fee of \$10,180 on the 1990 Swap agreement. Principal payments are due February 1, 2019 through the fiscal year 2030. Payments escalate from \$3,235 to \$6,595, with interest rates ranging from 4.25 percent to 5.75 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.	46,350
County of Sacramento 2018 Certificates of Participation issued on November 28, 2018. 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, 2019 through the fiscal year 2033-34. Payments escalate from \$305 to \$4,755 for Series 2018A and \$360 to \$2,755 for Series 2018B, with an interest rate of 5 percent. The refunding was undertaken to reduce total debt service payments and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$13,507 and a cash flow savings of \$27,400. The deferred outflows on refunding for the 1994/97 Refunding Certificates of Participation, 2003 Public Facilities Projects - ADA Improvements, and 2006 Public Facilities Project amounted to \$446, \$306, and \$292, respectively, and will be amortized through October 1, 2033. The deferred inflows on refunding for the 2007 Certificates of Participation amounted to \$386 and will be amortized through October 1, 2033. 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.	<u>85,890</u>
Total certificates of participation	156,980
Add: Issuance premium	12,741
	<u>\$ 169,721</u>

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Teeter notes:

County of Sacramento, 2014 Teeter Loan Agreement Note, dated December 9, 2014, to purchase the delinquent property taxes receivables as of June 30, 2014, at \$20,996. Annual payments of principal and interest are due on the first business day of August each year, ending in 2019. 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, 2019. Interest payments will be at a variable rate that averaged 2.326 percent in the FY 2018-19 and was 2.484 percent at June 30, 2019.

\$ 1,013

County of Sacramento, 2015 Teeter Loan Agreement Note, dated October 27, 2015, to purchase the delinquent property taxes receivables as of June 30, 2015, at \$19,522. Annual payments of principal and interest are due on the first business day of August each year, ending in 2020. 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 3, 2020. Interest payments will be at a variable rate that averaged 2.326 percent in the FY 2018-19 and was 2.484 percent at June 30, 2019.

1,822

County of Sacramento, 2016 Teeter Loan Agreement Note, dated November 1, 2016, to purchase the delinquent property taxes receivables as of June 30, 2016, at \$17,391. Annual payments of principal and interest are due on the first business day of August each year, ending in 2021. 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 2, 2021. Interest payments will be at a variable rate that averaged 2.326 percent in the FY 2018-19 and was 2.484 percent at June 30, 2019.

2,773

County of Sacramento, 2017 Teeter Loan Agreement Note, dated November 1, 2017, to purchase the delinquent property taxes receivables as of June 30, 2017, at \$18,241. Annual payments of principal and interest are due on the first business day of August each year, ending in 2022. 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, 2022. Interest payments will be at a variable rate that averaged 2.326 percent in the FY 2018-19 and was 2.484 percent at June 30, 2019.

4,887

County of Sacramento, 2018 Teeter Loan Agreement Note, dated December 4, 2018, to purchase the delinquent property taxes receivables as of June 30, 2018, at \$20,372. Annual payments of principal and interest are due on the first business day of August each year, 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 2.326 percent in the FY 2018-19 and was 2.484 percent at June 30, 2019.

10,965

Total Teeter notes \$ 21,460

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Pension obligation bonds:

County of Sacramento Pension Obligation Bonds issued July 22, 1995, \$538,060 of Series 1995 Taxable Pension Funding Bonds to fund the accrued actuarial liability of the County to the SCERS. The issue is composed of \$404,060 of Series 1995A Fixed Rate Bonds, \$67,000 of Series 1995B Variable Rate Bonds, and \$67,000 of Series 1995C Variable Rate Bonds. Principal payments on the fixed rate bonds are due June 30, 2020, through June 30, 2022, escalating from \$29,959 to \$45,379. Rates on the fixed rate bonds range from 6.19 percent to 7.68 percent. On September 22, 2011, the County did a partial advance refunding to defease \$134,000 of the 1995 B & C Pension Funding variable rate bonds.

\$ 112,637

County of Sacramento Pension Obligation Bonds issued July 15, 2003, \$152,321 of Series 2003 A & B Taxable Pension Funding 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 of 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 payments on the Series 2003B bonds are due commencing August 15, 2022, for \$69,014, and August 15, 2023, for \$28,427. The rate on Series 2003B bonds is 5.73 percent.

97,441

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. Principal payments on the Series 2008 bonds are due July 10, 2019 through July 10, 2030, escalating from \$10,650 to \$48,585. 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 Swap.

321,315

County of Sacramento Taxable Pension Obligation Bonds, Series 2011A issued on September 22, 2011. 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 cost of issuance of the Series 2011A Bonds. Principal payments on the 2011 bonds are due commencing on August 1, 2019 through August 1, 2023, payments ranging from \$27,230 to \$58,260 and interest rates ranging from 4.19 percent to 6.42 percent.

145,155

County of Sacramento Taxable Pension Obligation Bonds, Series 2011B issued on October 6, 2011. 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

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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, 2019, on the 1995 and 2003 Pension Obligation Bonds is \$65,732. 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	862,383
Add: Accreted interest	65,732
Less: Issuance discount	<u>(2,198)</u>

\$ 925,917

Revenue Bonds:

On December 1, 2005, the Tobacco Securitization Authority issued \$255,486 of refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$176,080 of bonds and to provide additional funds to be used by the County on selected projects. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The Series 2005 bonds are payable solely from pledged Tobacco Settlement Revenues and interest earnings on amounts on deposit. The Authority issued \$219,685 for the Series 2005A-1 Senior Current Interest Bonds. The first Series A-1 Term Bonds are for \$45,825 with an interest rate of 4.75 percent, final early (Turbo) redemption date of June 1, 2015, with a due date of June 1, 2023. The second Series A-1 Term Bonds are for \$87,290 with an interest rate of 5.375 percent, final Turbo redemption date of June 1, 2024, with a due date of June 1, 2038. The third Series A-1 Term Bonds are for \$86,570 with an interest rate of 5.0 percent, final Turbo redemption date of June 1, 2028, with a due date of June 1, 2045. The Authority issued \$12,468 for the Series 2005A-2 Senior Convertible Bonds with an interest rate of 5.4 percent, final Turbo redemption date of June 1, 2017, with a due date of June 1, 2027. The Authority issued \$11,674 for the Series 2005B First Subordinate Capital Appreciation Bonds with an interest rate of 5.9 percent, final Turbo redemption date of June 1, 2030, with a due date of June 1, 2045. The Authority issued \$11,658 for the Series 2005C Second Subordinate Capital Appreciation Bonds with an interest rate of 6.7 percent, final Turbo redemption date of June 1, 2033, with a due date of June 1, 2045.

\$ 228,981

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Amount
Outstanding at
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The Sacramento County Financing Authority issued three series of Revenue Bonds issued December 23, 2003 for the purpose of allowing the Authority 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 \$50,274, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$14,490 and \$12,500 respectively. Series A - \$33,696 Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,490 in serial bonds, maturing from December 2004 - 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 2020-2030. Series B - \$8,345 Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2011 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.

Sacramento County Financing Authority issued two series of Tax Allocation Revenue Bonds on March 5, 2008 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 distributions from the County's RPTTF. 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 \$79,350, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$2,994 and \$3,012, respectively. Series A - \$24,765 Mather/McClellan (Tax Exempt) Redevelopment Area improvements.

Redevelopment agencies were dissolved as of January 31, 2012. See Note 23 – 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 2003 Series A Capital Appreciation Bonds are callable at par beginning on December 1, 2018. The tax-exempt Series 2008A Bonds are callable at par beginning on December 1, 2018. 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 bases of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points.

	<u>67,971</u>
Total revenue bonds	296,952
Add: Accreted interest	35,910
Less: Issuance discount	<u>(3,441)</u>
	<u>\$ 329,421</u>

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Amount
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Other long-term debt:

Sacramento County Water Agency reimbursement agreements with interest at the net County Treasury Pool Rate to be paid on unpaid balance after County acceptance of project completion, unless paid within 60 days of acceptance and maturities ranging from 30 days to 5 years to be repaid from drainage permit revenues in the Water Agencies Special Revenue Fund.

\$ 17

California Energy Commission loan in the amount of \$1,088, at 3.0 percent interest for energy efficiency projects at Rio Cosumnes Correctional Center. Principal payments ranging from \$44 to \$51 are due December 22 and June 22 of each fiscal year until December 2024.

476

Total other long-term debt

\$ 493

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 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 range from \$6.4 million to \$8.2 million, with the first payment commencing 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, 2019, the outstanding balance is \$87,182.

Long-term debt obligation maturities of 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, 2019.

Fiscal Year ending June 30	Certificates of Participation		Teeter Notes		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 13,160	7,875	6,263	509	70,769	58,135
2021	10,365	7,175	5,250	361	78,829	54,587
2022	10,495	6,644	4,339	237	87,584	50,426
2023	11,035	6,110	3,415	134	86,040	57,515
2024	11,600	5,535	2,193	53	106,887	36,072
2025 - 2029	62,670	18,146			339,584	44,474
2030 - 2034	35,495	4,794			92,690	2,175
2035	2,160	60				
	<u>\$ 156,980</u>	<u>56,339</u>	<u>21,460</u>	<u>1,294</u>	<u>862,383</u>	<u>303,384</u>

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Fiscal Year ending June 30	Revenue Bonds		Other	
	Principal	Interest	Principal	Interest
2020	\$ 5,935	14,557	107	14
2021	6,405	14,425	92	11
2022	7,348	14,411	95	8
2023	7,864	14,075	98	5
2024	7,466	14,527	101	2
2025 - 2029	41,565	62,982		
2030 - 2034	51,400	48,407		
2035 - 2039	68,776	35,079		
2040 - 2044	61,685	47,271		
2045	38,508	250,783		
	<u>\$ 296,952</u>	<u>516,517</u>	<u>493</u>	<u>40</u>

Amount
Outstanding at
June 30, 2019

Business-type Activities:

Revenue, Passenger Facility Charges (PFC) and Subordinated 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 rates on the 2007A bonds range from 3.75 percent to 5.0 percent. The variable interest rates on the 2007B bonds range from 2.239 percent to 2.259 percent at June 30, 2019. 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 2007A bonds are due June 1, 2020 through June 1, 2028 ranging from \$9,375 to \$13,055. 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 Swap.

\$ 332,105

COUNTY OF SACRAMENTO
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Amount
Outstanding at
June 30, 2019

On May 1, 2008, the County issued \$496,195 of Airport System 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. The reacquisition price exceeded the net carrying amount of the old debt by \$15,225. This amount, net of accumulated amortization, is recorded in deferred outflows.

On July 28, 2009, the Airport issued additional bonds in the amount of \$480,050 to continue the financing of the Terminal Modernization Program, Airport System 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 Airport 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 Airport System 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 or 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 Airport System Senior Revenue Refunding Bonds, Series 2016A and \$92,790 of Airport System Subordinate Revenue Refunding Bonds, Series 2016B. The Series 2016A Senior Bonds were issued to advance refund a portion of the outstanding County of Sacramento Airport System Senior Revenue Bonds, Series 2008A and all of the outstanding County of Sacramento Airport System Senior Revenue Bonds, Series 2009A. The Series 2016B Subordinate Bonds were issued to advance refund all of the outstanding County of Sacramento Airport System 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 on refunding amounted to \$18,228 and will be amortized through July 1, 2041.

On May 3, 2018, the County issued \$61,710 of Airport System Senior Revenue Refunding Bonds, Series 2018A, \$118,875 of Airport System Senior Revenue Refunding Bonds, Series 2018B, \$254,925 of Airport System Senior Revenue Refunding Bonds, Series 2018C, \$22,365 of Airport System Subordinate Revenue Refunding Bonds, Series 2018D, \$99,745 of Airport System Subordinate Revenue Refunding Bonds, Series 2018E and \$15,480 of Airport System Subordinate Revenue Refunding Bonds, Series 2018F. 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 amounts on refunding totaled \$10,962 and will be amortized through July 1, 2039.

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Amount
Outstanding at
June 30, 2019

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. Events of defaults are The subordinate obligation shall not be subject to this acceleration if any senior obligations are then outstanding. Junior subordinate obligations shall not be subject to this acceleration if any subordinate or senior obligations are then outstanding.

	<u>638,155</u>
Total Revenue Bonds	970,260
PFC & Subordinated Bonds	230,380
Add: Issuance premiums	<u>108,240</u>
	<u>\$ 1,308,880</u>

Reimbursement agreements:

Sacramento County 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 net revenues of the Sacramento County Water Agency.

\$ 4,421

Water rights – SMUD assignment:

Sacramento County Water Agency Enterprise fund has entered into an agreement with the Sacramento Municipal Utilities District (SMUD) which provides for the assignment of thirty thousand acre feet of SMUD's Central Valley Project water supply to the Water Agency. Under this contract the Water Agency has agreed to pay the federal government certain costs that are allocated to the assigned contract amount. Under the terms of the agreement, the Water Agency will pay the balance over ten years with final payment due October 2021. There are no assets pledged as collateral and no terms specified with respect to default, early termination, or acceleration clauses within these agreements.

\$ 1,921

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Long-term debt obligation maturities of 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, 2019.

<u>Fiscal Year ending June 30</u>	Revenue Bonds and PFC		Reimbursement Agreements	
	<u>Revenue Bonds</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>		
2020	\$ 28,165	52,374	1,422	
2021	32,715	51,126	1,386	
2022	33,890	49,576	323	
2023	35,590	47,854	328	
2024	37,360	46,108	333	
2025 - 2029	223,730	200,457	629	
2030 - 2034	284,300	146,792		
2035 - 2039	343,965	83,247		
2040 - 2042	180,925	13,704		
	<u>\$ 1,200,640</u>	<u>691,238</u>	<u>4,421</u>	

<u>Fiscal Year ending June 30</u>	SMUD Water Rights	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 759	76
2021	759	46
2022	403	26
	<u>\$ 1,921</u>	<u>148</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 fiscal year ending June 30, 2019.

COUNTY OF SACRAMENTO
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Conduit Debt and Non-Exchange Financial Guarantees

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

The County is a member of the River City Regional Stadium Financing Authority. In 1999, 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 Raley Field. 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, 2019, the principal amount of bonds outstanding was \$25,570 and 66 percent of the average annual lease obligation amount is \$2,340. 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, and the County does not anticipate that this will change, as current ticket receipts are projected to be sufficient to continue to meet the lease obligations. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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 Airport or the County or a pledge of the faith and credit of the Airport. The Airport will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2019, the outstanding balance of the debt was \$8,800. The Special Facility Bonds will mature on November 1, 2028.

At June 30, 2019 the County's debt limit for general obligation bonds and legal debt margin was \$2,032,885.

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NOTE 9 - DERIVATIVES - INTEREST RATE SWAP

All three 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 \$99,955 and \$128,965 Water Agency Revenue bonds, Series 2007B Swap, and the regression analysis method for the \$308,950 Taxable Pension Bonds, 2008 C-1 Swap.

Hedging derivative instruments are classified as Level 2 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 (LIBOR). The payments are then discounted using the spot rates (LIBOR) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2019, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year then ended June 30, 2019 financial statements are as follows debit (credit).

		Changes in Fair Value		Fair Value - as of June 30, 2019	
	Notional Amount	Classification	Amount	Classification	2019
Governmental Activities:					
Cash Flow Hedges:					
Series 2004 C-1 / 2008 C-1 Swap					
Pay-fixed interest rate swap	\$ 308,950	Deferred outflow	\$ (15,653)	Debt	\$ (80,729)
		Total Governmental Activities	<u>\$ (15,653)</u>		<u>\$ (80,729)</u>
Business-Type Activities:					
Cash Flow Hedges:					
Series 2007 B Swap					
Pay-fixed interest rate swap	\$ 128,965	Deferred outflow	\$ (8,390)	Debt	\$ (30,532)
Series 2007 B Swap					
Pay-fixed interest rate swap	99,955	Deferred outflow	(9,540)	Debt	(32,649)
		Total Business-Type activities	<u>\$ (17,930)</u>		<u>\$ (63,181)</u>

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NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2019 along with the credit rating of the associated counterparty:

Governmental Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2004 C-1 / 2008 C-1 Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 308,950	7/10/2006	7/10/2030	County pays 5.901% fixed; receives USD LIBOR - BBA adjusted monthly: 2.41163%	A2Moody's A- S&P A+ Fitch

Business-Type Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$ 128,965	5/9/2007	6/1/2034	Water Agency pays fixed 4.193%; receives 67% of USD LIBOR-BBA plus 55 bps	A+ S&P Aa2 Moody's
Series 2007 B Swap 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	A+ S&P Aa2 Moody's

Taxable Pension Funding Bonds Refunding 2008 C-1 Swap:

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. The swap counterparty was rated "A2" by Moody's Investors Services, "A-" by Standard & Poor's and "A+" by Fitch as of June 30, 2019.

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 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 refunded bonds 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 and for the 2030 Term bonds is 1.45 percent.

COUNTY OF SACRAMENTO
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Contingencies:

Should the County 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. As of June 30, 2019, the negative fair value of the swap amounted to \$80,729.

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, 2019 was \$80,729.

Water Agency Revenue Bonds, Series 2007B Swaps:

Credit Risk:

The Sacramento County Water Agency (Water Agency) Enterprise Fund is not exposed to credit risk resulting from a failure of the counterparty to perform because of the swaps' negative fair value. If the swaps had 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 Services and "A+" by Standard & Poor's as of June 30, 2019.

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.

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 thresholds. Conversely, the Water Agency does not have to post collateral unless 1) a rating event occurs (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. As of June 30, 2019, negative fair value of the swaps amounted to \$63,181.

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 are in a liability position, the Water Agency would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

COUNTY OF SACRAMENTO
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Derivative Instrument Payments and Hedged Debt:

Using the rates as of June 30, 2019, debt service requirements of 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:

Fiscal Year ending June 30	2004 C-1 / 2008 C-1 Pension Refunding Bonds			
	Series C-1 Variable-Rate			
	Principal	Interest	Interest Rate Swaps, Net	Net Cash Flows
2020	\$ 10,650	11,553	10,440	32,643
2021	12,025	11,094	10,024	33,143
2022	14,975	10,525	9,511	35,011
2023	17,025	9,874	8,923	35,822
2024	20,200	9,104	8,227	37,531
2025 - 2029	148,725	29,765	26,893	205,383
2030 - 2031	85,350	1,992	1,800	89,142
	<u>\$ 308,950</u>	<u>83,907</u>	<u>75,818</u>	<u>468,675</u>

Business-Type Activities:

Fiscal Year ending June 30	Sacramento County Water Agency Enterprise Fund			
	Series 2007 B Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, Net	Net Cash Flows
2020	\$	4,593	4,980	9,573
2021		4,593	5,034	9,627
2022		4,593	5,034	9,627
2023	1,905	4,593	5,034	11,532
2024	1,985	4,554	5,045	11,584
2025 - 2029	29,930	22,054	24,126	76,110
2030 - 2034	95,145	15,910	17,488	128,543
2035 - 2039	99,955	6,182	6,826	112,963
	<u>\$ 228,920</u>	<u>67,072</u>	<u>73,567</u>	<u>369,559</u>

**COUNTY OF SACRAMENTO
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NOTE 10 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2019, special assessment improvement bonds outstanding for all assessment districts totaled \$181,594. 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 Agency 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, 2019, \$6,975 of authorized bonds remains un-issued. The outstanding balance at June 30, 2019 was \$4,885.

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% to 6.25%. 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, 2019. At June 30, 2019, \$57,235 of authorized bonds remain un-issued. The outstanding balance at June 30, 2019 for the Series 2017 bonds was \$28,905.

The Laguna Creek Ranch/Elliott Ranch Community Facilities District No. 1 (District) has been authorized to issue a total of \$63,500 of Special Tax Bonds for both Improvement Areas No. 1 and No. 2 by Board of Supervisors Resolution No. 90-1497 dated August 28, 1990, with \$37,500 being the authorized bonded indebtedness for Improvement Area No. 1 and \$26,000 being the authorized bonded indebtedness for Improvement Area No. 2. On August 13, 1997, the District issued \$21,415 of 1997 Refunding Bonds for Improvement Area No. 2, the proceeds of which were used to defease the outstanding 1990 Bonds. On December 30, 1997, the District issued \$31,980 of 1997 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1990 Bonds. The defeased 1990 bonds in original aggregate principal amount of \$34,000 for Improvement Area No. 1 and \$24,155 for Improvement Area No 2 are the only bonds that have been issued under such authorization. On January 27, 2011, the District issued \$12,830 of 2011 Refunding Bonds for improvement Area No. 2, the proceeds of which were used to defease the outstanding 1997 Refunding Bonds. On March 3, 2011, the District issued \$17,075 of 2011 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1997 Refunding Bonds. The 2011 Refunding Bonds constitute the entire bonded indebtedness of the District. At June 30, 2019, \$3,500 of authorized Improvement Area No. 1 bonds and \$1,845 of authorized Improvement Area No. 2 bonds remain un-issued. Interest rates for District No. 1 range from 2.0 percent to 5.0 percent, and District No. 2 ranges from 1.5 percent to 5.25 percent. The outstanding balance was at June 30, 2019, for Improvement Area No. 1 was \$4,160 and for Improvement Area No. 2 was \$4,240.

The Metro Air Park Community Facilities District No. 1998-1 (District) has been authorized to issue \$7,250 of Special Tax Bonds. On December 30, 1998 the District issued \$5,310 of Special Tax Bonds with an interest rate of 7.00 percent. These bonds constitute the entire bonded indebtedness as of June 30, 2019. At June 30, 2019, \$1,940 of authorized bonds remains un-issued. The outstanding balance at June 30, 2019, was \$1,285.

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. The Series 2004A and the Series 2007B bonds, a total of \$92,195, constitute the entire bonded indebtedness as of June 30, 2019. At June 30, 2019, \$96,340 of authorized bonds remains un-issued. The outstanding balance at June 30, 2019, for the 2004A bonds was \$48,830 and for the 2007B bonds was \$40,040.

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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, 2017, the District issued \$23,155 of Special Tax Bonds 2017 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 2017 Special Tax Bonds constitute the entire bonded indebtedness of the district. As of June 30, 2019, \$5,840 of authorized bonds remains unissued. The outstanding balance as of June 30, 2019, for the 2017 Special Tax Bonds was \$22,270.

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, 2017, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. The 2017 Special Tax Bonds constitute the entire bonded indebtedness of the District. As of June 30, 2019, \$35,775 of authorized bonds remains unissued. The outstanding balance as of June 30, 2019 for the 2017 Special Tax Bonds was \$14,135.

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, 2019, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2019 was \$549.

Sunrise Recreation and Park District (District) has been authorized to issue \$10,000 of Certificates of Participating bonds. On July 12, 2007, the District issued \$7,435 of Certificates of Participation bonds for a portion of the District's cost of recreation and park construction at or near the Antelope Community Park. The interest rate ranges from 3.95 percent to 4.50 percent. As of June 30, 2019, \$2,565 of authorized bonds remains unissued. The outstanding balance as of June 30, 2019 was \$5,685.

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, 2019, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2019 was \$6,610.

NOTE 11 - PLEDGED REVENUES

The County has pledged a portion of delinquent property tax revenues to repay \$21,460 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on December 9, 2014, October 27, 2015, November 1, 2016, November 1, 2017, and December 4, 2018. 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 \$21,460 and interest of \$1,294 remain on the notes and are payable through August 1, 2023. For the current year, net revenues pledged were equal to the total principal and interest paid of \$20,530 and \$421, 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 Airports through fiscal year 2041. The total principal and interest remaining to be paid on senior bonds is \$1,077,561. Principal and interest paid in the current fiscal year was \$27,208, and the total net revenues were \$87,361. 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 \$389,343. Principal and interest paid for the current year was \$9,088 and the Passenger Facility Charges (PFC) cash generated in fiscal year 2019 was \$24,910. 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.

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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 \$424,974. Principal and interest paid in the current fiscal year was \$24,508, and the total net revenues were \$58,699. 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 have entered into contracts for the construction of certain projects totaling \$46,401 at June 30, 2019.

Airport – The Airport had approximately \$25,235 in outstanding construction contract commitments at June 30, 2019.

Solid Waste Enterprise Fund – Solid Waste entered into equipment and construction agreements totaling \$4,507 at June 30, 2019.

Water Agency Enterprise Fund – The Water Agency has entered into contracts for the construction of certain projects totaling \$528 at June 30, 2019.

NOTE 13 - CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations that place specific requirements on the Solid Waste Fund regarding closure and postclosure maintenance and monitoring functions for the Solid Waste Fund (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 Fund 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, 2019, were \$16,037. The Fund will recognize costs of \$31,395 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2019, the capacity of the Kiefer Landfill used to date was 34 percent and the estimated remaining landfill life is 54 years. As required by applicable laws, management has established a fund for the post-closure Kiefer Landfill, in which \$9,579 is considered restricted at June 30, 2019, with the remaining balance recorded considered designated. 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 these regulations because these sites were not operated after January 1, 1988.

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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 revenues to provide financial assurance for the postclosure maintenance costs of the Elk Grove and Grand Island Landfills.

The Fund reported Elk Grove Landfill postclosure care liabilities at June 30, 2019, as \$966.

The Elk Grove landfill is 100 percent full and the postclosure 30-year liability period runs through June 2024. At June 30, 2019, the reported liabilities represent costs for the remaining 5 years. The portion of the postclosure costs expected to be paid during the next year is \$242.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2019, of \$253. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2019, the reported liabilities represent postclosure costs for the remaining 10 years. The portion of the postclosure costs expected to be paid during the next year is \$28.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2019. Actual costs may be different due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations.

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 the fiscal year ending June 30, 2019, is estimated to be \$24,626.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2019 were as follows:

	July 1, 2018 Beginning	Expense	Payments	June 30, 2019 Ending	Due within One Year
Kiefer	\$ 19,567	(3,530)		16,037	
Elk Grove	1,182	26	(242)	966	242
Grand Island	275	6	(28)	253	28
Kiefer Final Cover	20,047	4,671	(92)	24,626	
	<u>\$ 41,071</u>	<u>1,173</u>	<u>(362)</u>	<u>41,882</u>	<u>270</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 of Sacramento. SCERS also provides retirement benefits to the employee members of the Superior Court of California (County of Sacramento) and eleven 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 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 Board of Retirement serve terms of three years except for the County Director of Finance whose term runs concurrent with the term as Director of Finance.

SCERS is legally and fiscally independent of the County. 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 district 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 provision of California Government Code Section 31664.2. The monthly allowance is equal to 2 percent of the first \$350 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

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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 7522.25(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 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. There is no maximum for members with membership dates on or after January 1, 2013.

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% 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-San Jose 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 of Sacramento and 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. The average employer contribution rate as of June 30, 2018, for FY 2017-18 (based on the June 30, 2017 valuation) was 20.46 percent of compensation.

All members are required to make contributions to SCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the fiscal year ended June 30, 2019 (based on the June 30, 2017 valuation), was 10.14 percent of compensation.

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 California Public Employees' Pension Reform Act of 2013 (CalPEPRA).

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Employee and employer contribution rates for the fiscal year ended June 30, 2019, are as follows:

		Miscellaneous Cost Pool - Contribution Rates				
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Employee		8.78 to 9.72%	7.25 to 8.37%	8.78 to 10.86%	9.80 to 10.27%	9.37%
Employer		10.84 to 11.64%	8.21 to 9.30%	10.95 to 12.82%	10.37 to 10.78%	9.37%

		Safety Cost Pool - Contribution Rates			
		Tier 1	Tier 2	Tier 3	Tier 4
Employee		21.64%	19.50%	18.63%	15.05%
Employer		23.74%	19.61%	18.66%	15.05%

For the fiscal year ended June 30, 2019, the employer contributions to the Retirement Plan 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	\$ 104,515	7,940	112,455	222
County - Safety Tier	96,107	1,051	97,158	
Carmichael Recreation and Park District - Miscellaneous	360		360	
Mission Oaks Recreation and Park District - Miscellaneous	338		338	
Sunrise Recreation and Park District - Miscellaneous	810		810	
Total Employer Contributions	<u>\$ 202,130</u>	<u>8,991</u>	<u>211,121</u>	<u>222</u>

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

As of June 30, 2019, the County of Sacramento 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	\$ 793,183	58,999	852,182	1,821
County - Safety Tier	860,011	9,625	869,636	
Carmichael Recreation and Park District - Miscellaneous	2,718		2,718	
Mission Oaks Recreation and Park District - Miscellaneous	2,893		2,893	
Sunrise Recreation and Park District - Miscellaneous	6,015		6,015	
Total Net Pension Liability	<u>\$ 1,664,820</u>	<u>68,624</u>	<u>1,733,444</u>	<u>1,821</u>

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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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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, 2018 that made contributions in FY 2018-19; 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, 2018, 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, 2017 and 2018, was as follows:

	County	Carmichael	Mission Oaks	Sunrise	Component Unit First 5 Commission
Proportion - June 30, 2017	86.316 %	0.128 %	0.154 %	0.278 %	0.115 %
Proportion - June 30, 2018	87.788 %	0.139 %	0.147 %	0.307 %	0.093 %
Change - Increase (Decrease)	1.472 %	0.011 %	(0.007)%	0.029 %	(0.022)%

For the fiscal year ended June 30, 2019 the County recognized pension expense of \$339,472 and the First 5 Commission of \$344. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources (next page) related to pensions from the following sources:

	Deferred Outflows of Resources							
	Governmental Activities							Component Unit
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-type Activities	Total	First 5 Commission
Differences between actual and expected experience	\$ 16,517	1	1	1	16,520	196	16,716	
Changes in assumptions	398,839	670	713	1,482	401,704	16,816	418,520	449
Changes in proportions	14,233	210	423	1,132	15,998	966	16,964	53
Pension contributions made subsequent to measurement date	200,622	360	338	810	202,130	8,991	211,121	222
Total deferred outflows related to pension	\$ 630,211	1,241	1,475	3,425	636,352	26,969	663,321	724

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Deferred Inflows of Resources								
	Governmental Activities					Business-type Activities	Total	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Differences between actual and expected experience	\$ 40,485	60	64	133	40,742	1,561	42,303	40
Net difference between projected and actual earnings on plan investments	103,578	185	197	409	104,369	4,564	108,933	124
Changes in proportion	18,486	65	57		18,608	1,252	19,860	153
Total deferred inflows related to pensions	<u>\$ 162,549</u>	<u>310</u>	<u>318</u>	<u>542</u>	<u>163,719</u>	<u>7,377</u>	<u>171,096</u>	<u>317</u>

The \$211,121 and \$222 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 ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending						Component Unit First 5 Commission
June 30	County	Carmichael	Mission Oaks	Sunrise	Total	
2020	\$ 71,556	147	211	535	72,449	48
2021	71,556	147	211	535	72,449	48
2022	71,556	147	211	535	72,449	48
2023	62,973	130	186	468	63,757	41
	<u>\$ 277,641</u>	<u>571</u>	<u>819</u>	<u>2,073</u>	<u>281,104</u>	<u>185</u>

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

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	7.00%	7.00%
Inflation	3.00%	3.00%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.50% to 8.25%	5.25% to 10.75%
Assumed post-retirement benefit increase	0% to 3.00%	2% to 3.00%
Post-Retirement Mortality		
a) Service	RP-2014 Healthy Mortality Table projected generationally with the two-dimensional scale MP-2016 set forward one year for males and no age adjustment for females	RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional scale MP-2016 set back four years for males and females.
b) Disability	RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional scale MP-2016 set forward seven years for males and set forward eight years for females	RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional scale MP-2016 set forward four years for males and females
c) Employee Contribution Rate	RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional scale MP-2016 set forward one year for males and no age adjustment for females, weighted 40% male and 60% female projected with Scale BB to 2022 weighted 40% male and 60% female	RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional scale MP-216 set back four years for males and females, weighted 75% male and 25% female
Pre-Retirement Mortality	Based upon the June 30, 2016 Actuarial Experience Study, which can be found on SCERS' website	Based upon the June 30, 2016 Actuarial Experience Study, which can be found on SCERS' website

*Includes inflation at 3.00 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 7.00 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 cost 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2018, are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	17.00 %	5.61 %
U.S. Small Cap Equity	4.00 %	6.37 %
International Developed Equity	16.00 %	6.96 %
Emerging Markets Equity	4.00 %	9.28 %
High Yield Bonds	1.00 %	3.65 %
Bank Loans	1.00 %	2.96 %
Growth Oriented Abs. Return	3.00 %	4.97 %
Private Equity	9.00 %	8.70 %
Private Credit/Private Debt	4.00 %	5.10 %
Core/Core Plus Bonds	10.00 %	1.06 %
Global Bonds	3.00 %	0.07 %
U.S. Treasury	5.00 %	0.16 %
Diversifying Abs. Return	7.00 %	3.04 %
Private Real Estate	7.00 %	4.37 %
Private Assets	7.00 %	7.74 %
Commodities	2.00 %	3.76 %
Total Portfolio	100.00 %	

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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 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:

						Component Unit First 5 Commission
Net Pension Liability	County	Carmichael	Mission Oaks	Sunrise	Total	Commission
1% Decrease (6.00%)	\$3,099,884	4,894	5,208	10,829	3,120,815	3,279
Current Discount Rate (7.00%)	1,721,818	2,718	2,893	6,015	1,733,444	1,821
1% increase (8.00%)	596,152	941	1,002	2,083	600,178	631

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>.

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), which does not issue a publicly available report. In December 2016 and September 2017, the Board of Supervisors approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2017 and 2018, 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 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, 2021. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership and will remain in place until eliminated through the 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 on the following page:

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<u>Service at Retirement</u>	<u>Amount of Subsidy/Offset for Bargaining Unit 003 - Law Enforcement, Non-Supervisory (amounts in dollars)</u>
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 paid in FY 2018-19 totaled \$6,904 for the County and \$8 for the First 5 Commission.

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

Active employees	11,101
Inactive employees receiving benefits	5,923
Inactive employees entitled to but not yet receiving	5,636
Total	<u>22,660</u>

OPEB Liability:

The County's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017. A summary of principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions - The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

<u>Actuarial Assumption</u>	<u>June 30, 2018 Measurement Date</u>
Valuation Date	June 30, 2017
Discount Rate	3.87% using the Bond Buyer 20-Bond GO Index
Inflation	2.75 per annum
Mortality Rate	SCERS 2013-2016 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generation with Scale MP-2017
Medical Trend	7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years

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Changes in the total OPEB liability for the HC Plan measured as of June 30, 2018 are as follows:

	Governmental Activities						Component Unit First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-Type Activities	Total
Balance at June 30, 2018	\$ 159,977	156	102	143	160,378	8,736	169,114
Changes recognized for the measurement period							
Service cost	11,511	11	11	28	11,561	676	12,237
Interest on the total OPEB liability	6,052	6	4	6	6,068	326	6,394
Changes of assumptions	(4,314)	(3)	(1)	(3)	(4,321)	(196)	(4,517)
Changes in proportion	408				408	(145)	263
Benefit payments	(5,722)	(7)	(9)	(3)	(5,741)	(328)	(6,069)
Net changes	7,935	7	5	28	7,975	333	8,308
Balance at June 30, 2019	\$ 167,912	163	107	171	168,353	9,069	177,422

Sensitivity of the Total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the County 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, 2018.

Total OPEB Liability	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
1% decrease (2.87%)	\$ 193,142	172	111	182	193,607	196
Current discount rate (3.87%)	\$ 176,981	163	107	171	177,422	182
1% increase (4.87%)	\$ 162,448	154	102	160	162,864	169

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, 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.

	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
1% Decrease (6.5% decreasing to 3.0% in 2076)	\$ 159,784	147	98	151	160,180	161
Current rate (7.5% decreasing to 4.0% in 2076)	\$ 176,981	163	107	171	177,422	182
1% increasing (8.5% decreasing to 5.0% in 2076)	\$ 197,172	181	117	195	197,665	207

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

For the fiscal year ended June 30, 2019, the County recognized OPEB expense of \$16,433 and the First 5 Commission recognized OPEB expense of \$18. As of June 30, 2019, 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-		Component
	County	Carmichael	Mission Oaks	Sunrise	Total	type Activities	Unit First 5 Commission
Changes in proportion	\$ 4,961				4,961	10	
Benefits provided subsequent to the measurement date	6,514	10	3	8	6,535	369	8
Total	<u>\$ 11,475</u>	<u>10</u>	<u>3</u>	<u>8</u>	<u>11,496</u>	<u>379</u>	<u>8</u>

Deferred Inflows of Resources

	Governmental Activities				Business-		Component
	County	Carmichael	Mission Oaks	Sunrise	Total	type Activities	Unit First 5 Commission
Changes of assumptions	\$ 13,088	9	5	4	13,106	602	12
Changes in proportion	4,599				4,599	139	4
Total	<u>\$ 17,687</u>	<u>9</u>	<u>5</u>	<u>4</u>	<u>17,705</u>	<u>741</u>	<u>16</u>

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The \$6,904 and \$8 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 ended June 30, 2019. 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 Ended June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2020	\$ (2,194)	(1)	(1)	(1)	(2,197)	(3)
2021	(2,194)	(1)	(1)	(1)	(2,197)	(3)
2022	(2,194)	(1)	(1)	(1)	(2,197)	(3)
2023	(2,194)	(1)	(1)	(1)	(2,197)	(3)
2024	(2,194)	(2)	(1)		(2,197)	(3)
2025 - 2026	(2,487)	(3)			(2,490)	(1)
Total	<u>\$ (13,457)</u>	<u>(9)</u>	<u>(5)</u>	<u>(4)</u>	<u>(13,475)</u>	<u>(16)</u>

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NOTE 16 - SELF-INSURANCE

The County self-insures for property damage, general liability, workers' compensation, 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 recognized 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 based 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 fiscal years, no instances or settlements exceeded insurance coverage.

Reconciliation of Claims Liabilities

	Liability/Property		Worker's Compensation		Unemployment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 12,683	11,873	24,818	24,336	175	189	37,676	36,398
Noncurrent	37,454	30,188	159,564	156,895			197,018	187,083
Total beginning balance, July 1	50,137	42,061	184,382	181,231	175	189	234,694	223,481
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	10,873	11,624	22,574	20,375	1,096	1,163	34,543	33,162
Increase in provision for insured events of prior fiscal years	11,491	17,853	11,606	7,377			23,097	25,230
Total incurred claims and claim adjustment expenses	22,364	29,477	34,180	27,752	1,096	1,163	57,640	58,392
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	539	802	2,919	2,532	902	988	4,360	4,322
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	24,762	20,599	22,912	22,069	175	189	47,849	42,857
Total payments	25,301	21,401	25,831	24,601	1,077	1,177	52,209	47,179
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	\$ 47,200	50,137	192,731	184,382	194	175	240,125	234,694
Current portion of unpaid claims and claim adjustments	\$ 12,105	12,683	26,412	24,818	194	175	38,711	37,676
Noncurrent portion of unpaid claims and claim adjustments	35,095	37,454	166,319	159,564			201,414	197,018
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	\$ 47,200	50,137	192,731	184,382	194	175	240,125	234,694

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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	1,200,000 *	50 (100 if in Zone A)	Each occurrence
Earthquake (EQ)	25,000 *	2 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	13,000	10	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	25,000	None	Not applicable
Hull (Physical Damage)	8,671	Various	Helicopters - 1 percent of Aircraft Value Airplanes - Nil Deductible
Cyber Liability	5,000	100	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 is covered for Terrorism Coverage subject to a \$750 million occurrence and annual aggregate limit. Effective March 31, 2008, EQ is capped at \$25 million. Effective March 31, 2019, 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, 2019, Flood total is at \$1.2 billion (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, Employers' Liability (Excess) limit 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. Restricted net position as of June 30, 2019, are as follows:

	Governmental Activities	Business-type Activities	Total
Bond reserves	\$	53,816	53,816
Landfill closure		9,579	9,579
Kiefer Wetlands Preserve		1,031	1,031
Debt service	79,225	23,158	102,383
Capital projects	96,696	861	97,557
Passenger facility charges		37,791	37,791
Customer facility charges		1,118	1,118
Public protection	73,086		73,086
Public assistance	38,742		38,742
Health and sanitation programs	244,992		244,992
Transportation	59,937	1,045	60,982
Lighting and landscape maintenance	4,141		4,141
Economic development	57,691		57,691
Environmental management	13,806		13,806
Other	11,230		11,230
Endowments:			
Expendable		2,029	2,029
Nonexpendable		173	173
Total	<u>\$ 679,546</u>	<u>130,601</u>	<u>810,147</u>

Net position restricted by enabling legislation are comprised of \$37,791 (FAA approved passenger facility charges) and \$4,141 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2019.

Restricted Net Position includes:

- *Bond reserves* - funds that are restricted due to being held to meet bond reserve requirements for the Airport and Water Agency.
- *Landfill closure* - resources legally restricted to finance closure 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.

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- *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) or 2) Transportation Systems at the Airport
- *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 programs:
- *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.
 - *Stormwater Utilities* - 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.
 - *Tobacco* - proceeds from the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
 - *Tobacco Securitization Authority* - reports the activities related to the County securitizing its portion of the nation-wide Tobacco Settlement Agreement.
 - *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.
- *Environmental management* - provide mandated regulatory services that protect public health and the environment and funded through client fees, revenue from contracts, and other outside revenue sources.
- *Other* - includes programs related to recreation and culture, and education.
- *Endowments* - 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 and assigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2019, is as follows:

	Major	Nonmajor Governmental Funds			
	General Fund	Special Revenue	Debt Service	Capital Project	Total
Nonspendable:					
Inventory	\$ 1,358				1,358
Long-term receivables	6,380				6,380
Prepaid items	3,881				3,881
Teeter Plan delinquencies	891				891
Teeter Plan tax loss	5,809				5,809
Total nonspendable:	<u>18,319</u>				<u>18,319</u>
Restricted for:					
Public protection:					
Law Enforcement	17,678	7,646			25,324
Clerk Recorder	26,728				26,728
Community Development		10			10
Protection and Inspection		20,603			20,603
Fire Protection		421			421
Health and sanitation:					
Stormwater utility		23,961			23,961
Mental Health Services	160,682				160,682
Realignment	5,353				5,353
Solid Waste Authority		3,718			3,718
Tobacco Securitization Authority		503			503
Water Agencies		49,830			49,830
In-Home Support Services		945			945
Public assistance	38,742				38,742
Public ways and facilities		52,798		7,139	59,937
Recreation and culture	3,262	7,824			11,086
Education		144			144
Capital projects				96,696	96,696
Economic development		57,691			57,691
Lighting and landscape		4,141			4,141
Environmental management		13,806			13,806
Debt service	8,624		70,601		79,225
Total restricted	<u>261,069</u>	<u>244,041</u>	<u>70,601</u>	<u>103,835</u>	<u>679,546</u>
Assigned for:					
Future litigation settlement costs	5,134				5,134
Technology upgrades	325				325
Projected budgetary deficit	69,844				69,844
Total assigned	<u>75,303</u>				<u>75,303</u>
Total	<u>\$ 354,691</u>	<u>244,041</u>	<u>70,601</u>	<u>103,835</u>	<u>773,168</u>

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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 have timely appealed to the U.S. Court of Appeals for the Ninth Circuit and the two appeals have been consolidated. The appeal is fully briefed and the parties are awaiting the setting of Oral Argument, which will occur the first quarter of 2020. Enforcement of the judgment is presently stayed and the County has posted a judgment bond as required by the Court. The County believes there are favorable arguments for reversing the judgment. The Ninth Circuit is not likely to issue its decision in calendar year 2020.

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 continue 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 parties anticipate the court will approve the settlement agreed to in December 2019. Final judgment on this matter is expected in early calendar year 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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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 market 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 market 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 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 market value, their factored base year value, or their restricted income value. No other commitments were made by the County as part of those agreements.

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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 on their land. The Assessor's Office does not create urban agriculture incentive zones or implementing 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.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During FY 2018-19</u>
Land Conservation Act (Williamson Act)	\$ 946

NOTE 21 - FUTURE GASB PRONOUNCEMENTS

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

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

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The County has not determined the effect, if any, on the financial statements.

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2020. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The County has not determined the effect, if any, on the financial statements.

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NOTE 22 - SUBSEQUENT EVENTS

Teeter Plan

On November 19, 2019, the County issued its 2019 Teeter Note and purchased under the Teeter Plan the delinquent secured property tax receivables at June 30, 2019, in the amount of \$20,639 from the local taxing entities and selected special assessment districts in Sacramento County. The financing of this purchase was accomplished by a five-year legal, secured medium-term note obligations of the County that was purchased by the Treasurer's Pool. The terms of the note include the pooled investment fund rate of interest commencing on the effective date of the note. Such payments may be made more frequently, but not more often than quarterly. The note matures August 1, 2024. Note 1 (Property Taxes) and Note 8 further describe the Teeter issues.

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 of Supervisors 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 2019-20 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 \$1.715 billion in estimated revenues approved in the County's FY 2019-20 Preliminary Budget. The County's final FY 2019-20 Budget was approved in September 2019 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$1.721 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

Water Revenue Refunding Bonds

On October 31, 2019, the Sacramento County Water Financing Authority issued \$88,270 of Water Agency Revenue Bonds, for the Sacramento County Water Agency Zones 40 and 41 2019 Refunding Project Series. The bonds were issued to refund in full the outstanding 2007A Sacramento County Water Agency Zones 40 and 41 2007 Water System Project Revenue Bonds, which had an outstanding principal amount of \$103,185 as of June 30, 2019.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

NOTE 23 - 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 who 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 Redevelopment Agency'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 "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 12th 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, 2019, the RASA owes the Sacramento County Public Financing Authority \$59,645.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST TEN YEARS^A
(amounts expressed in thousands)

Retirement Plan - Schedule of Proportionate Share of the Net Pension Liability

County	2019	2018	2017	2016	2015 ^A
Proportion of the net pension liability	87.788 %	86.316 %	86.792 %	89.005 %	89.865 %
Proportionate share of the net pension liability	\$ 1,721,818	\$ 1,838,027	\$ 1,538,375	\$ 1,023,390	\$ 692,793
Covered payroll ^B	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978	\$ 731,874
Proportionate share of the net pension liability as a percentage of its covered payroll	204.17 %	223.50 %	196.98 %	137.19 %	94.66 %
Plan fiduciary net position as a percentage of the total pension liability	82.51 %	80.37 %	81.40 %	87.26 %	91.02 %
Carmichael					
Proportion of the net pension liability	0.139 %	0.128 %	0.140 %	0.119 %	0.102 %
Proportionate share of the net pension liability	\$ 2,718	\$ 2,687	\$ 2,457	\$ 1,373	\$ 787
Covered payroll ^B	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096	\$ 1,040
Proportionate share of the net pension liability as a percentage of its covered payroll	237.81 %	258.59 %	215.94 %	125.27 %	75.67 %
Plan fiduciary net position as a percentage of the total pension liability	82.51 %	80.37 %	81.40 %	87.26 %	91.02 %
Mission Oaks					
Proportion of the net pension liability	0.147 %	0.154 %	0.100 %	0.095 %	0.083 %
Proportionate share of the net pension liability	\$ 2,893	\$ 3,224	\$ 1,752	\$ 1,090	\$ 643
Covered payroll ^B	\$ 1,148	\$ 1,037	\$ 782	\$ 851	\$ 826
Proportionate share of the net pension liability as a percentage of its covered payroll	252.07 %	28.90 %	224.02 %	77.86 %	77.85 %
Plan fiduciary net position as a percentage of the total pension liability	82.51 %	80.37 %	81.40 %	87.26 %	91.02 %
Sunrise					
Proportion of the net pension liability	0.307 %	0.278 %	0.189 %	0.169 %	0.142 %
Proportionate share of the net pension liability	\$ 6,015	\$ 5,833	\$ 3,321	\$ 1,939	\$ 1,046
Covered payroll ^B	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521	\$ 1,092
Proportionate share of the net pension liability as a percentage of its covered payroll	235.12 %	256.04 %	222.17 %	127.48 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	82.51 %	80.37 %	81.40 %	87.26 %	91.02 %
Component Unit First 5 Commission					
Proportion of the net pension liability	0.093 %	0.115 %	0.114 %	0.099 %	0.096 %
Proportionate share of the net pension liability	\$ 1,821	\$ 2,226	\$ 1,846	\$ 1,059	\$ 693
Covered payroll ^B	\$ 1,316	\$ 1,423	\$ 1,313	\$ 1,177	\$ 1,262
Proportionate share of the net pension liability as a percentage of its covered payroll	138.38 %	173.40 %	140.59 %	89.97 %	54.92 %
Plan fiduciary net position as a percentage of the total pension liability	82.51 %	80.37 %	81.40 %	87.26 %	91.02 %
Measurement Date	6/30/2018	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%.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST TEN YEARS^A
(amounts expressed in thousands)

Retirement Plan - Schedule of Contributions

<u>County</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015^A</u>
Contractually required contribution	\$ 209,613	\$ 172,257	\$ 174,767	\$ 180,678	\$ 191,907
Contributions in relation to the contractually required contribution	(209,613)	(172,257)	(174,767)	(180,678)	(191,907)
Covered payroll ^B	\$ 874,552	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978
Contributions as a percentage of covered payroll	23.97 %	20.43 %	21.41 %	23.13 %	25.73 %
 <u>Carmichael</u>					
Contractually required contribution	\$ 360	\$ 296	\$ 274	\$ 309	\$ 325
Contributions in relation to the contractually required contribution	(360)	(296)	(274)	(309)	(325)
Covered payroll ^B	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Contributions as a percentage of covered payroll	29.06 %	25.90 %	23.00 %	27.15 %	29.65 %
 <u>Mission Oaks</u>					
Contractually required contribution	\$ 338	\$ 315	\$ 1,007	\$ 221	\$ 258
Contributions in relation to the contractually required contribution	(338)	(315)	(1,007)	(221)	(258)
Covered payroll ^B	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Contributions as a percentage of covered payroll	30.70 %	27.44 %	97.11 %	28.26 %	30.32 %
 <u>Sunrise</u>					
Contractually required contribution	\$ 810	\$ 655	\$ 597	\$ 419	\$ 459
Contributions in relation to the contractually required contribution	(810)	(655)	(597)	(419)	(459)
Covered payroll ^B	\$ 2,839	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521
Contributions as a percentage of covered payroll	28.53 %	25.61 %	31.24 %	28.03 %	30.18 %
 <u>Component Unit First 5 Commission</u>					
Contractually required contribution	\$ 222	\$ 198	\$ 228	\$ 233	\$ 251
Contributions in relation to the contractually required contribution	(222)	(198)	(228)	(233)	(251)
Covered payroll ^B	\$ 1,245	\$ 1,316	\$ 1,423	\$ 1,313	\$ 1,177
Contributions as a percentage of covered payroll	17.83 %	15.05 %	16.02 %	17.75 %	21.33 %

Notes to Schedule:

A) FY 2014-15 was the first year of implementation.

B) Covered payroll represents pensionable compensation for the current fiscal year.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST TEN YEARS^A
(amounts expressed in thousands)

Page 1 of 2

OPEB - Schedule of Changes in the Total OPEB Liability and Related Ratios

County	2019	2018 ^A
Service cost	\$ 12,187	12,977
Interest on the total OPEB liability	6,378	5,122
Changes in assumptions	(4,510)	(13,042)
Changes in proportion	263	
Benefit payments	(6,050)	(6,051)
Net change in total OPEB liability	8,268	(994)
Total OPEB liability - beginning	168,713	169,707
Total OPEB Liability - ending	<u>\$ 176,981</u>	<u>168,713</u>
Covered employee payroll	\$ 765,327	818,852
Total OPEB liability as a percentage of covered payroll	23 %	21 %

Carmichael	2019	2018 ^A
Service cost	\$ 11	12
Interest on the total OPEB liability	6	4
Changes in assumptions	(3)	(8)
Benefit payments	(7)	(5)
Net change in total OPEB liability	7	3
Total OPEB liability - beginning	156	153
Total OPEB Liability - ending	<u>\$ 163</u>	<u>156</u>
Covered employee payroll	\$ 1,050	1,039
Total OPEB liability as a percentage of covered payroll	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^A
(amounts expressed in thousands)

Page 2 of 2

Mission Oaks	2019	2018 ^A
Service cost	\$ 11	12
Interest on the total OPEB liability	4	3
Changes in assumptions	(1)	(6)
Benefit payments	(9)	(7)
Net change in total OPEB liability	5	2
Total OPEB liability - beginning	102	100
Total OPEB Liability - ending	<u>\$ 107</u>	<u>102</u>
Covered employee payroll	\$ 845	1,116
Total OPEB liability as a percentage of covered payroll	13 %	9 %

Sunrise	2019	2018 ^A
Service cost	\$ 28	29
Interest on the total OPEB liability	6	4
Changes in assumptions	(3)	(2)
Benefit payments	(3)	(7)
Net change in total OPEB liability	28	24
Total OPEB liability - beginning	143	119
Total OPEB Liability - ending	<u>\$ 171</u>	<u>143</u>
Covered employee payroll	\$ 1,580	2,278
Total OPEB liability as a percentage of covered payroll	11 %	6 %

Component Unit First 5 Commission	2019	2018 ^A
Service cost	\$ 13	\$ 15
Interest on the total OPEB liability	7	5
Changes in assumptions	(4)	(12)
Change in proportion	(5)	
Benefit payments	(7)	(6)
Net change in total OPEB liability	4	2
Total OPEB liability - beginning	178	176
Total OPEB Liability - ending	<u>\$ 182</u>	<u>178</u>
Covered employee payroll	\$ 933	1,284
Total OPEB liability as a percentage of covered payroll	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.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Assets:				
Cash and investments	\$ 247,179	48,639	107,390	403,208
Receivables, net of allowance for uncollectibles:				
Billed	16,284		178	16,462
Interest	3,048	525	808	4,381
Intergovernmental	5,097		240	5,337
Long-term advances to other funds	240			240
Loan receivable from County Successor Agency		59,645		59,645
Loan receivable from City Successor Agency		5,695		5,695
Long-term receivables	175	21,460	643	22,278
Total assets	<u>\$ 272,023</u>	<u>135,964</u>	<u>109,259</u>	<u>517,246</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Warrants payable	\$ 1,696		89	1,785
Accrued liabilities	15,324	23	966	16,313
Intergovernmental payable	5,998		3,720	9,718
Due to other funds	470			470
Unearned revenue	1,030		643	1,673
Total liabilities	<u>24,518</u>	<u>23</u>	<u>5,418</u>	<u>29,959</u>
Deferred inflows of resources:				
Unavailable revenue	<u>3,464</u>	<u>65,340</u>	<u>6</u>	<u>68,810</u>
Fund balances:				
Restricted	<u>244,041</u>	<u>70,601</u>	<u>103,835</u>	<u>418,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 272,023</u>	<u>135,964</u>	<u>109,259</u>	<u>517,246</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ 40,986			40,986
Use of money and property	10,868	3,894	3,125	17,887
Licenses and permits	51,878			51,878
Intergovernmental	78,132	13,695	1,816	93,643
Charges for sales and services	140,889		4,613	145,502
Fines, forfeitures and penalties	138	9,425	2,473	12,036
Pledged tobacco settlement	14,555			14,555
Contributions from property owners			6,037	6,037
Miscellaneous	27,154		26,027	53,181
Total revenues	364,600	27,014	44,091	435,705
Expenditures:				
Current:				
General government	68,881			68,881
Public protection	68,683			68,683
Health and sanitation	38,364			38,364
Public ways and facilities	137,929		362	138,291
Recreation and culture	17,125			17,125
Education	978			978
Capital outlay	84		37,112	37,196
Debt service:				
Principal		111,160		111,160
Bond issuance costs		275		275
Interest and fiscal charges		93,778		93,778
Total expenditures	332,044	205,213	37,474	574,731
Excess (deficiency) of revenues over (under) expenditures	32,556	(178,199)	6,617	(139,026)
Other financing sources (uses):				
Transfers in	3,162	167,465	252	170,879
Transfers out	(29,259)	(14,323)	(403)	(43,985)
Issuance of long-term debt		20,372		20,372
Refunding debt issued		89,125		89,125
Premium on debt issued		11,659		11,659
Payment to refunded bonds escrow agent		(113,411)		(113,411)
Total other financing sources (uses)	(26,097)	160,887	(151)	134,639
Changes in fund balances	6,459	(17,312)	6,466	(4,387)
Fund balances - beginning	237,582	87,913	97,369	422,864
Fund balances - ending	\$ 244,041	70,601	103,835	418,477

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

SPECIAL REVENUE FUNDS

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.

Sacramento Regional Solid Waste Authority (SWA) - The SWA is an autonomous governmental organization or Joint Powers Authority (JPA) formed in December 1992, funded by franchise fees and governed by a Board of Directors consisting of elected officials from the County and the member cities. SWA regulates commercial solid waste collection by franchised haulers through ordinances.

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 the 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.

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. Proposition 218 prohibits property-related fees from exceeding cost of service provided and revenues from the fee shall not be used for any purpose other than that for which the fee was imposed.

Inmate Welfare - Accounts for revenues and expenditures used for the benefit, education, and welfare of inmates.

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.

SPECIAL REVENUE FUNDS

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, license, registration, fees and penalties.

Other - Accounts for miscellaneous Special Revenue Funds of the County.

Fish and Game Propagation - Used to account 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 accord 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) - Used to provide 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, 2019
(amounts expressed in thousands)

Page 1 of 3

	Road	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection	Fixed Asset Revolving
Assets:						
Cash and investments	\$ 33,083	4,987	144	6,067	21,026	
Receivables, net of allowance for uncollectibles:						
Billed	7,941			2,874	775	
Interest	300	57		85	255	
Intergovernmental	2,230			126		
Long-term advances to other funds						
Long-term receivables						
Total assets	<u>\$ 43,554</u>	<u>5,044</u>	<u>144</u>	<u>9,152</u>	<u>22,056</u>	
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Warrants payable	\$ 351			10	115	
Accrued liabilities	6,294	463		1,204	709	
Intergovernmental payable		308		1,092	629	
Due to other funds						
Unearned revenue	300	555				
Total liabilities	<u>6,945</u>	<u>1,326</u>		<u>2,306</u>	<u>1,453</u>	
Deferred inflows of resources:						
Unavailable revenue	<u>2,206</u>			<u>252</u>		
Fund balances:						
Restricted	34,403	3,718	144	6,594	20,603	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,554</u>	<u>5,044</u>	<u>144</u>	<u>9,152</u>	<u>22,056</u>	

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program	Inmate Welfare
Assets:					
Cash and investments	\$ 3,455	9,498	49,521	22,197	9,788
Receivables, net of allowance for uncollectibles:					
Billed	30	521	62	2,252	
Interest	41	80	621	233	129
Intergovernmental		257	34		
Long-term advances to other funds					
Long-term receivables			16		
Total assets	<u>\$ 3,526</u>	<u>10,356</u>	<u>50,254</u>	<u>24,682</u>	<u>9,917</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$ 5	176		496	479
Accrued liabilities	37	633	396	162	169
Intergovernmental payable		1,487	12	63	1,623
Due to other funds					
Unearned revenue			16		
Total liabilities	<u>42</u>	<u>2,296</u>	<u>424</u>	<u>721</u>	<u>2,271</u>
Deferred inflows of resources:					
Unavailable revenue		257			
Fund balances:					
Restricted	3,484	7,803	49,830	23,961	7,646
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,526</u>	<u>10,356</u>	<u>50,254</u>	<u>24,682</u>	<u>9,917</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management	Other	Total
Assets:						
Cash and investments	\$ 57,983	10,921	514	12,855	5,140	247,179
Receivables, net of allowance for uncollectibles:						
Billed	626			132	1,071	16,284
Interest	903	159		131	54	3,048
Intergovernmental				2,450		5,097
Long-term advances to other funds	240					240
Long-term receivables		159				175
Total assets	<u>\$ 59,752</u>	<u>11,239</u>	<u>514</u>	<u>15,568</u>	<u>6,265</u>	<u>272,023</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Warrants payable	\$ 2	21		39	2	1,696
Accrued liabilities	1,403		11	956	2,887	15,324
Intergovernmental payable	656			18	110	5,998
Due to other funds					470	470
Unearned revenue		159				1,030
Total liabilities	<u>2,061</u>	<u>180</u>	<u>11</u>	<u>1,013</u>	<u>3,469</u>	<u>24,518</u>
Deferred inflows of resources:						
Unavailable revenue				749		3,464
Fund balances:						
Restricted	57,691	11,059	503	13,806	2,796	244,041
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 59,752</u>	<u>11,239</u>	<u>514</u>	<u>15,568</u>	<u>6,265</u>	<u>272,023</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, 2019
(amounts expressed in thousands)

Page 1 of 3

	Road	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection	Fixed Asset Revolving
Revenues:						
Taxes	\$ 719			20,586		
Use of money and property	962	135	1	218	413	
Licenses and permits	1,391	6,179			16,740	
Intergovernmental	64,219			4,036	46	
Charges for sales and services	53,022				41,786	8,695
Fines, forfeitures and penalties	4	20			99	
Pledged tobacco settlement						
Miscellaneous	1,639		1,041	871	314	
Total revenues	<u>121,956</u>	<u>6,334</u>	<u>1,042</u>	<u>25,711</u>	<u>59,398</u>	<u>8,695</u>
Expenditures:						
Current:						
General government						
Public protection					57,144	
Health and sanitation		4,795				
Public ways and facilities	106,968			26,557		
Recreation and culture						
Education			978			
Capital outlay						84
Total expenditures	<u>106,968</u>	<u>4,795</u>	<u>978</u>	<u>26,557</u>	<u>57,144</u>	<u>84</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,988</u>	<u>1,539</u>	<u>64</u>	<u>(846)</u>	<u>2,254</u>	<u>8,611</u>
Other financing sources (uses):						
Transfers in	2,473					
Transfers out	(2,087)				(1,948)	(8,611)
Total other financing sources (uses)	<u>386</u>				<u>(1,948)</u>	<u>(8,611)</u>
Changes in fund balances	15,374	1,539	64	(846)	306	
Fund balances - beginning	19,029	2,179	80	7,440	20,297	
Fund balances - ending	<u>\$ 34,403</u>	<u>3,718</u>	<u>144</u>	<u>6,594</u>	<u>20,603</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, 2019
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program	Inmate Welfare
Revenues:					
Taxes	\$ 505	9,931		6,479	\$
Use of money and property	115	2,241	1,548	583	1,291
Licenses and permits			5,907		
Intergovernmental	6	442	691	510	
Charges for sales and services	2,601	5,004	4,340	22,763	
Fines, forfeitures and penalties				1	
Pledged tobacco settlement					
Miscellaneous	443	1,401	586	149	13,057
Total revenues	<u>3,670</u>	<u>19,019</u>	<u>13,072</u>	<u>30,485</u>	<u>14,348</u>
Expenditures:					
Current:					
General government	3,686			29,638	
Public protection					6,702
Health and sanitation			12,214		
Public ways and facilities					
Recreation and culture		17,111			
Education					
Capital outlay					
Total expenditures	<u>3,686</u>	<u>17,111</u>	<u>12,214</u>	<u>29,638</u>	<u>6,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16)</u>	<u>1,908</u>	<u>858</u>	<u>847</u>	<u>7,646</u>
Other financing sources (uses):					
Transfers in			211	145	
Transfers out				(1,067)	
Total other financing sources (uses)			<u>211</u>	<u>(922)</u>	
Changes in fund balances	(16)	1,908	1,069	(75)	7,646
Fund balances - beginning	3,500	5,895	48,761	24,036	
Fund balances - ending	<u>\$ 3,484</u>	<u>7,803</u>	<u>49,830</u>	<u>23,961</u>	<u>\$ 7,646</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, 2019
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management	Other	Total
Revenues:						
Taxes	\$				2,766	40,986
Use of money and property	2,322	362	11	549	117	10,868
Licenses and permits	58	4,969		14,943	1,691	51,878
Intergovernmental	4,584	80		2,421	1,097	78,132
Charges for sales and services	1,432			863	383	140,889
Fines, forfeitures and penalties					14	138
Pledged tobacco settlement			14,555			14,555
Miscellaneous	4,519	348		2,451	335	27,154
Total revenues	<u>12,915</u>	<u>5,759</u>	<u>14,566</u>	<u>21,227</u>	<u>6,403</u>	<u>364,600</u>
Expenditures:						
Current:						
General government	35,381				176	68,881
Public protection					4,837	68,683
Health and sanitation			170	20,114	1,071	38,364
Public ways and facilities		4,386			18	137,929
Recreation and culture					14	17,125
Education						978
Capital outlay						84
Total expenditures	<u>35,381</u>	<u>4,386</u>	<u>170</u>	<u>20,114</u>	<u>6,116</u>	<u>332,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,466)</u>	<u>1,373</u>	<u>14,396</u>	<u>1,113</u>	<u>287</u>	<u>32,556</u>
Other financing sources (uses):						
Transfers in	333					3,162
Transfers out	(156)		(14,383)	(1,007)		(29,259)
Total other financing sources (uses)	<u>177</u>		<u>(14,383)</u>	<u>(1,007)</u>		<u>(26,097)</u>
Changes in fund balances	(22,289)	1,373	13	106	287	6,459
Fund balances - beginning	79,980	9,686	490	13,700	2,509	237,582
Fund balances - ending	<u>\$ 57,691</u>	<u>11,059</u>	<u>503</u>	<u>13,806</u>	<u>2,796</u>	<u>244,041</u>

**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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 813	846	719	(127)
Use of money and property	437	437	962	525
Licenses and permits	1,637	1,637	1,391	(246)
Intergovernmental	81,028	77,712	64,219	(13,493)
Charges for sales and services	54,771	54,771	53,022	(1,749)
Fines, forfeitures and penalties	2	2	4	2
Miscellaneous	1,565	2,144	1,639	(505)
Total revenues	<u>140,253</u>	<u>137,549</u>	<u>121,956</u>	<u>(15,593)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>138,665</u>	<u>136,290</u>	<u>106,968</u>	<u>29,322</u>
Excess of revenues over expenditures	<u>1,588</u>	<u>1,259</u>	<u>14,988</u>	<u>13,729</u>
Other financing sources (uses):				
Transfers in	2,473	2,473	2,473	
Transfers out	<u>(2,087)</u>	<u>(2,087)</u>	<u>(2,087)</u>	
Total other financing sources (uses)	<u>386</u>	<u>386</u>	<u>386</u>	
Changes in fund balance	1,974	1,645	15,374	13,729
Fund balance - beginning	<u>19,029</u>	<u>19,029</u>	<u>19,029</u>	
Fund balance - ending	<u>\$ 21,003</u>	<u>20,674</u>	<u>34,403</u>	<u>13,729</u>

COUNTY OF SACRAMENTO
SACRAMENTO REGIONAL SOLID WASTE AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 10	10	135	125
Licenses and permits	5,700	5,700	6,179	479
Fines, forfeitures and penalties	15	15	20	5
Total revenues	<u>5,725</u>	<u>5,725</u>	<u>6,334</u>	<u>609</u>
Expenditures:				
Current:				
Health and sanitation	<u>5,725</u>	<u>6,288</u>	<u>4,795</u>	<u>1,493</u>
Changes in fund balance		(563)	1,539	2,102
Fund balance - beginning	<u>2,179</u>	<u>2,179</u>	<u>2,179</u>	
Fund balance - ending	<u>\$ 2,179</u>	<u>1,616</u>	<u>3,718</u>	<u>2,102</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 1	1	1	
Miscellaneous	<u> 1,041</u>	<u> 1,041</u>	<u> 1,041</u>	<u> </u>
Total revenues	<u> 1,042</u>	<u> 1,042</u>	<u> 1,042</u>	<u> </u>
Expenditures:				
Current:				
Education	<u> 1,042</u>	<u> 1,122</u>	<u> 978</u>	<u> 144</u>
Changes in fund balance		(80)	64	144
Fund balance - beginning	<u> 80</u>	<u> 80</u>	<u> 80</u>	<u> </u>
Fund balance - ending	<u><u> 80</u></u>	<u><u> </u></u>	<u><u> 144</u></u>	<u><u> 144</u></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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 22,292	24,831	20,586	(4,245)
Use of money and property	49	49	218	169
Intergovernmental	5,279	6,523	4,036	(2,487)
Miscellaneous	278	411	871	460
Total revenues	<u>27,898</u>	<u>31,814</u>	<u>25,711</u>	<u>(6,103)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>30,080</u>	<u>34,186</u>	<u>26,557</u>	<u>7,629</u>
Changes in fund balance	(2,182)	(2,372)	(846)	1,526
Fund balance - beginning	<u>7,440</u>	<u>7,440</u>	<u>7,440</u>	
Fund balance - ending	<u>\$ 5,258</u>	<u>5,068</u>	<u>6,594</u>	<u>1,526</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 33	33	413	380
Licenses and permits	17,430	17,430	16,740	(690)
Intergovernmental	11	11	46	35
Charges for sales and services	44,906	43,850	41,786	(2,064)
Fines, forfeitures and penalties	63	56	99	43
Miscellaneous	288	288	314	26
Total revenues	<u>62,731</u>	<u>61,668</u>	<u>59,398</u>	<u>(2,270)</u>
Expenditures:				
Current:				
Protection and inspection	<u>66,701</u>	<u>68,093</u>	<u>57,144</u>	<u>10,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,970)</u>	<u>(6,425)</u>	<u>2,254</u>	<u>8,679</u>
Other financing uses:				
Transfers out	<u>(1,948)</u>	<u>(1,948)</u>	<u>(1,948)</u>	
Changes in fund balance	(5,918)	(8,373)	306	8,679
Fund balance - beginning	<u>20,297</u>	<u>20,297</u>	<u>20,297</u>	
Fund balance - ending	<u>\$ 14,379</u>	<u>11,924</u>	<u>20,603</u>	<u>8,679</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for sales and services	<u>\$ 44,208</u>	<u>13,695</u>	<u>8,695</u>	<u>(5,000)</u>
Expenditures:				
Capital outlay	<u>5,537</u>	<u>5,084</u>	<u>84</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>38,671</u>	<u>8,611</u>	<u>8,611</u>	
Other financing uses:				
Transfers out	<u>(8,611)</u>	<u>(8,611)</u>	<u>(8,611)</u>	
Changes in fund balance	30,060			
Fund balance - beginning				
Fund balance - ending	<u>\$ 30,060</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 403	403	505	102
Use of money and property	26	26	115	89
Intergovernmental	5	5	6	1
Charges for sales and services	2,600	2,600	2,601	1
Miscellaneous	452	452	443	(9)
Total revenues	<u>3,486</u>	<u>3,486</u>	<u>3,670</u>	<u>184</u>
Expenditures:				
Current:				
General government	<u>3,905</u>	<u>4,297</u>	<u>3,686</u>	<u>611</u>
Changes in fund balance	(419)	(811)	(16)	795
Fund balance - beginning	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	
Fund balance - ending	<u>\$ 3,081</u>	<u>2,689</u>	<u>3,484</u>	<u>795</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 9,441	9,606	9,931	325
Use of money and property	1,954	1,963	2,241	278
Intergovernmental	838	1,536	442	(1,094)
Charges for sales and services	5,747	5,774	5,004	(770)
Miscellaneous	1,369	1,729	1,401	(328)
Total revenues	<u>19,349</u>	<u>20,608</u>	<u>19,019</u>	<u>(1,589)</u>
Expenditures:				
Current:				
Recreation and culture	<u>23,490</u>	<u>25,072</u>	<u>17,111</u>	<u>7,961</u>
Changes in fund balance	(4,141)	(4,464)	1,908	6,372
Fund balance - beginning	<u>5,895</u>	<u>5,895</u>	<u>5,895</u>	
Fund balance - ending	<u>\$ 1,754</u>	<u>1,431</u>	<u>7,803</u>	<u>6,372</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 463	463	1,548	1,085
Licenses and permits	1,630	1,630	5,907	4,277
Intergovernmental	2,405	3,405	691	(2,714)
Charges for sales and services	7,904	7,904	4,340	(3,564)
Miscellaneous	137	367	586	219
Total revenues	<u>12,539</u>	<u>13,769</u>	<u>13,072</u>	<u>(697)</u>
Expenditures:				
Current:				
Health and sanitation	<u>26,274</u>	<u>27,790</u>	<u>12,214</u>	<u>15,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,735)</u>	<u>(14,021)</u>	<u>858</u>	<u>14,879</u>
Other financing sources:				
Transfers in	<u>211</u>	<u>211</u>	<u>211</u>	
Changes in fund balance	(13,524)	(13,810)	1,069	14,879
Fund balance - beginning	<u>48,761</u>	<u>48,761</u>	<u>48,761</u>	
Fund balance - ending	<u>\$ 35,237</u>	<u>34,951</u>	<u>49,830</u>	<u>14,879</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 5,752	5,752	6,479	727
Use of money and property	110	110	583	473
Intergovernmental	1,088	1,088	510	(578)
Charges for sales and services	23,933	23,933	22,763	(1,170)
Fines, forfeitures and penalties			1	1
Miscellaneous	30	30	149	119
Total revenues	<u>30,913</u>	<u>30,913</u>	<u>30,485</u>	<u>(428)</u>
Expenditures:				
Current:				
General government	<u>37,200</u>	<u>37,303</u>	<u>29,638</u>	<u>7,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,287)</u>	<u>(6,390)</u>	<u>847</u>	<u>7,237</u>
Other financing sources (uses):				
Transfers in	145	145	145	
Transfers out	<u>(1,067)</u>	<u>(1,067)</u>	<u>(1,067)</u>	
Total other financing sources (uses)	<u>(922)</u>	<u>(922)</u>	<u>(922)</u>	
Changes in fund balance	(7,209)	(7,312)	(75)	7,237
Fund balance - beginning	<u>24,036</u>	<u>24,036</u>	<u>24,036</u>	
Fund balance - ending	<u>\$ 16,827</u>	<u>16,724</u>	<u>23,961</u>	<u>7,237</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 816	936	2,322	1,386
Licenses and permits	50	98	58	(40)
Intergovernmental	8,143	29,905	4,584	(25,321)
Charges for sales and services	1,265	1,265	1,432	167
Miscellaneous	8,135	8,577	4,519	(4,058)
Total revenues	<u>18,409</u>	<u>40,781</u>	<u>12,915</u>	<u>(27,866)</u>
Expenditures:				
Current:				
General government	<u>24,399</u>	<u>50,645</u>	<u>35,381</u>	<u>15,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,990)</u>	<u>(9,864)</u>	<u>(22,466)</u>	<u>12,602</u>
Other financing sources (uses):				
Transfers in	333	333	333	
Transfers out	<u>(156)</u>	<u>(156)</u>	<u>(156)</u>	
Total other financing sources (uses)	<u>177</u>	<u>177</u>	<u>177</u>	
Changes in fund balance	(5,813)	(9,687)	(22,289)	(12,602)
Fund balance - beginning	<u>79,980</u>	<u>79,980</u>	<u>79,980</u>	
Fund balance - ending	<u>\$ 74,167</u>	<u>70,293</u>	<u>57,691</u>	<u>(12,602)</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 100	100	362	262
Licenses and permits	6,893	6,893	4,969	(1,924)
Intergovernmental		80	80	
Miscellaneous	195	257	348	91
Total revenues	<u>7,188</u>	<u>7,330</u>	<u>5,759</u>	<u>(1,571)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>3,536</u>	<u>5,338</u>	<u>4,386</u>	<u>952</u>
Changes in fund balance	3,652	1,992	1,373	(619)
Fund balance - beginning	<u>9,686</u>	<u>9,686</u>	<u>9,686</u>	
Fund balance - ending	<u>\$ 13,338</u>	<u>11,678</u>	<u>11,059</u>	<u>(619)</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		549	549
Licenses and permits	16,198	16,198	14,943	(1,255)
Intergovernmental	2,465	2,465	2,421	(44)
Charges for sales and services	870	870	863	(7)
Miscellaneous	615	615	2,451	1,836
Total revenues	<u>20,148</u>	<u>20,148</u>	<u>21,227</u>	<u>1,079</u>
Expenditures:				
Current:				
Health and sanitation	<u>20,867</u>	<u>21,281</u>	<u>20,114</u>	<u>1,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(719)</u>	<u>(1,133)</u>	<u>1,113</u>	<u>2,246</u>
Other financing uses:				
Transfers out	<u>(1,007)</u>	<u>(1,007)</u>	<u>(1,007)</u>	
Changes in fund balance	(1,726)	(2,140)	106	2,246
Fund balance - beginning	<u>13,700</u>	<u>13,700</u>	<u>13,700</u>	
Fund balance - ending	<u>\$ 11,974</u>	<u>11,560</u>	<u>13,806</u>	<u>2,246</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,389	2,389	2,766	377
Use of money and property	11	11	117	106
Licenses and permits	1,400	2,958	1,691	(1,267)
Intergovernmental	1,320	1,320	1,097	(223)
Charges for sales and services	338	391	383	(8)
Fines, forfeitures and penalties	17	17	14	(3)
Miscellaneous	20	20	335	315
Total revenues	<u>5,495</u>	<u>7,106</u>	<u>6,403</u>	<u>(703)</u>
Expenditures:				
Current:				
General government	492	504	176	328
Public protection	3,818	6,098	4,837	1,261
Health and sanitation	1,292	1,292	1,071	221
Public ways and facilities	796	772	18	754
Recreation and culture	23	23	14	9
Total expenditures	<u>6,421</u>	<u>8,689</u>	<u>6,116</u>	<u>2,573</u>
Changes in fund balance	(926)	(1,583)	287	1,870
Fund balance - beginning	<u>2,509</u>	<u>2,509</u>	<u>2,509</u>	
Fund balance - ending	<u>\$ 1,583</u>	<u>926</u>	<u>2,796</u>	<u>1,870</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

**COUNTY OF SACRAMENTO
DEBT SERVICE FUNDS**

Public Facilities Financing Corporation - Services the debt associated with the Public Facilities Financing Corporation's Juvenile Courthouse, 1997, 2003, 2006, 2007, 2010 and 2018 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, 2019
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporation						
	Juvenile Courthouse	1997 Public Facilities Refunding	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 Public Facilities Refunding	2018 Public Facilities Refunding
Assets:							
Cash and investments	\$ 2,505					12,158	1,767
Receivables:							
Interest	44					49	94
Loan receivable from County Successor Agency							
Loan receivable from City Successor Agency							
Long-term receivables							
Total assets	<u>\$ 2,549</u>					<u>12,207</u>	<u>1,861</u>
Liabilities, deferred inflows of resources, and fund balances:							
Liabilities:							
Accrued liabilities	<u>\$</u>						
Deferred inflows of resources:							
Unavailable revenue							
Fund balances:							
Restricted	<u>2,549</u>					<u>12,207</u>	<u>1,861</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,549</u>					<u>12,207</u>	<u>1,861</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
Assets:					
Cash and investments	\$ 1,860	3,409	21,416	5,524	48,639
Receivables:					
Interest	333	5			525
Loan receivable from County Successor Agency				59,645	59,645
Loan receivable from City Successor Agency				5,695	5,695
Long-term receivables		21,460			21,460
Total assets	<u>\$ 2,193</u>	<u>24,874</u>	<u>21,416</u>	<u>70,864</u>	<u>135,964</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accrued liabilities	\$ 23				23
Deferred inflows of resources:					
Unavailable revenue				65,340	65,340
Fund balances:					
Restricted	2,170	24,874	21,416	5,524	70,601
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,193</u>	<u>24,874</u>	<u>21,416</u>	<u>70,864</u>	<u>135,964</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, 2019
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporations						
	Juvenile Courthouse	1997 Public Facilities Refunding	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 Public Facilities Refunding	2018 Public Facilities Refunding
Revenues:							
Use of money and property	\$ 104	336	14	34	28	305	1,825
Intergovernmental							
Fines, forfeitures and penalties							
Total revenues	104	336	14	34	28	305	1,825
Expenditures:							
Debt service:							
Principal	1,010	4,025			1,135	6,440	3,235
Bond issuance costs							275
Interest and fiscal charges	1,224	2,168	231	1,203	1,168	2,973	2,014
Total expenditures	2,234	6,193	231	1,203	2,303	9,413	5,524
Deficiency of revenues under expenditures	(2,130)	(5,857)	(217)	(1,169)	(2,275)	(9,108)	(3,699)
Other financing sources (uses):							
Transfers in	2,247	6,353	995	2,449	3,036	9,367	4,762
Transfers out		(915)	(959)	(1,971)	(917)		
Issuance of long-term debt							
Refunding debt issued							89,125
Premiums on debt issued							11,659
Payment to refunded bonds escrow agent		(7,012)	(975)	(2,361)	(3,077)		(99,986)
Total other financing sources (uses)	2,247	(1,574)	(939)	(1,883)	(958)	9,367	5,560
Changes in fund balances	117	(7,431)	(1,156)	(3,052)	(3,233)	259	1,861
Fund balances - beginning	2,432	7,431	1,156	3,052	3,233	11,948	
Fund balances - ending	\$ 2,549					12,207	1,861

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, 2019
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
Revenues:					
Use of money and property	\$ 795	42	411		3,894
Intergovernmental	11,957			1,738	13,695
Fines, forfeitures and penalties		9,425			9,425
Total revenues	<u>12,752</u>	<u>9,467</u>	<u>411</u>	<u>1,738</u>	<u>27,014</u>
Expenditures:					
Debt service:					
Principal	69,470	20,530	3,545	1,770	111,160
Bond issuance costs					275
Interest and fiscal charges	67,556	421	11,308	3,512	93,778
Total expenditures	<u>137,026</u>	<u>20,951</u>	<u>14,853</u>	<u>5,282</u>	<u>205,213</u>
Deficiency of revenues under expenditures	<u>(124,274)</u>	<u>(11,484)</u>	<u>(14,442)</u>	<u>(3,544)</u>	<u>(178,199)</u>
Other financing sources (uses):					
Transfers in	123,873		14,383		167,465
Transfers out		(9,561)			(14,323)
Issuance of long-term debt		20,372			20,372
Refunding debt issued					89,125
Premiums on debt issued					11,659
Payment to refunded bonds escrow agent					(113,411)
Total other financing sources (uses)	<u>123,873</u>	<u>10,811</u>	<u>14,383</u>	<u></u>	<u>160,887</u>
Changes in fund balances	(401)	(673)	(59)	(3,544)	(17,312)
Fund balances - beginning	<u>2,571</u>	<u>25,547</u>	<u>21,475</u>	<u>9,068</u>	<u>87,913</u>
Fund balances - ending	<u>\$ 2,170</u>	<u>24,874</u>	<u>21,416</u>	<u>5,524</u>	<u>70,601</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, 2019
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		104	104
Expenditures:				
Debt service:				
Principal	1,010	1,010	1,010	
Interest and fiscal charges	1,421	1,434	1,224	210
Total expenditures	2,431	2,444	2,234	210
Deficiency of revenues under expenditures	(2,431)	(2,444)	(2,130)	314
Other financing sources:				
Transfers in	2,247	2,247	2,247	
Changes in fund balance	(184)	(197)	117	314
Fund balance - beginning	2,432	2,432	2,432	
Fund balance - ending	\$ 2,248	2,235	2,549	314

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1997 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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u>471</u>	<u>336</u>	<u>(135)</u>
Expenditures:				
Debt service:				
Principal	4,025	4,025	4,025	
Interest and fiscal charges	<u>1,765</u>	<u>2,300</u>	<u>2,168</u>	<u>132</u>
Total expenditures	<u>5,790</u>	<u>6,325</u>	<u>6,193</u>	<u>132</u>
Deficiency of revenues under expenditures	<u>(5,790)</u>	<u>(5,854)</u>	<u>(5,857)</u>	<u>(3)</u>
Other financing sources (uses):				
Transfers in	6,353	6,353	6,353	
Transfers out	(915)	(915)	(915)	
Payment to refunded bonds escrow agent		<u>(7,012)</u>	<u>(7,012)</u>	
Total other financing sources (uses):	<u>5,438</u>	<u>(1,574)</u>	<u>(1,574)</u>	
Changes in fund balance	(352)	(7,428)	(7,431)	(3)
Fund balance - beginning	<u>7,431</u>	<u>7,431</u>	<u>7,431</u>	
Fund balance - ending	<u>\$ 7,079</u>	<u>3</u>		<u>(3)</u>

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2003 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u>22</u>	<u>14</u>	<u>(8)</u>
Expenditures:				
Debt service:				
Interest and fiscal charges	<u>238</u>	<u>231</u>	<u>231</u>	<u></u>
Deficiency of revenues under expenditures	<u>(238)</u>	<u>(209)</u>	<u>(217)</u>	<u>(8)</u>
Other financing sources (uses):				
Transfers in	995	995	995	
Transfers out	(959)	(959)	(959)	
Payment to refunded bonds escrow agent		(975)	(975)	
Total other financing sources (uses)	<u>36</u>	<u>(939)</u>	<u>(939)</u>	<u></u>
Changes in fund balance	(202)	(1,148)	(1,156)	(8)
Fund balance - beginning	<u>1,156</u>	<u>1,156</u>	<u>1,156</u>	<u></u>
Fund balance - ending	<u>\$ 954</u>	<u>8</u>	<u></u>	<u>(8)</u>

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2006 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u>46</u>	<u>34</u>	<u>(12)</u>
Expenditures:				
Debt service:				
Interest and fiscal charges	<u>867</u>	<u>1,215</u>	<u>1,203</u>	<u>12</u>
Deficiency of revenues under expenditures	<u>(867)</u>	<u>(1,169)</u>	<u>(1,169)</u>	
Other financing sources (uses):				
Transfers in	2,449	2,449	2,449	
Transfers out	(1,971)	(1,971)	(1,971)	
Payment to refunded bonds escrow agent		(2,361)	(2,361)	
Total other financing sources (uses)	<u>478</u>	<u>(1,883)</u>	<u>(1,883)</u>	
Changes in fund balance	(389)	(3,052)	(3,052)	
Fund balance - beginning	<u>3,052</u>	<u>3,052</u>	<u>3,052</u>	
Fund balance - ending	<u>\$ 2,663</u>			

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2007 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u>55</u>	<u>28</u>	<u>(27)</u>
Expenditures:				
Debt service:				
Principal	1,135	1,135	1,135	
Interest and fiscal charges	<u>1,182</u>	<u>1,170</u>	<u>1,168</u>	<u>2</u>
Total expenditures	<u>2,317</u>	<u>2,305</u>	<u>2,303</u>	<u>2</u>
Deficiency of revenues under expenditures	<u>(2,317)</u>	<u>(2,250)</u>	<u>(2,275)</u>	<u>(25)</u>
Other financing sources (uses):				
Transfers in	3,036	3,036	3,036	
Transfers out	(917)	(917)	(917)	
Payment to refunded bonds escrow agent		<u>(3,077)</u>	<u>(3,077)</u>	
Total other financing sources (uses)	<u>2,119</u>	<u>(958)</u>	<u>(958)</u>	
Changes in fund balance	(198)	(3,208)	(3,233)	(25)
Fund balance - beginning	<u>3,233</u>	<u>3,233</u>	<u>3,233</u>	
Fund balance - ending	<u>\$ 3,035</u>	<u>25</u>		<u>(25)</u>

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2010 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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>305</u>	<u>305</u>
Expenditures:				
Debt service:				
Principal	6,440	6,440	6,440	
Interest and fiscal charges	<u>3,379</u>	<u>3,487</u>	<u>2,973</u>	<u>514</u>
Total expenditures	<u>9,819</u>	<u>9,927</u>	<u>9,413</u>	<u>514</u>
Deficiency of revenues under expenditures	<u>(9,819)</u>	<u>(9,927)</u>	<u>(9,108)</u>	<u>819</u>
Other financing sources:				
Transfers in	<u>9,367</u>	<u>9,367</u>	<u>9,367</u>	
Changes in fund balance	(452)	(560)	259	819
Fund balance - beginning	<u>11,948</u>	<u>11,948</u>	<u>11,948</u>	
Fund balance - ending	<u>\$ 11,496</u>	<u>11,388</u>	<u>12,207</u>	<u>819</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>1,825</u>	<u>1,825</u>
Expenditures:				
Debt service:				
Principal			3,235	(3,235)
Bond issuance costs		276	275	1
Interest and fiscal charges	<u>4,762</u>	<u>4,762</u>	<u>2,014</u>	<u>2,748</u>
Total expenditures	<u>4,762</u>	<u>5,038</u>	<u>5,524</u>	<u>(486)</u>
Deficiency of revenues under expenditures	<u>(4,762)</u>	<u>(5,038)</u>	<u>(3,699)</u>	<u>1,339</u>
Other financing sources (uses):				
Transfers in	4,762	4,762	4,762	
Premiums on debt issued		11,138	11,659	521
Refunding debt issued		89,125	89,125	
Payment to refunded bonds escrow agent		(99,987)	(99,986)	1
Total other financing sources (uses)	<u>4,762</u>	<u>5,038</u>	<u>5,560</u>	<u>522</u>
Changes in fund balance			1,861	1,861
Fund balance - beginning	<u></u>	<u></u>	<u></u>	<u></u>
Fund balance - ending	<u>\$</u>	<u></u>	<u>1,861</u>	<u>1,861</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$	7	795	788
Intergovernmental	<u>11,957</u>	<u>11,957</u>	<u>11,957</u>	
Total revenues	<u>11,957</u>	<u>11,964</u>	<u>12,752</u>	<u>788</u>
Expenditures:				
Debt service:				
Principal	69,470	69,470	69,470	
Interest and fiscal charges	<u>67,862</u>	<u>68,938</u>	<u>67,556</u>	<u>1,382</u>
Total expenditures	<u>137,332</u>	<u>138,408</u>	<u>137,026</u>	<u>1,382</u>
Deficiency of revenues under expenditures	<u>(125,375)</u>	<u>(126,444)</u>	<u>(124,274)</u>	<u>2,170</u>
Other financing sources:				
Transfers in	<u>123,873</u>	<u>123,873</u>	<u>123,873</u>	
Changes in fund balance	(1,502)	(2,571)	(401)	2,170
Fund balance - beginning	<u>2,571</u>	<u>2,571</u>	<u>2,571</u>	
Fund balance - ending	<u>\$ 1,069</u>	<u></u>	<u>2,170</u>	<u>2,170</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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		42	42
Fines, forfeitures and penalties			9,425	9,425
Miscellaneous	24,798	29,654		(29,654)
Total revenues	<u>24,798</u>	<u>29,654</u>	<u>9,467</u>	<u>(20,187)</u>
Expenditures:				
Debt service:				
Principal	21,277	23,615	20,530	3,085
Interest and fiscal charges	(2,140)	421	421	
Total expenditures	<u>19,137</u>	<u>24,036</u>	<u>20,951</u>	<u>3,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,661</u>	<u>5,618</u>	<u>(11,484)</u>	<u>(17,102)</u>
Other financing sources (uses):				
Transfers out	(9,561)	(9,561)	(9,561)	
Issuance of long-term debt			20,372	20,372
Total other financing sources (uses)	<u>(9,561)</u>	<u>(9,561)</u>	<u>10,811</u>	<u>20,372</u>
Changes in fund balance	(3,900)	(3,943)	(673)	3,270
Fund balance - beginning	<u>25,547</u>	<u>25,547</u>	<u>25,547</u>	
Fund balance - ending	<u>\$ 21,647</u>	<u>21,604</u>	<u>24,874</u>	<u>3,270</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

CAPITAL PROJECT 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 from special assessment district property owners under the 1915 Improvement Bond Act.

Metro Air Park Community Facilities District (CFD) No. 2000-1 - 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 Community Facilities District.

CAPITAL PROJECT 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, 2019
(amounts expressed in thousands)

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	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD No. 2000-1	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
Assets:							
Cash and investments	\$ 253	3,288	12,614	177	66	356	6,785
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	3	40	4	3	2	4	4
Intergovernmental							
Long-term receivables							
Total assets	<u>\$ 256</u>	<u>3,328</u>	<u>12,618</u>	<u>180</u>	<u>68</u>	<u>360</u>	<u>6,789</u>
Liabilities, deferred inflows of resources, and fund balances:							
Liabilities:							
Warrants payable	\$						
Accrued liabilities			1				
Intergovernmental payable	62	17	11		1	1	9
Unearned revenue							
Total liabilities	<u>62</u>	<u>17</u>	<u>12</u>	<u></u>	<u>1</u>	<u>1</u>	<u>9</u>
Deferred inflows of resources:							
Unavailable revenue							
Fund balances:							
Restricted	194	3,311	12,606	180	67	359	6,780
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 256</u>	<u>3,328</u>	<u>12,618</u>	<u>180</u>	<u>68</u>	<u>360</u>	<u>6,789</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

Page 2 of 3

	<u>Public Facilities Financing</u>			
	<u>Accumulated Capital Outlay</u>	<u>Community Fee Districts</u>	<u>Tobacco Litigation Settlement</u>	<u>McClellan Park CFD No. 2004-1</u>
Assets:				
Cash and investments	\$ 23,964	23,858	746	472
Receivables, net of allowance for uncollectibles:				
Billed	171	6		
Interest	290	259		7
Intergovernmental	204	36		
Long-term receivables		643		
Total assets	<u>\$ 24,629</u>	<u>24,802</u>	<u>746</u>	<u>479</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Warrants payable	\$ 86	3		
Accrued liabilities	961			
Intergovernmental payable		3,344		
Unearned revenue		643		
Total liabilities	<u>1,047</u>	<u>3,990</u>		
Deferred inflows of resources:				
Unavailable revenue		6		
Fund balances:				
Restricted	<u>23,582</u>	<u>20,806</u>	<u>746</u>	<u>479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,629</u>	<u>24,802</u>	<u>746</u>	<u>479</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(amounts expressed in thousands)

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	Public Facilities Financing					
	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
Assets:						
Cash and investments	\$ 570	6,645	6,153	21,381	62	107,390
Receivables, net of allowance for uncollectibles:						
Billed	1					178
Interest	7	80	6	98	1	808
Intergovernmental						240
Long-term receivables						643
Total assets	<u>\$ 578</u>	<u>6,725</u>	<u>6,159</u>	<u>21,479</u>	<u>63</u>	<u>109,259</u>
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Warrants payable	\$					89
Accrued liabilities				4		966
Intergovernmental payable		263	1		11	3,720
Unearned revenue						643
Total liabilities	<u></u>	<u>263</u>	<u>1</u>	<u>4</u>	<u>11</u>	<u>5,418</u>
Deferred inflows of resources:						
Unavailable revenue						6
Fund balances:						
Restricted	<u>578</u>	<u>6,462</u>	<u>6,158</u>	<u>21,475</u>	<u>52</u>	<u>103,835</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 578</u>	<u>6,725</u>	<u>6,159</u>	<u>21,479</u>	<u>63</u>	<u>109,259</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, 2019
(amounts expressed in thousands)

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD No. 2000-1	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
Revenues:							
Use of money and property	\$ 6	104	294	6	3	11	152
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Contributions from property owners							
Miscellaneous			682	134	68		469
Total revenues	6	104	976	140	71	11	621
Expenditures:							
Current:							
Public ways and facilities						17	345
Capital outlay			1,394	139	69		
Total expenditures			1,394	139	69	17	345
Excess (deficiency) of revenues over (under) expenditures	6	104	(418)	1	2	(6)	276
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)							
Changes in fund balances	6	104	(418)	1	2	(6)	276
Fund balances - beginning	188	3,207	13,024	179	65	365	6,504
Fund balances - ending	\$ 194	3,311	12,606	180	67	359	6,780

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, 2019
(amounts expressed in thousands)

Page 2 of 3

	Public Facilities Financing			
	Accumulated Capital Outlay	Community Fee Districts	Tobacco Litigation Settlement	McClellan Park CFD No. 2004-1
Revenues:				
Use of money and property	\$ 752	615	17	17
Intergovernmental	1,449	367		
Charges for sales and services		4,419		
Fines, forfeitures and penalties	2,473			
Contributions from property owners				
Miscellaneous	23,890			203
Total revenues	28,564	5,401	17	220
Expenditures:				
Current:				
Public ways and facilities				
Capital outlay	22,235	3,452		171
Total expenditures	22,235	3,452		171
Excess (deficiency) of revenues over (under) expenditures	6,329	1,949	17	49
Other financing sources (uses):				
Transfers in	252			
Transfers out	(353)			
Total other financing sources (uses)	(101)			
Changes in fund balances	6,228	1,949	17	49
Fund balances - beginning	17,354	18,857	729	430
Fund balances - ending	\$ 23,582	20,806	746	479

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, 2019
(amounts expressed in thousands)

Page 3 of 3

	Public Facilities Financing					
	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
Revenues:						
Use of money and property	\$ 20	73	112	941	2	3,125
Intergovernmental						1,816
Charges for sales and services	80	94			20	4,613
Fines, forfeitures and penalties						2,473
Contributions from property owners			6,037			6,037
Miscellaneous			65	516		26,027
Total revenues	100	167	6,214	1,457	22	44,091
Expenditures:						
Current:						
Public ways and facilities						362
Capital outlay	169	26	191	9,266		37,112
Total expenditures	169	26	191	9,266		37,474
Excess (deficiency) of revenues over (under) expenditures	(69)	141	6,023	(7,809)	22	6,617
Other financing sources (uses):						
Transfers in						252
Transfers out		(50)				(403)
Total other financing sources (uses)		(50)				(151)
Changes in fund balances	(69)	91	6,023	(7,809)	22	6,466
Fund balances - beginning	647	6,371	135	29,284	30	97,369
Fund balances - ending	\$ 578	6,462	6,158	21,475	52	103,835

COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1911 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		6	6
Miscellaneous	286	286		(286)
Total revenues	<u>286</u>	<u>286</u>	<u>6</u>	<u>(280)</u>
Expenditures:				
Capital outlay	<u>286</u>	<u>287</u>		<u>287</u>
Changes in fund balance		(1)	6	7
Fund balance - beginning	<u>188</u>	<u>188</u>	<u>188</u>	
Fund balance - ending	<u>\$ 188</u>	<u>187</u>	<u>194</u>	<u>7</u>

COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - 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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 47	51	104	53
Miscellaneous	<u> 2,798</u>	<u> 2,765</u>	<u> </u>	<u> (2,765)</u>
Total revenues	<u> 2,845</u>	<u> 2,816</u>	<u> 104</u>	<u> (2,712)</u>
Expenditures:				
Capital outlay	<u> 3,297</u>	<u> 3,274</u>	<u> </u>	<u> 3,274</u>
Changes in fund balance	(452)	(458)	104	562
Fund balance - beginning	<u> 3,207</u>	<u> 3,207</u>	<u> 3,207</u>	<u> </u>
Fund balance - ending	<u><u> 2,755</u></u>	<u><u> 2,749</u></u>	<u><u> 3,311</u></u>	<u><u> 562</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
METRO AIR PARK CFD NUMBER 2000-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 98	180	294	114
Miscellaneous	<u> 17,098</u>	<u> 17,098</u>	<u> 682</u>	<u> (16,416)</u>
Total revenues	<u> 17,196</u>	<u> 17,278</u>	<u> 976</u>	<u> (16,302)</u>
Expenditures:				
Capital outlay	<u> 29,234</u>	<u> 30,290</u>	<u> 1,394</u>	<u> 28,896</u>
Changes in fund balance	(12,038)	(13,012)	(418)	12,594
Fund balance - beginning	<u> 13,024</u>	<u> 13,024</u>	<u> 13,024</u>	
Fund balance - ending	<u><u> 986</u></u>	<u><u> 12</u></u>	<u><u> 12,606</u></u>	<u><u> 12,594</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 3	3	6	3
Miscellaneous	<u> 133</u>	<u> 133</u>	<u> 134</u>	<u> 1</u>
Total revenues	<u> 136</u>	<u> 136</u>	<u> 140</u>	<u> 4</u>
 Expenditures:				
Capital outlay	<u> 312</u>	<u> 313</u>	<u> 139</u>	<u> 174</u>
 Changes in fund balance	(176)	(177)	1	178
Fund balance - beginning	<u> 179</u>	<u> 179</u>	<u> 179</u>	<u> 0</u>
Fund balance - ending	<u><u> 3</u></u>	<u><u> 2</u></u>	<u><u> 180</u></u>	<u><u> 178</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 2	2	3	1
Miscellaneous	<u> 69</u>	<u> 69</u>	<u> 68</u>	<u> (1)</u>
Total revenues	<u> 71</u>	<u> 71</u>	<u> 71</u>	<u> </u>
Expenditures:				
Capital outlay	<u> 136</u>	<u> 135</u>	<u> 69</u>	<u> 66</u>
Changes in fund balance	(65)	(64)	2	66
Fund balance - beginning	<u> 65</u>	<u> 65</u>	<u> 65</u>	<u> </u>
Fund balance - ending	<u><u> </u></u>	<u><u> 1</u></u>	<u><u> 67</u></u>	<u><u> 66</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
LAGUNA CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	<u>\$ 3</u>	<u> 5</u>	<u> 11</u>	<u> 6</u>
Expenditures:				
Current:				
Public ways and facilities	<u> 356</u>	<u> 370</u>	<u> 17</u>	<u> 353</u>
Changes in fund balance	(353)	(365)	(6)	359
Fund balance - beginning	<u> 365</u>	<u> 365</u>	<u> 365</u>	
Fund balance - ending	<u><u> 12</u></u>	<u><u> </u></u>	<u><u> 359</u></u>	<u><u> 359</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
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, 2019
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 55	75	152	77
Miscellaneous	<u>449</u>	<u>449</u>	<u>469</u>	<u>20</u>
Total revenues	<u>504</u>	<u>524</u>	<u>621</u>	<u>97</u>
Expenditures:				
Current:				
Public ways and facilities	<u>3,447</u>	<u>3,787</u>	<u>345</u>	<u>3,442</u>
Changes in fund balance	(2,943)	(3,263)	276	3,539
Fund balance - beginning	<u>6,504</u>	<u>6,504</u>	<u>6,504</u>	
Fund balance - ending	<u>\$ 3,561</u>	<u>3,241</u>	<u>6,780</u>	<u>3,539</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 30	30	752	722
Intergovernmental	671	671	1,449	778
Charges for sales and services				
Fines, forfeitures and penalties	2,800	2,800	2,473	(327)
Miscellaneous	69,862	52,982	23,890	(29,092)
Total revenues	<u>73,363</u>	<u>56,483</u>	<u>28,564</u>	<u>(27,919)</u>
Expenditures:				
Capital outlay	<u>81,611</u>	<u>73,349</u>	<u>22,235</u>	<u>51,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,248)</u>	<u>(16,866)</u>	<u>6,329</u>	<u>23,195</u>
Other financing sources (uses):				
Transfers in	252	252	252	
Transfers out	<u>(353)</u>	<u>(353)</u>	<u>(353)</u>	
Total other financing sources (uses)	<u>(101)</u>	<u>(101)</u>	<u>(101)</u>	
Changes in fund balance	(8,349)	(16,967)	6,228	23,195
Fund balance - beginning	<u>17,354</u>	<u>17,354</u>	<u>17,354</u>	
Fund balance - ending	<u>\$ 9,005</u>	<u>387</u>	<u>23,582</u>	<u>23,195</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 119	156	615	459
Intergovernmental	1,729	1,729	367	(1,362)
Charges for sales and services	2,583	2,585	4,419	1,834
Miscellaneous	1,018	2,780		(2,780)
Total revenues	<u>5,449</u>	<u>7,250</u>	<u>5,401</u>	<u>(1,849)</u>
Expenditures:				
Capital outlay	<u>21,581</u>	<u>23,811</u>	<u>3,452</u>	<u>20,359</u>
Changes in fund balance	(16,132)	(16,561)	1,949	18,510
Fund balance - beginning	<u>18,857</u>	<u>18,857</u>	<u>18,857</u>	
Fund balance - ending	<u><u>\$ 2,725</u></u>	<u><u>2,296</u></u>	<u><u>20,806</u></u>	<u><u>18,510</u></u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>17</u>	<u>17</u>
Expenditures:				
Capital outlay	<u>681</u>	<u>726</u>	<u></u>	<u>726</u>
Changes in fund balance	(681)	(726)	17	(743)
Fund balance - beginning	<u>729</u>	<u>729</u>	<u>729</u>	<u></u>
Fund balance - ending	<u><u>\$ 48</u></u>	<u><u>3</u></u>	<u><u>746</u></u>	<u><u>743</u></u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
MCCLELLAN PARK CFD NUMBER 2004-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 6	11	17	6
Miscellaneous	<u>339</u>	<u>339</u>	<u>203</u>	<u>(136)</u>
Total revenues	<u>345</u>	<u>350</u>	<u>220</u>	<u>(130)</u>
 Expenditures:				
Capital outlay	<u>754</u>	<u>774</u>	<u>171</u>	<u>603</u>
 Changes in fund balance	(409)	(424)	49	473
Fund balance - beginning	<u>430</u>	<u>430</u>	<u>430</u>	
Fund balance - ending	<u>\$ 21</u>	<u>6</u>	<u>479</u>	<u>473</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD NUMBER 2004-2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 6	6	20	14
Charges for sales and services	<u> 105</u>	<u> 80</u>	<u> 80</u>	<u> 0</u>
Total revenues	<u> 111</u>	<u> 86</u>	<u> 100</u>	<u> 14</u>
 Expenditures:				
Capital outlay	<u> 196</u>	<u> 207</u>	<u> 169</u>	<u> 38</u>
 Changes in fund balance	(85)	(121)	(69)	52
Fund balance - beginning	<u> 647</u>	<u> 647</u>	<u> 647</u>	<u> 0</u>
Fund balance - ending	<u><u> 562</u></u>	<u><u> 526</u></u>	<u><u> 578</u></u>	<u><u> 52</u></u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 50	73	73	
Charges for sales and services	110	77	94	17
Miscellaneous	<u>130</u>	<u>130</u>	<u>167</u>	<u>(130)</u>
Total revenues	<u>290</u>	<u>280</u>	<u>167</u>	<u>(113)</u>
Expenditures:				
Capital outlay	<u>6,604</u>	<u>6,601</u>	<u>26</u>	<u>6,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,314)</u>	<u>(6,321)</u>	<u>141</u>	<u>6,462</u>
Other financing uses:				
Transfers out	<u>(50)</u>	<u>(50)</u>	<u>(50)</u>	
Changes in fund balance	(6,364)	(6,371)	91	6,462
Fund balance - beginning	<u>6,371</u>	<u>6,371</u>	<u>6,371</u>	
Fund balance - ending	<u>\$ 7</u>	<u></u>	<u>6,462</u>	<u>6,462</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
FLORIN VINEYARD NUMBER 1 CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		112	112
Charges for sales and services	75	75		(75)
Contributions from property owners	8,200	8,200	6,037	(2,163)
Miscellaneous			65	65
Total revenues	<u>8,275</u>	<u>8,275</u>	<u>6,214</u>	<u>(2,061)</u>
Expenditures:				
Capital outlay	<u>8,386</u>	<u>8,410</u>	<u>191</u>	<u>8,219</u>
Changes in fund balance	(111)	(135)	6,023	6,158
Fund balance - beginning	<u>135</u>	<u>135</u>	<u>135</u>	
Fund balance - ending	<u>\$ 24</u>	<u></u>	<u>6,158</u>	<u>6,158</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
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, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 134	154	941	787
Miscellaneous	<u>360</u>	<u>540</u>	<u>516</u>	<u>(24)</u>
Total revenues	<u>494</u>	<u>694</u>	<u>1,457</u>	<u>763</u>
Expenditures:				
Capital outlay	<u>20,403</u>	<u>26,582</u>	<u>9,266</u>	<u>17,316</u>
Changes in fund balance	(19,909)	(25,888)	(7,809)	18,079
Fund balance - beginning	<u>29,284</u>	<u>29,284</u>	<u>29,284</u>	
Fund balance - ending	<u>\$ 9,375</u>	<u>3,396</u>	<u>21,475</u>	<u>18,079</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
COUNTY PARKS CFD NUMBER 2006-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$		2	2
Charges for services	13	13	20	7
Total Revenues	<u>13</u>	<u>13</u>	<u>22</u>	<u>9</u>
Changes in fund balance	13	13	22	9
Fund balance - beginning	<u>30</u>	<u>30</u>	<u>30</u>	
Fund balance - ending	<u>\$ 43</u>	<u>43</u>	<u>52</u>	<u>9</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR ENTERPRISE FUNDS SECTION

NONMAJOR ENTERPRISE FUNDS

Parking Enterprise - Accounts for all downtown parking facilities that generate revenues from user fees from both the 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, 2019
(amounts expressed in thousands)

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 6,701	1,353	8,054
Receivables, net of allowance for uncollectibles:			
Billed		56	56
Interest	77	11	88
Intergovernmental		774	774
Total current assets	<u>6,778</u>	<u>2,194</u>	<u>8,972</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,834		1,834
Buildings & improvements, infrastructure, equipment and intangibles, net	<u>362</u>	<u>1,121</u>	<u>1,483</u>
Total capital assets	<u>2,196</u>	<u>1,121</u>	<u>3,317</u>
Total assets	<u>8,974</u>	<u>3,315</u>	<u>12,289</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	126		126
Deferred outflows related to OPEB	<u>4</u>		<u>4</u>
Total deferred outflows of resources	<u>130</u>		<u>130</u>
Total assets and deferred outflows of resources	<u>9,104</u>	<u>3,315</u>	<u>12,419</u>

COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019
(amounts expressed in thousands)

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$ 17	279	296
Accrued liabilities	511		511
Intergovernmental payable	13	9	22
Total current liabilities	<u>541</u>	<u>288</u>	<u>829</u>
Noncurrent liabilities:			
Long-term debt obligations	38		38
Net pension liability	321		321
Total OPEB liability	<u>91</u>		<u>91</u>
Total noncurrent liabilities	<u>450</u>		<u>450</u>
Total liabilities	<u>991</u>	<u>288</u>	<u>1,279</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	74		74
Deferred inflows related to OPEB	<u>8</u>		<u>8</u>
Total deferred inflows of resources	<u>82</u>		<u>82</u>
Total liabilities and deferred inflows of resources	<u>1,073</u>	<u>288</u>	<u>1,361</u>
Net position:			
Net investment in capital assets	2,196	1,121	3,317
Restricted for:			
Capital projects		861	861
Transportation		1,045	1,045
Unrestricted	<u>5,835</u>		<u>5,835</u>
Total net position	<u>\$ 8,031</u>	<u>3,027</u>	<u>11,058</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, 2019
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,829	253	3,082
Other	199		199
Total operating revenues	<u>3,028</u>	<u>253</u>	<u>3,281</u>
Operating expenses:			
Salaries and benefits	378		378
Services and supplies	1,464	276	1,740
Cost of sales and services		1,787	1,787
Depreciation and amortization	225	362	587
Other	57		57
Total operating expenses	<u>2,124</u>	<u>2,425</u>	<u>4,549</u>
Operating income (loss)	<u>904</u>	<u>(2,172)</u>	<u>(1,268)</u>
Nonoperating revenues:			
Use of money and property	192	22	214
Intergovernmental		1,588	1,588
Other revenues		28	28
Total nonoperating revenues	<u>192</u>	<u>1,638</u>	<u>1,830</u>
Income (loss) before transfers and contributions	<u>1,096</u>	<u>(534)</u>	<u>562</u>
Transfers out	(32)		(32)
Capital contributions		1,082	1,082
Changes in net position	1,064	548	1,612
Net position, beginning of year	6,967	2,479	9,446
Net position, end of year	<u>\$ 8,031</u>	<u>3,027</u>	<u>11,058</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 3,028	230	3,258
Payments to suppliers	(947)	(2,048)	(2,995)
Payments to employees	(368)		(368)
Payments for other operating activities	(57)		(57)
Payments for interfund services used	(13)		(13)
Net cash provided by (used for) operating activities	<u>1,643</u>	<u>(1,818)</u>	<u>(175)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(32)		(32)
Intergovernmental revenue		1,675	1,675
Net cash provided by (used for) noncapital financing activities	<u>(32)</u>	<u>1,675</u>	<u>1,643</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions		322	322
Acquisition and construction of capital assets	(596)	(486)	(1,082)
Proceeds from the sale of capital assets		28	28
Net cash used for capital and related financing activities	<u>(596)</u>	<u>(136)</u>	<u>(732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on cash and investments	<u>155</u>	<u>21</u>	<u>176</u>
Net increase (decrease) in cash and cash equivalents	1,170	(258)	912
Cash and cash equivalents, beginning of year	<u>5,531</u>	<u>1,611</u>	<u>7,142</u>
Cash and cash equivalents, end of year	<u>\$ 6,701</u>	<u>1,353</u>	<u>8,054</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 904	(2,172)	(1,268)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	225	362	587
Other nonoperating revenue		28	28
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Receivables:			
Billed		155	155
Warrants payable	16	(184)	(168)
Accrued liabilities	501		501
Intergovernmental payable		(7)	(7)
Unearned revenues	(13)		(13)
Net pension liability and related deferred outflows and inflows	6		6
Total OPEB liability and related deferred outflows and inflows	4		4
Total adjustments	739	354	1,093
Net cash provided by (used for) operating activities	\$ 1,643	(1,818)	(175)

COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTERNAL SERVICE FUNDS

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/Property Self-Insurance - Accounts for the County's program of self-insurance for liability claims and property insurance claims.

Workers' Compensation Self-Insurance - Accounts for the County's self-insurance for all workers' compensation claims.

Unemployment Self-Insurance - Accounts for the County's self-insurance for all 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, 2019**

Page 1 of 2

		Self-Insurance			Regional Radio	Department of	
	General	Liability /	Workers'	Unemployment	Communications	Technology	Total
	Services	Property	Compensation		System		
Assets:							
Current assets:							
Cash and investments	\$ 100,510	12,929	90,633	2,506	3,421	18,905	228,904
Receivables, net of allowance for uncollectibles:							
Billed	1						1
Interest	14				48		62
Intergovernmental	132						132
Prepaid items	53					480	533
Inventories	1,232						1,232
Total current assets	101,942	12,929	90,633	2,506	3,469	19,385	230,864
Noncurrent assets:							
Long-term advances to other funds	58		18,491				18,549
Long-term receivables			88				88
Capital assets:							
Buildings & improvements, infrastructure, equipment and intangibles, net	28,623	6	45		16,341	12,421	57,436
Total noncurrent assets	28,681	6	18,624		16,341	12,421	76,073
Total assets	130,623	12,935	109,257	2,506	19,810	31,806	306,937
Deferred outflows of resources:							
Deferred outflows related to pensions	15,311				369	16,696	32,376
Deferred outflows related to OPEB	221				7	325	553
Total deferred outflows of resources	15,532				376	17,021	32,929
Total assets and deferred outflows of resources	146,155	12,935	109,257	2,506	20,186	48,827	339,866

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

Page 2 of 2

	Self-Insurance				Regional Radio	Department of	
	General	Liability /	Workers'	Unemployment	Communications	Technology	Total
	Services	Property	Compensation		System		
Liabilities:							
Current liabilities:							
Warrants payable	\$ 2,894	523	456		27	1,822	5,722
Accrued liabilities	5,158	405	33	1	112	2,653	8,362
Intergovernmental payable	9					239	248
Current portion of insurance claims payable		12,105	26,412	194			38,711
Current portion of long-term debt obligations	239				3	371	613
Unearned revenue			87		3,317	1,970	5,374
Total current liabilities	8,300	13,033	26,988	195	3,459	7,055	59,030
Noncurrent liabilities:							
Insurance claims payable		35,095	166,319				201,414
Long-term debt obligations	3,756				90	6,610	10,456
Net pension liability	40,896				949	42,983	84,828
Total OPEB liability	5,433				117	5,094	10,644
Total noncurrent liabilities	50,085	35,095	166,319		1,156	54,687	307,342
Total liabilities	58,385	48,128	193,307	195	4,615	61,742	366,372
Deferred inflows of resources:							
Deferred inflows related to pensions	11,148				119	5,409	16,676
Deferred inflows related to OPEB	1,470				8	338	1,816
Total deferred inflows of resources	12,618				127	5,747	18,492
Total liabilities and deferred inflows of resources	71,003	48,128	193,307	195	4,742	67,489	384,864
Net position:							
Net investment in capital assets	28,623	6	45		16,341	12,421	57,436
Unrestricted	46,529	(35,199)	(84,095)	2,311	(897)	(31,083)	(102,434)
Total net position (deficit)	\$ 75,152	(35,193)	(84,050)	2,311	15,444	(18,662)	(44,998)

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

		Self-Insurance			Regional Radio	Department of	
	General	Liability /	Workers'	Unemployment	Communications	Technology	Total
	Services	Property	Compensation		System		
Operating revenues:							
Charges for sales and services	\$ 147,264	20,809	29,712	1,474	3,848	90,740	293,847
Other	732	1,585	14		1,794	105	4,230
Total operating revenues	<u>147,996</u>	<u>22,394</u>	<u>29,726</u>	<u>1,474</u>	<u>5,642</u>	<u>90,845</u>	<u>298,077</u>
Operating expenses:							
Salaries and benefits	46,636				1,171	50,773	98,580
Services and supplies	80,419				791	28,371	109,581
Cost of sales and services	3,010						3,010
Depreciation and amortization	8,491		6		2,272	4,037	14,806
Claim payments and actuarial estimates		22,364	34,180	1,096			57,640
Other	426	56	220				702
Total operating expenses	<u>138,982</u>	<u>22,420</u>	<u>34,406</u>	<u>1,096</u>	<u>4,234</u>	<u>83,181</u>	<u>284,319</u>
Operating income (loss)	<u>9,014</u>	<u>(26)</u>	<u>(4,680)</u>	<u>378</u>	<u>1,408</u>	<u>7,664</u>	<u>13,758</u>
Nonoperating revenues (expenses):							
Use of money and property	585	(76)	759	21	88	155	1,532
Interest expense					(95)		(95)
Other expenses	(1,414)				(303)	(34)	(1,751)
Total nonoperating revenues (expenses)	<u>(829)</u>	<u>(76)</u>	<u>759</u>	<u>21</u>	<u>(310)</u>	<u>121</u>	<u>(314)</u>
Income (loss) before transfers	<u>8,185</u>	<u>(102)</u>	<u>(3,921)</u>	<u>399</u>	<u>1,098</u>	<u>7,785</u>	<u>13,444</u>
Transfers in		1,000					1,000
Transfers out	(3,902)				(77)	(7,327)	(11,306)
Changes in net position	4,283	898	(3,921)	399	1,021	458	3,138
Net position (deficit), beginning of year	70,869	(36,091)	(80,129)	1,912	14,423	(19,120)	(48,136)
Net position (deficit), end of year	<u>\$ 75,152</u>	<u>(35,193)</u>	<u>(84,050)</u>	<u>2,311</u>	<u>15,444</u>	<u>(18,662)</u>	<u>(44,998)</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

Page 1 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability / Property	Workers' Compensation	Unemployment			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 729	1,585			5,537	91,281	99,132
Receipts from interfund services provided	153,758	20,809	29,725	1,473			205,765
Payments to suppliers	(84,272)	(23,411)	(16,613)	(870)	(1,030)	(21,360)	(147,556)
Payments to employees	(45,063)				(1,188)	(48,199)	(94,450)
Payments for other operating activities	(426)					(720)	(1,146)
Payments for interfund services used	(6,371)	(1,632)	(9,389)	(205)	(613)	(5,528)	(23,738)
Net cash flows provided by (used for) operating activities	<u>18,355</u>	<u>(2,649)</u>	<u>3,723</u>	<u>398</u>	<u>2,706</u>	<u>15,474</u>	<u>38,007</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Receipt on advances to other funds	29		6,698				6,727
Transfers from other funds		1,000					1,000
Transfers to other funds	(3,902)				(77)	(7,327)	(11,306)
Net cash provided by (used for) noncapital financing activities	<u>(3,873)</u>	<u>1,000</u>	<u>6,698</u>		<u>(77)</u>	<u>(7,327)</u>	<u>(3,579)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(13,375)		(35)		(2,268)	(4,766)	(20,444)
Interest paid on long-term obligation					(95)		(95)
Proceeds from the sale of capital assets	1,413						1,413
Net cash used for capital and related financing activities	<u>(11,962)</u>		<u>(35)</u>		<u>(2,363)</u>	<u>(4,766)</u>	<u>(19,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received (paid) on cash and investments	587	(76)	759	21	66	155	1,512
Net increase (decrease) in cash and cash equivalents	3,107	(1,725)	11,145	419	332	3,536	16,814
Cash and cash equivalents, beginning of year	97,403	14,654	79,488	2,087	3,089	15,369	212,090
Cash and cash equivalents, end of year	<u>\$ 100,510</u>	<u>12,929</u>	<u>90,633</u>	<u>2,506</u>	<u>3,421</u>	<u>18,905</u>	<u>228,904</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability / Property	Workers' Compensation	Unemployment			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating income (loss)	\$ 9,014	(26)	(4,680)	378	1,408	7,664	13,758
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation and amortization	8,491		6		2,272	4,037	14,806
Other nonoperating expense					(303)		(303)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
Receivables:							
Billed	23						23
Intergovernmental	123						123
Prepaid items	(53)					(407)	(460)
Inventories	392						392
Long-term receivables			(1)				(1)
Warrants payable	(678)	52	43		19	1,116	552
Accrued liabilities	(404)	259	6	1	(568)	(106)	(812)
Intergovernmental payable	7					239	246
Unearned revenues					(105)	436	331
Compensated absences	40				38	(84)	(6)
Insurance claims payable		(2,934)	8,349	19			5,434
Net pension liability and related deferred inflows and outflows	1,295				(56)	2,246	3,485
Total OPEB liability and related deferred inflows and outflows	105				1	333	439
Total adjustments	9,341	(2,623)	8,403	20	1,298	7,810	24,249
Net cash provided by (used for) operating activities	\$ 18,355	(2,649)	3,723	398	2,706	15,474	38,007

COMPREHENSIVE ANNUAL FINANCIAL REPORT



AGENCY FUNDS

AGENCY FUNDS

Law Enforcement - Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate County law enforcement department or other local police agency.

Unapportioned Tax Collection - Accounts for property taxes received but not yet apportioned by the County.

Other - Accounts for other agency funds where the County holds money in a custodial capacity.

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019
(amounts expressed in thousands)

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 68,475	14,544	163,802	246,821
Receivables, net of allowance for uncollectibles:				
Billed	488		1,483	1,971
Interest	190	4,242	1,066	5,498
Intergovernmental			65	65
Prepaid items			183	183
Total assets	<u>\$ 69,153</u>	<u>18,786</u>	<u>166,599</u>	<u>254,538</u>
Liabilities:				
Warrants payable	\$ 425	6,329	4,485	11,239
Accrued liabilities	1,360		38,194	39,554
Intergovernmental payable	67,368	12,457	123,920	203,745
Total liabilities	<u>\$ 69,153</u>	<u>18,786</u>	<u>166,599</u>	<u>254,538</u>

COUNTY OF SACRAMENTO
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Law Enforcement</u>				
Assets:				
Cash and investments	\$ 67,866	609		68,475
Receivables, net of allowance for uncollectibles:				
Billed	408	80		488
Interest	875		685	190
Total assets	<u>\$ 69,149</u>	<u>689</u>	<u>685</u>	<u>69,153</u>
Liabilities:				
Warrants payable	\$ 303	122		425
Accrued liabilities	1,845		485	1,360
Intergovernmental payable	67,001	367		67,368
Total liabilities	<u>\$ 69,149</u>	<u>489</u>	<u>485</u>	<u>69,153</u>
	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Unapportioned Tax Collection</u>				
Assets:				
Cash and investments	\$ 15,767		1,223	14,544
Receivables, net of allowance for uncollectibles:				
Interest	2,085	2,157		4,242
Total assets	<u>\$ 17,852</u>	<u>2,157</u>	<u>1,223</u>	<u>18,786</u>
Liabilities:				
Warrants payable	\$ 8,369		2,040	6,329
Accrued liabilities	13		13	
Intergovernmental payable	9,470	2,987		12,457
Total liabilities	<u>\$ 17,852</u>	<u>2,987</u>	<u>2,053</u>	<u>18,786</u>

COUNTY OF SACRAMENTO
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Other</u>				
Assets:				
Cash and investments	\$ 131,997	31,805		163,802
Receivables, net of allowance for uncollectibles:				
Billed	2,285		802	1,483
Interest		1,066		1,066
Intergovernmental	65			65
Prepaid items	104	79		183
Total assets	<u>\$ 134,451</u>	<u>32,950</u>	<u>802</u>	<u>166,599</u>
Liabilities:				
Warrants payable	\$ 7,711		3,226	4,485
Accrued liabilities	23,282	14,912		38,194
Intergovernmental payable	103,458	20,462		123,920
Total liabilities	<u>\$ 134,451</u>	<u>35,374</u>	<u>3,226</u>	<u>166,599</u>
	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Totals</u>				
Assets:				
Cash and investments	\$ 215,630	32,414	1,223	246,821
Receivables, net of allowance for uncollectibles:				
Billed	2,693	80	802	1,971
Interest	2,960	3,223	685	5,498
Intergovernmental	65			65
Prepaid items	104	79		183
Total assets	<u>\$ 221,452</u>	<u>35,796</u>	<u>2,710</u>	<u>254,538</u>
Liabilities:				
Warrants payable	\$ 16,383	122	5,266	11,239
Accrued liabilities	25,140	14,912	498	39,554
Intergovernmental payable	179,929	23,816		203,745
Total liabilities	<u>\$ 221,452</u>	<u>38,850</u>	<u>5,764</u>	<u>254,538</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



TRUST FUNDS

TRUST FUNDS

INVESTMENT

Treasurer's Pool - Accounts for assets held for external investment pool participants.

Non-Pooled Investments - Accounts for separate investment pools and maintains accounts for assets of various long-term obligations.

COUNTY OF SACRAMENTO
TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019
(amounts expressed in thousands)

	Investment Trust		
	Treasurer's Pool	Non-Pooled Investments	Total
Assets:			
Cash and investments	\$ 2,868,855	638,228	3,507,083
Net position held in trust	<u>\$ 2,868,855</u>	<u>638,228</u>	<u>3,507,083</u>

COUNTY OF SACRAMENTO
TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Investment Trust		
	Treasurer's Pool	Non-Pooled Investments	Total
Additions:			
Contributions on pooled investments	\$ 7,581,911	3,227,984	10,809,895
Use of money and property	71,154	8,443	79,597
Total additions	<u>7,653,065</u>	<u>3,236,427</u>	<u>10,889,492</u>
Deductions:			
Distributions from pooled investments	<u>7,451,390</u>	<u>3,095,332</u>	<u>10,546,722</u>
Changes in net position	<u>201,675</u>	<u>141,095</u>	<u>342,770</u>
Net position held in trust, beginning of year	<u>2,667,180</u>	<u>497,133</u>	<u>3,164,313</u>
Net position held in trust, end of year	<u><u>\$ 2,868,855</u></u>	<u><u>638,228</u></u>	<u><u>3,507,083</u></u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the Sacramento County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government'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 have 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 operation 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 comprehensive annual financial reports for the relevant year(s).

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COUNTY OF SACRAMENTO
NET POSITION BY COMPONENT
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

	Fiscal Year									
	2009-10*	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Governmental activities										
Net investment in capital assets	\$ 1,374,306	1,378,390	1,407,750	1,373,547	1,389,288	1,362,707	1,370,462	1,383,387	1,416,649	1,415,121
Restricted	437,559	390,498	429,831	305,772	284,613	179,628	496,622	639,813	677,982	679,546
Unrestricted	(316,689)	(363,502)	(301,596)	(222,334)	(206,727)	(1,945,922)	(2,164,382)	(2,351,925)	(2,531,677)	(2,579,412)
Total governmental activities net position	<u>\$ 1,495,176</u>	<u>1,405,386</u>	<u>1,535,985</u>	<u>1,456,985</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 719,665	790,799	873,060	924,632	902,340	893,262	916,597	943,226	957,979	1,001,266
Restricted	216,266	182,288	140,552	119,827	113,277	117,472	116,658	116,219	106,816	130,601
Unrestricted	156,994	183,320	215,094	241,164	252,278	223,719	240,042	246,510	272,450	277,200
Total business-type activities net position	<u>\$ 1,092,925</u>	<u>1,156,407</u>	<u>1,228,706</u>	<u>1,285,623</u>	<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>
Primary government										
Net investment in capital assets	\$ 2,093,971	2,169,189	2,280,810	2,298,179	2,291,628	2,255,969	2,287,059	2,326,613	2,374,628	2,416,387
Restricted	653,825	572,786	570,383	425,599	397,890	297,100	613,280	756,032	784,798	810,147
Unrestricted	(159,695)	(180,182)	(86,502)	18,830	45,551	(1,722,203)	(1,924,340)	(2,105,415)	(2,259,227)	(2,302,212)
Total primary government net position	<u>\$ 2,588,101</u>	<u>2,561,793</u>	<u>2,764,691</u>	<u>2,742,608</u>	<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>

* Restated 2009-10

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 2009-10 THROUGH 2018-19
(amounts expressed in thousands)**

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	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses										
Governmental activities:										
General government	\$ 177,963	191,427	171,667	183,480	165,556	169,604	179,608	161,937	174,713	201,781
Public assistance	668,368	674,543	611,073	608,245	629,196	639,831	655,225	677,572	690,787	692,159
Public protection	650,198	673,751	630,142	711,957	760,358	725,108	781,244	862,968	953,258	1,006,545
Health and sanitation	595,816	528,449	555,490	566,548	574,814	502,535	554,731	712,033	677,587	714,167
Public ways and facilities	115,073	122,752	111,965	104,898	152,956	152,186	172,931	161,596	165,056	173,551
Recreation and culture	37,139	35,990	88,913	37,871	37,150	34,771	38,951	37,050	45,305	41,833
Education	21,053	3,578	1,858	2,548	1,353	1,820	1,729	1,658	1,535	1,561
Interest and fiscal charges	141,529	140,419	124,537	116,565	122,597	125,603	109,019	106,431	102,065	104,203
Total governmental activities	<u>2,407,139</u>	<u>2,370,909</u>	<u>2,295,645</u>	<u>2,332,112</u>	<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>
Business-type activities:										
Airport	130,724	128,941	167,303	204,930	199,264	188,132	187,985	193,233	199,349	195,411
Solid Waste	62,567	59,433	63,131	62,178	59,117	59,774	60,357	67,078	75,770	78,402
Water Agency	24,575	28,174	47,799	55,632	55,586	55,923	55,824	60,695	61,270	62,005
Parking Enterprise	3,247	1,914	2,037	1,819	1,725	2,463	1,893	3,238	3,781	2,067
County Transit	1,677	1,597	2,040	1,408	1,696	2,204	2,124	2,406	2,212	2,425
Total business-type activities	<u>222,790</u>	<u>220,059</u>	<u>282,310</u>	<u>325,967</u>	<u>317,388</u>	<u>308,496</u>	<u>308,183</u>	<u>326,650</u>	<u>342,382</u>	<u>340,310</u>
Total primary government	<u>\$ 2,629,929</u>	<u>2,590,968</u>	<u>2,577,955</u>	<u>2,658,079</u>	<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>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 100,877	112,818	116,246	130,972	118,633	169,287	152,760	122,521	96,765	99,530
Public assistance	8,464	8,858	11,744	9,862	6,541		11			
Public protection	110,244	122,315	118,963	114,114	124,049	106,089	136,582	131,287	163,474	154,328
Health and sanitation	38,692	28,783	40,380	44,123	36,151	35,503	34,244	34,184	38,572	37,415
Public ways and facilities	31,912	31,660	27,227	15,441	79,336	57,397	56,088	55,997	68,807	75,339
Recreation and culture	12,735	14,435	13,181	13,249	12,915	12,808	21,799	18,169	12,114	12,080
Education	177	448	875	536	146					
Operating grants and contributions	1,128,887	1,168,916	1,153,418	1,162,723	1,225,662	1,223,283	1,214,579	1,366,484	1,402,804	1,416,772
Capital grants and contributions	38,434	24,658	22,257	38,570	40,793	18,210	42,248	21,461	42,584	29,327
Total governmental activities	<u>\$ 1,470,422</u>	<u>1,512,891</u>	<u>1,504,291</u>	<u>1,529,590</u>	<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>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)**

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	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Business-type activities:										
Charges for services:										
Airport	\$ 132,727	121,516	146,328	162,222	160,647	177,244	187,829	196,086	204,638	212,783
Solid Waste	65,907	67,970	71,101	72,148	70,469	69,636	70,492	76,093	77,943	82,104
Water Agency	46,847	54,999	57,989	64,844	65,460	63,649	67,233	64,495	80,432	84,736
Parking Enterprise	3,185	3,195	3,143	2,995	2,995	3,001	2,909	3,014	2,830	3,028
County Transit	158	164	178	252	220	227	243	252	260	281
Operating grants and contributions	22,943	21,764	25,855	23,694	20,001	878	2,415	2,350	3,159	2,541
Capital grants and contributions	10,211	16,133	15,872	56,887	11,891	19,119	15,383	16,833	8,636	19,039
Total business-type activities	<u>281,978</u>	<u>285,741</u>	<u>320,466</u>	<u>383,042</u>	<u>331,683</u>	<u>333,754</u>	<u>346,504</u>	<u>359,123</u>	<u>377,898</u>	<u>404,512</u>
Total primary government	<u>\$ 1,752,400</u>	<u>1,798,632</u>	<u>1,824,757</u>	<u>1,912,632</u>	<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>
Net (expense)/revenue										
Governmental activities	\$ (936,717)	(858,018)	(791,354)	(802,522)	(799,754)	(728,881)	(835,127)	(971,142)	(985,186)	(1,111,009)
Business-type activities	59,188	65,682	38,156	57,075	14,295	25,258	38,321	32,473	35,516	64,202
Total primary government net expense	<u>\$ (877,529)</u>	<u>(792,336)</u>	<u>(753,198)</u>	<u>(745,447)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 437,634	383,651	379,289	370,925	398,364	425,477	447,437	463,975	490,856	525,232
Sales/Use	58,357	59,614	63,774	70,857	73,686	74,171	82,762	82,453	86,146	96,730
Transient occupancy	4,467	3,483	3,383	3,878	3,860	4,534	4,335	5,845	6,583	6,699
Unrestricted investment earnings	15,016	1,250	(648)	13,199	13,348	13,857	18,291	17,024	10,678	30,907
Grants and contrib. not restricted to specific programs	197,855	230,748	237,046	239,894	234,422	287,041	285,041	257,252	251,839	264,231
Pledged tobacco settlement proceeds	12,393	12,365	12,609	19,004	12,493	12,368	12,229	12,577	15,016	14,555
Miscellaneous	105,003	120,593	90,168	80,293	78,304	51,966	86,600	95,586	113,475	118,482
Transfers	8,502	4,972	(6)	4,848	4,981	5,178	4,721	5,003	6,506	6,474
Extraordinary item - AB 99 obligation		(48,448)	48,448							
Total general revenues and transfers	<u>\$ 839,227</u>	<u>768,228</u>	<u>834,063</u>	<u>802,898</u>	<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>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)**

Page 3 of 3

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Business-type activities:										
Sales/Use tax	\$ 573	554	356	927	581	687	1,412	561	802	
Unrestricted investment earnings	2,617	1,018	2,701					4,627	6,082	14,094
Grants and contrib. not restricted to specific programs				3,878	1,973	1,473	3,832			
Transfers	(6,002)	(4,972)	6	(4,848)	(4,981)	(5,178)	(4,721)	(5,003)	(6,506)	(6,474)
Special item - Abatement of regulatory fees		1,200	350	(417)						
Extraordinary - Litigation Settlements			30,730							
Total general revenues and transfers	<u>(2,812)</u>	<u>(2,200)</u>	<u>34,143</u>	<u>(460)</u>	<u>(2,427)</u>	<u>(3,018)</u>	<u>523</u>	<u>185</u>	<u>378</u>	<u>7,620</u>
Total primary government	<u>\$ 836,415</u>	<u>766,028</u>	<u>868,206</u>	<u>802,438</u>	<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>
Change in net position										
Governmental activities	\$ (97,490)	(89,790)	42,709	376	19,704	145,711	106,289	(31,427)	(4,087)	(47,699)
Business-type activities	56,376	63,482	72,299	56,615	11,868	22,240	38,844	32,658	35,894	71,822
Total primary government	<u>\$ (41,114)</u>	<u>(26,308)</u>	<u>115,008</u>	<u>56,991</u>	<u>31,572</u>	<u>167,951</u>	<u>145,133</u>	<u>1,231</u>	<u>31,807</u>	<u>24,123</u>

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

	Fiscal Year									
	2009-10*	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General fund										
Reserved	\$ 135,835									
Unreserved	(49,289)									
Nonspendable		15,435	14,967	14,618	32,640	30,837	27,857	51,167	36,478	18,319
Restricted		151,287	193,620	201,876	205,789	232,455	212,353	244,324	255,118	261,069
Assigned				1,212			9,780			75,303
Unassigned		(30,835)	(3,382)	(1)	(38,992)	(13,462)	24,931	37,267	76,162	
Total general fund	<u>\$ 86,546</u>	<u>135,887</u>	<u>205,205</u>	<u>217,705</u>	<u>199,437</u>	<u>249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>
All other governmental funds										
Reserved	\$ 277,547									
Unreserved, reported in:										
Special revenue funds	259,518									
Capital project funds	767									
Special revenue funds										
Nonspendable		1,836	16,069	15,703	10,467	902	691			
Restricted		239,441	271,784	172,741	191,743	198,744	210,529	213,732	237,582	244,041
Debt Service funds										
Nonspendable										
Restricted		126,878	121,162	111,917	105,644	101,784	89,851	87,466	87,913	70,601
Capital projects funds										
Nonspendable		4,292	4,292	4,292						
Restricted		71,069	49,484	41,414	44,096	44,207	74,799	94,291	97,369	103,835
Unassigned		(1,974)	(2,013)	(2,066)						
Total all other governmental funds	<u>\$ 537,832</u>	<u>441,542</u>	<u>460,778</u>	<u>344,001</u>	<u>351,950</u>	<u>345,637</u>	<u>375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>

*FY 2009-10 Restated due to prior period adjustment and reclassification in governmental funds.

Note: In FY 2010-11, the County implemented GASB 54; accordingly, fund balance in now categorized as above, and the change was implemented prospectively.

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues										
Taxes	\$ 503,091	452,478	446,446	445,659	475,910	504,182	534,534	552,273	583,585	628,661
Use of money and property	14,753	12,057	13,033	13,135	13,347	13,843	18,212	16,970	10,937	29,960
Licenses and permits	37,285	40,187	39,183	46,254	50,032	56,766	61,423	66,241	71,853	63,338
Intergovernmental	1,366,831	1,432,358	1,408,860	1,444,711	1,524,291	1,546,630	1,601,586	1,654,188	1,685,673	1,684,433
Charges for services	182,714	184,038	177,714	174,666	249,034	244,887	269,695	257,641	269,158	274,573
Fines, forfeitures, and penalties	34,716	49,756	43,551	39,054	43,723	43,041	37,600	38,276	38,721	40,781
Pledged tobacco settlement proceeds	12,393	12,365	12,609	19,004	12,493	12,368	12,229	12,577	15,016	14,555
Contributions and donations							24,167	7,025	12,626	6,037
Miscellaneous	105,003	120,593	90,168	80,294	77,392	86,346	81,427	95,586	113,475	115,218
Total revenues	<u>2,256,786</u>	<u>2,303,832</u>	<u>2,231,564</u>	<u>2,262,777</u>	<u>2,446,222</u>	<u>2,508,063</u>	<u>2,640,873</u>	<u>2,700,777</u>	<u>2,801,044</u>	<u>2,857,556</u>
Expenditures										
General government	143,739	151,978	133,720	141,867	142,581	151,271	165,999	151,713	154,698	190,191
Public assistance	653,640	666,033	597,066	597,598	621,588	656,873	663,373	671,766	673,167	675,857
Public protection	597,467	633,933	633,761	660,322	718,386	753,721	797,866	817,939	860,247	918,419
Health and sanitation	559,019	513,468	535,088	553,781	564,824	522,894	559,977	610,859	655,842	693,869
Public ways and facilities	115,672	102,705	85,118	108,663	151,269	137,724	135,948	137,106	143,330	138,291
Recreation and culture	34,693	33,896	33,881	34,553	34,650	35,368	34,869	35,641	40,990	39,132
Education	20,229	2,988	1,179	1,040	1,025	1,604	1,286	1,422	1,487	1,367
Capital outlay	77,061	47,840	53,059	32,316	40,629	35,754	59,080	36,974	51,992	37,196
Debt service:										
Principal	81,356	85,295	70,736	79,956	72,695	69,242	67,346	55,263	60,668	111,160
Bond issuance cost	1,217		4,579		867					275
Interest and fiscal charges	109,087	125,166	114,172	123,615	125,196	137,656	135,661	138,928	141,405	93,778
Total expenditures	<u>2,393,180</u>	<u>2,363,302</u>	<u>2,262,359</u>	<u>2,333,711</u>	<u>2,473,710</u>	<u>2,502,107</u>	<u>2,621,405</u>	<u>2,657,611</u>	<u>2,783,826</u>	<u>2,899,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (136,394)</u>	<u>(59,470)</u>	<u>(30,795)</u>	<u>(70,934)</u>	<u>(27,488)</u>	<u>5,956</u>	<u>19,468</u>	<u>43,166</u>	<u>17,218</u>	<u>(41,979)</u>

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

Page 2 of 2

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Other financing sources (uses)										
Transfers in	\$ 180,332	173,174	206,201	193,346	187,577	184,765	174,485	169,793	186,135	181,761
Transfers out	(155,924)	(158,246)	(171,550)	(175,433)	(156,053)	(167,637)	(158,151)	(152,894)	(159,219)	(164,981)
Capital leases obligations		29								
Issuance of debt	64,470	46,012	295,026	28,374	135,060	20,996	19,522	17,391	18,241	20,372
Tobacco settlement proceeds										
Refunding of debt issued	123,950									89,125
Premiums on debt issued	1,770									11,659
Discount on debt issued			(467)		(2,180)					
Swap, termination payment	(10,180)		(76,549)							
Payment to refunded bonds escrow agent	(103,008)		(181,760)		(108,850)					(113,411)
Total other financing sources (uses)	101,410	60,969	70,901	46,287	55,554	38,124	35,856	34,290	45,157	24,525
Extraordinary Item										
AB 99 obligation		(48,448)	48,448							
Changes in fund balances	\$ (34,984)	(46,949)	88,554	(24,647)	28,066	44,080	55,324	77,456	62,375	(17,454)
Debt service as a percentage of noncapital expenditures	8.38 %	9.22 %	8.44 %	9.07 %	9.38 %	9.16 %	8.60 %	7.63 %	7.52 %	7.27 %

COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 2009-10 THROUGH 2018-19
(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>
2009-10	\$ 437,634	58,357	4,467	500,458
2010-11	383,651	59,614	3,483	446,748
2011-12	379,289	63,774	3,383	446,446
2012-13	370,925	70,856	3,878	445,659
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

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

Fiscal Year	Secured ^A	Unsecured ^B	Unitary ^C	Exemptions - Welfare-Other ^D	Total Taxable Assessed Value	Total Direct Tax Rate ^E
2009-10	\$ 125,143,342	5,920,172	1,547,402	(5,202,526)	127,408,390	1.000
2010-11	122,565,815	5,553,385	1,488,079	(5,056,921)	124,550,358	1.000
2011-12	118,967,390	5,496,501	1,494,862	(5,495,233)	120,463,520	1.000
2012-13	115,610,824	5,519,515	1,445,961	(5,425,738)	117,150,562	1.000
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

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, equipments, 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 provides property tax relieves 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 2009-10 THROUGH 2018-19
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
	Countywide ^A	Cities ^B	Special District ^C	Schools ^D	
2009-10	1.000	0.0042		0.0390	1.0432
2010-11	1.000	0.0041		0.0374	1.0415
2011-12	1.000	0.0047		0.0471	1.0518
2012-13	1.000	0.0049		0.0479	1.0528
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

A) In June 1978 California voter 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, 2019 AND JUNE 30, 2010
(amounts expressed in thousands)**

	June 30, 2019				June 30, 2010			
	Tax Levy ^A	Rank	Percentage of Total Tax Levy	%	Tax Levy ^B	Rank	Percentage of Total Tax Levy	%
<u>Taxpayer</u>								
Pacific Gas & Electric Co.	\$ 13,629	1	0.88	%	\$ 4,934	4	0.38	%
Intel Corporation	8,359	2	0.54		5,370	3	0.41	
AT&T Communications	6,806	3	0.44		6,205	2	0.48	
BRE Delta Industrial Sacramento	5,365	4	0.35					
Sacramento Downtown Arena	4,776	5	0.31					
Oakmont Properties	4,726	6	0.30					
Walmart	4,494	7	0.29					
MP Holdings LLC	4,377	8	0.28					
Cummings Trust	3,851	9	0.25					
Pac West Office Equities	3,807	10	0.25					
Hines Interests, LP					7,210	1	0.56	
Rosetta Resources CA, Inc.					3,758	5	0.29	
Donahue Schriber Realty Group					3,670	6	0.28	
Aerojet General Corp					3,295	7	0.25	
Elliott Homes, Inc.					2,992	8	0.23	
Oates Marvin, et al					2,973	9	0.23	
Surewest					2,762	10	0.21	

(A) Tax levy amount provided by Tax and Licensing Division

(B) Source: FY 2009-10 County CAFR

Source: Sacramento County Department of Finance

COUNTY OF SACRAMENTO
COUNTY WIDE 1 PERCENT - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)

Fiscal Year	Taxes Levied ^A	Collections Within the Fiscal Year ^B		Collections in Subsequent Years ^C	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy ^D
2009-10	\$1,190,013	1,156,791	97.21	33,081	1,189,872	99.99
2010-11	1,165,904	1,139,699	97.75	26,009	1,165,708	99.98
2011-12	1,127,451	1,108,086	98.28	19,116	1,127,202	99.98
2012-13	1,094,235	1,079,299	98.63	14,582	1,093,881	99.97
2013-14	1,160,120	1,146,609	98.84	12,929	1,159,538	99.95
2014-15	1,233,891	1,221,411	98.99	11,499	1,232,910	99.92
2015-16	1,288,948	1,278,225	99.17	9,188	1,287,413	99.88
2016-17	1,359,759	1,349,089	99.22	7,851	1,356,940	99.79
2017-18	1,453,162	1,441,490	99.20	5,777	1,447,267	99.59
2018-19	1,550,474	1,538,104	99.20		1,538,104	99.20

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 with 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 FY2018-19, includes revised estimates for FY 2014-15 (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 2009-10 THROUGH 2018-19
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income ^B	Per Capita ^B
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Other Debt ^{A, C}			
2009-10	\$ 340,285	56,419	931,453	342,722	9,972	7,178	1,097,430	363,330	23,205	16,220	3,188,214	5.91 %	2,263
2010-11	323,510	50,961	916,168	340,957	8,711	6,105	1,210,285	351,745	21,180	19,000	3,248,622	5.89 %	2,285
2011-12	306,535	50,897	1,266,834	353,572	7,824	2,435	1,194,285	339,880	19,085	18,499	3,559,846	6.14 %	2,481
2012-13	288,705	43,583	1,238,566	347,040	6,910	3,680	1,174,980	328,505	16,910	16,083	3,464,962	5.75 %	2,395
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

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 fiscal years 2009-10 through 2015-16 to include SMUD Water Rights.

B) Revised estimates for FY 2009-16 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.

**COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Assessed Value of Property	\$ 127,408,390	124,550,358	120,463,520	117,150,562	122,505,185	130,274,313	136,123,278	143,368,927	152,390,356	162,630,815
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	1,592,605	1,556,879	1,505,794	1,464,382	1,531,315	1,628,429	1,701,541	1,792,112	1,904,879	2,032,885
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>\$ 1,592,605</u>	<u>1,556,879</u>	<u>1,505,794</u>	<u>1,464,382</u>	<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>
Total net debt applicable to the limit as a percentage of the limit	100	100	100	100	100	100	100	100	100	100

- 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.

Note: Assessed value of property included revised numbers for FY 2009-10 through 2014-15

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO
PLEDGED-REVENUE COVERAGE
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands)**

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue ^A	Less: Operating	Net Revenue	Debt Service Requirements ^C		Coverage
		Expenses ^B		Principal	Interest	
2009-10	\$ 132,007	83,385	48,622	8,155	9,052	2.83
2010-11	128,180	83,884	44,296	8,395	8,892	2.56
2011-12	146,057	95,730	50,327	11,395	24,586	1.40
2012-13	162,935	94,118	68,817	11,940	40,187	1.32
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

Water Agency ^D						
Fiscal Year	Gross Revenue ^E	Less: Operating	Net Revenue	Debt Service Requirements ^C		Coverage
		Expenses		Principal	Interest	
2009-10	\$ 45,435	16,505	28,930	6,975	17,393	1.19
2010-11	53,789	17,436	36,353	7,290	17,133	1.49
2011-12	56,491	19,415	37,076	7,605	16,801	1.52
2012-13	63,664	22,425	41,239	7,910	16,620	1.68
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

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 exclusive of depreciation and amortization.

C) Includes principal and interest of revenue bonds only. Does not include certificates of participation.

D) Water Agency revenue bonds were issued May 9, 2007.

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, 2019 AND 2010**

Employer	June 30, 2019			June 30, 2010		
	Employees^(A)	Rank	Percentage of Total County Employment	Employees^(B)	Rank	Percentage of Total County Employment
UC Davis Health System	12,840	1	1.88 %			%
Kaiser Permanente	11,005	2	1.61	10,081	1	1.65
Sutter / California Health Services	8,177	3	1.20	7,314	3	1.20
Dignity / Mercy Healthcare	7,000	4	1.02	8,279	2	1.36
Intel Corporation	6,000	5	0.88	6,000	4	0.98
Apple Inc.	5,000	6	0.73			
Raley's Inc. / Bel Air	3,374	7	0.49	3,401	6	0.56
Health Net of California Inc.	3,000	8	0.45	2,512	8	0.41
VSP Global	2,700	9	0.40			
Amazon - Sacramento Fulfillment Center	2,000	10	0.29			
Wells Fargo & Co.				3,690	5	0.61
PRIDE Industries				2,841	7	0.47
Cashe Creek Casino Resort				2,460	9	0.40
Pacific Gas And Electric Co.				2,169	10	0.36
Total	61,096		8.95 %	48,747		8.00 %

Note:

(A) Sources: Sacramento Busines Journal Annual Book of Lists Current Year

(B) Source: FY 2010 Sacramento County CAFR

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS 2009-10 THROUGH 2018-19
(amounts expressed in thousands except per capita amount)

<u>Fiscal Year</u>	<u>Population^A</u>	<u>Personal Income</u>	<u>Per Capita Personal Income^B</u>	<u>School Enrollment</u>	<u>Unemployment Rate^C</u>
2009-10	1,409	\$ 53,826,177	\$ 38,213	238	11.0 %
2010-11	1,422	54,666,004	38,443	238	12.6 %
2011-12	1,435	57,498,308	40,068	237	12.1 %
2012-13	1,447	59,775,785	41,303	238	10.5 %
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 %

Note:

All dollar estimates are in current dollars which are not adjusted for inflation.

Estimates updated November 15, 2019, include new estimates for FY 2017-18 and revised estimates for FY 2009-10 through FY 2015-16, which may not be consistent with prior reported figures.

A) Census Bureau midyear population estimates. Estimates for FY 2009-10 through FY 2017-18 reflect County population estimates available as of March 2019.

B) Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for FY 2010-2017 reflect County population estimates available as of March 2019.

C) Unemployment rate reflects the March 2019 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 2009-10 THROUGH 2018-19

Full-Time Equivalent Employees as of June 30th										
Function	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Government	907	945	916	890	1,076	894	895	912	905	853
Public Assistance	2,339	2,210	2,156	2,132	2,165	2,179	2,239	2,259	2,224	2,103
Public Protection	3,683	3,548	3,574	3,571	3,591	3,806	3,948	3,960	3,952	4,280
Health & Sanitation	2,661	2,089	2,018	2,032	1,952	1,952	2,057	2,181	2,156	2,230
Recreation and Culture	162	129	120	106	137	138	154	134	157	164
Education	2	3	2	2	1	1				
Public Ways and Facilities						271	277	257	246	244
Non-Governmental									11	12
Total	<u>9,754</u>	<u>8,924</u>	<u>8,786</u>	<u>8,733</u>	<u>8,922</u>	<u>9,241</u>	<u>9,570</u>	<u>9,703</u>	<u>9,651</u>	<u>9,886</u>

Source: County of Sacramento Department Records - Governmental Type Employees Only (Excludes Business Type and Dependent Special District Employees)

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**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2009-10 THROUGH 2018-19**

Page 1 of 2

Function	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Government										
Assessor:										
Number of parcels assessed	506,063	503,108	502,709	502,527	501,887	503,717	505,436	505,076	508,941	504,653
Gross total of secured roll (in thousands)	125,707,295	123,216,166	119,315,245	115,975,517	120,409,431	128,067,747	134,202,599	141,838,766	151,097,866	161,271,858
Gross total of unsecured roll (in thousands)	5,920,223	5,553,385	5,496,500	5,519,515	5,902,161	6,430,072	6,488,685	6,220,235	6,450,239	6,909,322
Clerk Recorder:										
Number of recorded documents	377,728	385,599	396,098	433,820	326,097	355,598	362,930	383,763	369,638	336,384
Public Assistance										
Human Assistance total caseload	156,811	158,439	177,402	189,591	216,504	293,840	330,167	328,585	318,056	314,269
Percent served of children in poverty	96	91	91	86	81	66	61	61	62	62
Senior nutrition, meals served	478,197									
Housing services provided ^A	12,794	12,299	9,369	2,378	2,457	2,203	2,069	1,812	2,319	2,349
Employee non-exempt recipients CalWORKs	30	29	21	41	45	47	52	67	59	61
Public Protection										
District Attorney:										
Filed felonies	8,589	8,897	8,496	8,815	9,342	8,496	8,854	8,641	9,077	8,294
Filed misdemeanors	17,353	16,399	13,888	14,095	13,539	14,553	15,164	14,397	13,342	14,514
Filed probation violations ^B	1,355	1,864	1,042	1,153	1,939	1,785	1,517	1,785	1,884	1,856
Probation:										
Cases supervised ^E	15,988	14,810	24,989	24,776	28,402	27,939	28,246	28,383	27,701	26,688
Institutional care for minors (days) ^C	114,764	82,004	65,194	68,597	69,339	69,696	62,776	50,237	46,760	43,535
Juvenile referrals processed	11,816	10,188	8,769	8,836	8,105	6,605	5,519	4,520	3,693	3,086
Prepared adult sentencing reports ^{D, F, G, H, I}	9,658	6,308	7,249	6,380	6,209	9,081	9,604	11,255	13,999	18,227
Public Defender:										
Felony Unit jury trials	139	135	130	161	147	159	161	199	133	141
Sheriff:										
Emergency calls for service:										
Priority 0	66									
Priority 1	3,698	3,535	3,891	3,985	3,785	4,095	4,070	4,450	4,311	4,319
Emergency response time (minutes):										
Priority 0	14									
Priority 1	11	10	14	12	12	12	13	12	11	11
Processed and booked adult offenders	20,242	19,064	20,601	19,443	19,991	20,292	20,538	15,824	21,616	19,107
Physical arrests	23,237	21,903	25,414	23,143	23,856	23,733	24,441	18,785	24,928	21,659
Total miles patrolled by Sheriffs ^J	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, for the year noted and all thereafter. Note relates to Housing Services Provided FY 2012-13.

B) Revised Filed Probation Violations for years 2009-10 and 2010-11.

C) Due to budget reductions, the Warren E. Thornton Youth Center (WETYC) and the Sacramento County Boys Ranch (SCBR) were closed as of July 1, 2009 and July 1, 2010, respectively. Note relates to Institutional Care for minors (days) FY 2009-10.

D) The implementation of Presentence Investigation Report Waivers likely accounts for the reduction in number of prepared Adult Court reports. Note relates to Prepared Adult Sentencing Reports FY 2010-11.

E) Beginning in FY 2011-12, a new report was created to capture cases under Probation's jurisdiction and include Post Release Community Supervision (PRCS) offender population.

F) Probation is now responsible for under Assembly Bill 109 (Statutes of 2011). Note relates to Prepared Adult Sentencing Reports FY 2014-15.

G) Due to restructuring, we now have capacity to report on data and critical workload that we have previously been unable to capture and quantify. Note relates to Prepared Adult Sentencing Reports FY 2014-15.

H) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.

I) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.

J) May 31, 2011, the total miles patrolled by Sheriff's was revised for FY 2006-07 forward, due to loss of contracts with Citrus Heights and Elk Grove.

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2009-10 THROUGH 2018-19**

Page 2 of 2

Function	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Health and sanitation										
Patient treatments at Public Health clinics	96,184	76,004	80,568	61,015	48,229	20,751	19,700	23,613	29,791	30,532
Training:										
Programs in compliance (by inspection) ^K	100	100			27	95	100	100	100	100
Public ways and facilities										
Number of traffic signs resent and replaced	14,146	16,147	16,751	12,728	12,952	14,909	13,910	16,129	8,635	7,099
Square feet of graffiti removed or abated	341,749	201,315	76,132	96,848	136,989	185,195	205,084	131,490	129,600	200,587
Recreation and culture										
Number of visitors/participants at Effie Yeaw Nature Center (EYNC) ^L	84,449									
Number of individuals who use Parks' golf services	181,550	174,000	170,076	162,937	164,579	163,722	157,095	131,248	147,029	142,048
Education										
Library:										
Total circulation ^M		8,021,448	7,648,145	7,329,585	7,113,116	7,339,735	7,480,731	7,064,066	7,573,185	8,112,087
Print materials loaned ^M	6,338,259									
Audio visual media loaned ^M	1,391,325									
Library cards issued	80,429	74,224	78,088	62,194	64,686	66,835	63,384	60,535	100,733	142,678
Total library cards in use	637,160	635,895	651,370	710,008	665,840	656,423	651,636	692,508	706,452	771,503
Library visits	4,362,116	4,391,093	4,053,689	4,062,724	4,144,307	4,183,751	4,252,802	3,625,829	3,667,015	3,712,147
Airport										
Number of commercial airlines	14	11	11	11	11	11	10	10	11	16
Number of flights	52,504	49,425	49,316	47,826	46,871	46,621	48,627	50,551	55,879	60,082
Number of enplaned passengers	4,445,991	4,377,315	4,480,003	4,419,545	4,376,237	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447
Solid Waste										
Percent of diversion/recycled waste	70	71	71	73	73	74	73	70	68	63
Tons disposed	471,488	513,649	558,752	607,075	596,972	623,824	657,247	747,704	796,946	890,301
Water Agency										
Water supply:										
Number of water connections ^N	49,069	49,580	50,138	50,813	51,652	52,400	53,439	54,464	55,178	56,137
Water delivered (acre feet)	39,428	38,781	42,594	43,178	41,045	35,112	31,174	35,079	39,750	39,750
Storm Water Utilities										
Drainage:										
Mainline and lateral pipes cleaned (miles)	60	57	72	73	66	66	119	84	107	133
Parking Enterprise										
Daily public parking (count)	168,490	145,429	131,945	126,568	131,163	136,440	151,629	149,112	135,932	116,094
Monthly parking passes issued to County employees (count)	18,456	17,736	17,280	17,304	17,580	17,652	17,640	18,216	21,180	20,676
Outside agency usage	11,251	12,350	11,775	11,703	10,021	8,995	7,792	4,555	4,551	4,040

K) Non Mandated inspections suspended due to budget/staff reductions. Program rebuilding measures are underway. Note Relates to programs in compliance (by inspection FY 2011-12 and FY 2012-13).

L) Beginning FY 2010-11 EYNC is no longer operated by the County: therefore, this information is not available for the year noted and all thereafter. Note relates to Number of Visitors/Program Participants at Effie Y for FY 2010-11 and all thereafter.

M) Book loaned and audio visual media loaned statistics are combined effective FY 2010-11 for the year and thereafter.

N) For FY 2009-10 through FY 2011-12, stats for Number of Water Connections were revised after a program error was discovered by CUBS and a subsequent recount performed.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2009-10 THROUGH 2018-19**

Page 1 of 2

Function	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Public Protection										
Sheriff:										
Administrations buildings	1	1	1	1	1	1	1	1	1	1
Aircrafts										
Operational	5	4	5	5	5	5	5	5	5	5
Non-Operational	-	1		0		0		0	0	0
Fixed Wing										
Sheriff	1	1	1	1	1	-	-	-	-	0
CAL-MMET	2	2	2	2	2	2	2	2	2	2
Community service centers	10	5	5	5	5	6	7	8	8	8
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	305	315	315	328	328	328	386	385	409	397
Stations	3	3	3	3	3	3	3	3	3	3
Health and Sanitation										
Clinics	3	1	1	1	1	1	1	1	1	1
Mental Health Treatment										
Clinics	1	1	1	1	1	1	1	1	1	1
Public ways and facilities										
Centerline miles of roads maintained	2,208	2,208	2,208	2,198	2,202	2,202	2,200	2,203	2,202	2,208
Traffic signals	450	449	451	451	459	461	466	473	476	505
Recreation and culture										
Number of golf courses	4	4	4	4	4	4	4	4	4	4
Number of developed parks	38	38	38	38	38	38	38	38	38	38
Developed parks acreage	15,150	15,150	15,150	15,187	15,187	15,189	15,189	15,189	15,189	15,189
Education										
Number of libraries ^A	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 2009-10 THROUGH 2018-19**

Page 2 of 2

Function	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed vehicles:										
Cars and light trucks	148	147	156	154	159	168	205	201	189	182
Busses	33	33	33	32	32	32	51	42	28	33
Solid Waste										
Number of collection trucks	149	139	100	105	109	108	100	100	100	100
Number of landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water mains (miles)	753	761	766	776	785	797	805	812	829	851
Storage capacity (thousands of gallons)	39,400	39,400	39,400	61,900	61,900	61,900	61,900	61,900	61,600	61,600
Drainage: ^B										
Drainage inlets	44,131	44,356	44,555	39,439	37,669	38,841	38,651	38,425	37,262	37,145
Drainage manholes	25,004	25,147	25,378	23,489	22,793	23,544	23,573	23,589	23,127	23,302
Drainage pipes (miles)	1,338	1,342	1,345	1,333	1,276	1,359	1,353	1,341	1,293	1,293
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2

B) The amounts for Drainage Inlets, Drainage Manholes and Drainage Pipes (Miles) were revised for every year reported (2001-02 - 2008-09). Because the original "Hansen" database in which these items were tracked was inadequate, counts were not accurate. Once a transition was made to a GIS system, these items were recalculated with better counts being reported.

Source: County of Sacramento Department Records

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



BOND DISCLOSURES

COUNTY OF SACRAMENTO

DEPARTMENT OF AIRPORTS

WATER AGENCY ENTERPRISE FUND

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

This meets the County of Sacramento Annual Continuing Disclosure filing required as of December 31, 2019, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of this date 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 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, 2019)**

Average Daily Balance	\$3,658,920,049
Period-End Balance	\$3,554,687,797
Yield	2.326%
Weighted Average Maturity	384 Days
Duration in Years	1.019 Years
Historical Cost	\$3,556,089,508
Fair Value	\$3,581,524,567
Percent of Market to Cost	100.72%

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⁽¹⁾
(amounts expressed in thousands)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
APPROPRIATIONS				
Reserve Increase/(Decrease)	\$ 9,846	8,707	152,393	50,634
General Government	89,578	46,237	53,270	57,783
Public Protection	872,831	931,902	1,183,480	1,231,690
Health and Sanitation	699,212	715,230	496,855	524,399
Public Assistance	715,300	746,774	851,531	889,257
Education, Cultural and Recreation	20,953	23,899	26,582	27,141
Contingencies	1,958	4,288	2,178	1,185
TOTAL APPROPRIATIONS	<u>\$ 2,409,678</u>	<u>2,477,037</u>	<u>2,766,289</u>	<u>2,782,089</u>
AVAILABLE FUNDS				
Beginning Appropriated Fund Balance/Carryover	\$ 50,601	48,802	267,735	178,135
Equity Transfer In	1,696	1,826	1,029	15
Reserve Cancellation	1,148	11,746	2,799	29,836
Taxes	533,491	564,689	592,697	626,658
Licenses and Permits	12,169	11,858	11,758	11,283
Fines, Forfeitures and Penalties	27,232	23,897	27,284	24,104
Realignment			638,868	649,966
Proposition 172			123,583	131,830
Mental Health Services			59,511	65,686
Clerk/Recorder Fees			1,875	3,037
Use of Money and Property	3,001	773	749	453
Aid from Other Government Agencies (state and federal)	1,602,487	1,651,515	882,815	897,413
Charges for Current Services	140,736	123,408	119,112	121,737
Other Revenues	37,117	38,523	36,474	41,936
TOTAL AVAILABLE FUNDS	<u>\$ 2,409,678</u>	<u>2,477,037</u>	<u>2,766,289</u>	<u>2,782,089</u>

⁽¹⁾ Board of Supervisors adopted budget prior to any Appropriation Adjustment Requests (AAR).

COUNTY OF SACRAMENTO
HISTORY OF GROSS ASSESSED VALUATIONS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Total Gross Assessed Valuation</u>	<u>Secured/Unsecured Roll Growth</u>	
2010-11	\$ 128,769,551	(2.17)	%
2011-12	124,811,747	(3.07)	
2012-13	121,495,032	(2.66)	
2013-14	126,311,592	3.96	
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	

Countywide Secured Tax Levies, Delinquencies and Collections
(excludes levies for bond debt service and special assessments)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Secured Tax Levies</u>	<u>Current Levy Delinquent June 30</u>	<u>Percent Current Levy Delinquent June 30</u>		<u>Total Collections June 30¹</u>	<u>Total Collection Current Levy</u>	
2010-11	\$ 1,151,004	\$ 26,205	2.28	%	\$ 1,124,799	97.72	%
2011-12	1,112,482	19,365	1.74		1,093,117	98.26	
2012-13	1,079,750	14,936	1.38		1,064,814	98.62	
2013-14	1,145,549	13,511	1.18		1,132,038	98.82	
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	

1) Includes prior years' redemption, penalties and interest.

COUNTY OF SACRAMENTO
Largest Secured Taxpayers FY 2019-20
(includes levies for bond debt service and special assessments)

Taxpayer	Amount
Pacific Gas & Electric Co.	\$ 14,807,827
Intel Corporation	8,755,930
BRE Delta Industrial Sacramento	8,614,718
AT&T Communications	7,210,287
Oakmont Properties	6,417,976
Walmart	5,400,586
MP Holdings LLC	5,296,306
Lennar Homes of California	4,811,619
Sacramento Downtown Arena	4,722,241
Buzz Oats	4,455,137
Total (represents 2.97% secured tax roll levy):	<u><u>\$ 70,492,627</u></u>

COUNTY OF SACRAMENTO
Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2014-15 through FY 2018-19
(amounts expressed in thousands)

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 199,437	249,830	274,921	332,758	367,758
Revenues					
Taxes	463,728	494,863	514,893	545,813	587,675
Use of money/property	7,280	7,113	6,808	3,618	12,073
Licenses and permits	11,134	11,969	12,252	12,118	11,460
Intergovernmental	1,466,676	1,489,123	1,576,802	1,582,139	1,590,790
Charges for sales and services	134,703	141,723	140,190	121,064	129,071
Fines, forfeitures and penalties	28,626	25,096	26,983	26,533	28,745
Miscellaneous	45,215	38,834	49,782	67,614	62,037
Total Revenues	<u>2,157,362</u>	<u>2,208,721</u>	<u>2,327,710</u>	<u>2,358,899</u>	<u>2,421,851</u>
Transfers in	13,406	20,202	9,959	10,622	10,882
Total Revenues and Transfers	<u>2,170,768</u>	<u>2,228,923</u>	<u>2,337,669</u>	<u>2,369,521</u>	<u>2,432,733</u>
Expenditures					
General government	97,544	108,869	102,233	105,311	121,310
Public assistance	656,873	663,373	671,766	673,167	675,857
Public protection	737,049	778,690	797,977	801,433	849,736
Health and sanitation	493,513	526,162	575,906	615,740	655,505
Recreation and culture	16,011	17,670	16,984	18,655	22,007
Education	318	319	332	378	389
Total Expenditures	<u>2,001,308</u>	<u>2,095,083</u>	<u>2,165,198</u>	<u>2,214,684</u>	<u>2,324,804</u>
Transfers out	119,067	108,749	114,634	119,837	120,996
Total Expenditures and Transfers	<u>2,120,375</u>	<u>2,203,832</u>	<u>2,279,832</u>	<u>2,334,521</u>	<u>2,445,800</u>
Net change in fund balance	<u>50,393</u>	<u>25,091</u>	<u>57,837</u>	<u>35,000</u>	<u>(13,067)</u>
Ending Fund Balance	<u>\$ 249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>

COUNTY OF SACRAMENTO

Lease Obligations

As of July 1, 2019

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Final Maturity	County Liability
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	36,150,000	24,740,000	2034	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	25,570,000	2029	66% (if ticket receipts insufficient)
2010 Refunding Certificates of Participation; dated 03/12/10	Main Detention Facility; Parking Garage; Cherry Island Golf Course	126,105,000	46,350,000	2031	100%
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	85,890,000	2034	100%

Earthquake Insurance:

As of the date of this Annual Continuing Disclosure Report, earthquake insurance is in effect for the leased premises of the County of Sacramento 2010 Refunding Certificates of Participation.

COUNTY OF SACRAMENTO
Pension Obligation Bonds

As of July 1, 2019

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Obligation Bonds, Series 1995A ⁽¹⁾⁽²⁾	Fund Pension System	\$ 404,060,208	\$ 142,400,000	2022	75%
County of Sacramento Taxable Pension Obligation Bonds, Series 2003B ⁽²⁾	Partially Refund Series 1995A	97,441,330	133,410,000	2024	75%
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	359,165,000	321,315,000	2031	75%
County of Sacramento Taxable Pension Bonds, Series 2011A	Refund Series 1995B,C	183,365,000	145,155,000	2023	75%
County of Sacramento Taxable Pension Bonds, Series 2011B	Refund Series 2009	73,875,000	73,875,000	2024	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	111,960,000	2025	75%

⁽¹⁾ Series 1995A amount outstanding reflects partial refund/defeasement of \$128,430,000 with Series 2003.

⁽²⁾ Series 1995A and 2003B amounts outstanding reflect fully accreted value of capital appreciation bonds. Full accretion date and conversion to current interest for the 1995A Series occurred August 15, 1998, and for the 2003B Series 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 reset 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, 2019
(amounts expressed in thousands)

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 20,996	\$ 1,013	08/01/2019
Sacramento County (Teeter Plan)	19,522	1,822	08/03/2020
Sacramento County (Teeter Plan)	17,391	2,773	08/02/2021
Sacramento County (Teeter Plan)	18,241	4,887	08/01/2022
Sacramento County (Teeter Plan)	20,372	10,965	08/01/2023

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Certificates of Participation Only
(includes principal and interest)
As of July 1, 2019

Period Ending June 30	Series 2003 Juv Court COPs	Series 2010 Refunding COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds ⁽¹⁾	FY Total
2020	2,215,075	9,157,675	4,871,125	4,791,000	2,357,816	23,392,691
2021	2,215,700	5,659,950	4,872,750	4,792,000	2,352,062	19,892,462
2022	2,213,575	5,257,625	4,871,000	4,796,750	2,349,432	19,488,382
2023	2,213,575	5,260,875	4,875,375	4,795,000	2,345,917	19,490,742
2024	2,215,450	5,258,125	4,870,500	4,791,625	2,340,980	19,476,680
2025	2,214,281	5,260,175	4,871,000	4,796,125	2,337,278	19,478,859
2026	2,215,419	5,257,825	4,871,250	4,793,125	2,334,002	19,471,621
2027	2,214,006	5,259,262	4,870,750	4,787,500	2,327,147	19,458,665
2028	2,214,938	5,262,475	4,873,875	4,793,625	2,322,568	19,467,481
2029	2,213,106	5,261,600		4,791,000	2,315,989	14,581,695
2030	2,212,000	5,261,063		4,789,375	2,309,799	14,572,237
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
Total	<u>35,430,875</u>	<u>62,156,650</u>	<u>43,847,625</u>	<u>71,884,000</u>	<u>25,692,990</u>	<u>239,012,140</u>

⁽¹⁾ County required to pay only 66.667 % of total lease payments, and only if ticket receipts 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, 2019

Period Ending June 30	Series 1995A POBs	Series 2003B Refunding POBs	Series 2008 Refunding POBs ⁽¹⁾	Series 2011A Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs ⁽²⁾	FY POBs Total	FY COPs Total	FY POBs & COPs Combined
2020	\$ 47,356,920	7,644,393	33,312,489	38,210,396	4,894,219	8,117,100	139,535,517	23,392,691	162,928,208
2021	53,371,768	7,644,393	33,813,999	35,792,492	4,894,219	8,117,100	143,633,971	19,892,462	163,526,433
2022	59,573,008	7,644,393	35,700,648	31,803,530	4,894,219	8,117,100	147,732,898	19,488,382	167,221,280
2023		99,427,255	36,533,905	3,740,292	4,894,219	8,117,100	152,712,771	19,490,742	172,203,513
2024		40,035,058	38,281,039	60,130,146	4,894,219	8,117,100	151,457,562	19,476,680	170,934,242
2025			39,239,366		76,322,109	34,437,113	149,998,588	19,478,859	169,477,447
2026			41,211,936			87,718,563	128,930,499	19,471,621	148,402,120
2027			43,011,983				43,011,983	19,458,665	62,470,648
2028			44,238,161				44,238,161	19,467,481	63,705,642
2029			46,212,341				46,212,341	14,581,695	60,794,036
2030			47,915,587				47,915,587	14,572,237	62,487,824
2031			48,879,209				48,879,209	7,004,000	55,883,209
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
Total	<u>\$ 160,301,696</u>	<u>162,395,492</u>	<u>488,350,663</u>	<u>169,676,856</u>	<u>100,793,204</u>	<u>162,741,176</u>	<u>1,244,259,087</u>	<u>239,012,140</u>	<u>1,483,271,227</u>

⁽¹⁾ Assumed swap rate of 5.901% + 1.30% for the 2026 Term Bond; 5.901% + 1.45% for \$166,950,000 of the 2030 Term Bond;
6.354 % (20-year average of 1 month LIBOR + 3.00 %) for \$12,365,000 of the 2030 Term Bond.

⁽²⁾ Issuance of the Series 2013 Refunding Bonds resulted in the refunding of the Series 2004C-3 Bonds on July 10, 2014.

COUNTY OF SACRAMENTO
Variable Rate Debt/Interest Rate Swap

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo LIBOR+130 BPS \$156,750,000; 1-mo LIBOR+145 BPS \$179,315,000
Bond Amount Outstanding as of July 1, 2019	\$321,315,000
Insurer	FSA
Swap Counterparty	Merrill Lynch
Swap Notional Amount	\$308,950,000
Payment Terms	County pays 5.901%; Counterparty pays 100% 1-mo LIBOR
Est. Valuation (includes accrued interest)	Negative (\$82,567,495.60)
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)

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, 2009 and 2010, the Airport System Senior Revenue Refunding Bonds, Series 2016A and 2018 ABC, the Airport System Subordinate and PFC/Grant Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B and 2018DEF, (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 Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2007-2008, and each CAFR thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The CAFR 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. Refer to the Financial Section, pages 33 through 39 of this report.
- (B) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
 - 1. Historical Enplaned Passengers – Exhibit 1
 - 2. Historical Aircraft Landed Weight – Exhibit 2
 - 3. Airlines’ Market Shares of Enplaned Passengers – Exhibit 3
 - 4. Statement of Revenues, Expenses and Changes in Net Position – Exhibit 4
 - 5. Airline and Nonairline Revenues – Exhibit 5
 - 6. Summary of Historical Revenues, Expenses and Debt Service Coverage – Exhibit 6

REPORTING OF MATERIAL EVENTS

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 Year ended June 30
Exhibit 1

Enplanements	2010 ²	2011 ²	2012 ²	2013 ²	2014 ²	2015	2016	2017	2018	2019
Major and other airlines ¹	4,319,759	4,223,908	4,203,561	4,117,949	4,061,686	4,306,807	4,483,792	4,713,231	5,175,936	5,701,245
Regional airlines	230,150	255,833	276,442	301,596	314,551	321,790	459,393	484,953	585,650	597,202
Total	<u>4,549,909</u>	<u>4,479,741</u>	<u>4,480,003</u>	<u>4,419,545</u>	<u>4,376,237</u>	<u>4,628,597</u>	<u>4,943,185</u>	<u>5,198,184</u>	<u>5,761,586</u>	<u>6,298,447</u>
Percent change from prior year	(3.29)%	(1.54)%	0.01 %	(1.35)%	(0.98)%	5.77 %	6.80 %	5.16 %	10.84 %	9.32 %

Source: Department of Airports statistics reports.

¹ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

² Fiscal year 2010-2014 figures have been revised.

COUNTY OF SACRAMENTO
Historical Aircraft Landed Weight - Last 10 Years
Fiscal Year Ended June 30
Exhibit 2
(in 1,000 lb. units)

	2010 ²	2011 ²	2012 ²	2013 ²	2014	2015	2016	2017	2018	2019
Passenger airlines										
Major and other airlines ¹	5,449,118	5,077,482	5,047,200	4,799,438	4,693,297	4,782,686	4,890,000	5,182,816	5,731,091	6,243,996
Regional airlines	476,023	285,754	245,872	334,097	353,852	350,506	508,376	570,233	674,706	689,413
Subtotal	<u>5,925,141</u>	<u>5,363,236</u>	<u>5,293,072</u>	<u>5,133,535</u>	<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>
All cargo airlines	610,385	581,195	613,981	646,113	964,965	651,887	687,612	728,575	1,038,232	1,276,124
Total	<u>6,535,526</u>	<u>5,944,431</u>	<u>5,907,053</u>	<u>5,779,648</u>	<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>
Percent change from prior year	(4.92)%	(9.04)%	(0.63)%	(2.16)%	4.02 %	(3.78)%	5.20 %	6.50 %	14.85 %	10.28 %

Source: Department of Airports records.

¹ Major airlines are defined for this analysis as scheduled airlines operating aircraft with 60 or more seats; other airlines are nonscheduled.

² Fiscal year 2009-2013 figures have been revised.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 8 Years
Fiscal Year Ended June 30
Exhibit 3

Page 1 of 2

	2012 ²	2013	2014	2015	2016	2017	2018	2019
Percentage of Total Enplanements								
Major Airlines¹								
Southwest Airlines	50.1 %	52.1 %	52.6 %	53.1 %	51.8 %	51.5 %	53.2 %	53.3 %
United Airlines	6.8	8.3	8.4	7.6	10.1	9.9	9.9	10.7
Delta Air Lines	6.4	6.2	6.5	6.3	11.1	10.6	10.6	10.2
Alaska Airlines	5.7	5.3	5.3	6.2	8.4	8.1	8.1	7.9
US Airways	5.2	5.4	5.5	5.8				
American Airlines	5.3	5.5	5.5	5.3	12.2	13.0	12.0	10.7
Jet Blue Airlines	3.5	3.2	3.0	2.9	2.8	2.9	2.8	2.4
Horizon Airlines	2.7	2.7	2.6	2.3				
Hawaiian Airlines	2.0	2.0	1.9	1.8	1.7	1.7	1.5	1.5
Frontier Airlines	2.8	1.5						0.8
Aeromexico	0.6	0.7	0.8	1.0	1.1	1.3	1.0	0.9
Air Canada								0.3
Spirit								0.1
Sun Country								0.1
Contour								0.1
Volaris Airlines		0.3	0.6	0.8	0.8	1.0	0.9	1.0
Republic Airlines			0.1					
Continental Airlines	2.7							
Regional Airlines³								
Skywest	6.1	6.8	7.2	6.1				
Mesa/Delta Connection				0.8				
Express Jet	0.1							
Subtotal	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Department of Airports statistics reports.

1 Defined for this analysis as scheduled airlines operating with 60 or more seats.

2 Fiscal Year 2011-12 figures have been revised.

3 Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 8 Years
Fiscal Year Ended June 30
Exhibit 3

Page 2 of 2

	2012 ²	2013	2014	2015	2016	2017	2018	2019
Ranking								
Major Airlines¹								
Southwest Airlines	1	1	1	1	1	1	1	1
American Airlines	6	5	5	7	2	2	2	2
Delta Air Lines	3	4	4	3	3	3	3	4
United Airlines	2	2	2	2	4	4	4	3
Alaska Airlines	5	7	7	4	5	5	5	5
US Airways	7	6	6	6				
Jet Blue Airlines	8	8	8	8	6	6	6	6
Horizon Airlines	10	9	9	9				
Hawaiian Airlines	12	10	10	10	7	7	7	7
Frontier Airlines	9	11						10
Aeromexico	13	12	11	11	8	8	8	9
Air Canada								11
Spirit								12
Sun Country								13
Contour								14
Boutique								15
Volaris Airlines		13	12	12	9	9	9	8
Seaport				13				
Virgin America		14						
Republic Airlines		15						
Continental Airlines	11							
Regional Airlines³								
Skywest	4	3	3	5				
Mesa/Delta Connection				12				
Express Jet	14							

Source: Department of Airports statistics reports.

¹ Defined for this analysis as scheduled airlines operating with 60 or more seats.

² Fiscal Year 2011-12 figures have been revised.

³ 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 Year Ended June 30
Exhibit 4

Page 1 of 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating revenue:										
Concessions	\$ 63,442,108	63,341,578	66,002,772	68,752,509	69,451,723	73,880,574	78,775,227	82,409,252	90,323,536	99,038,728
Building rents	35,885,350	30,697,623	47,204,495	61,114,151	61,119,198	61,887,092	65,012,503	66,066,673	60,059,320	58,504,461
Airfield charges	26,044,373	20,931,781	23,395,617	21,849,813	25,299,370	19,102,672	21,043,860	23,671,438	27,172,330	27,879,071
Ground leases	2,749,183	1,987,622	1,874,055	1,900,740	1,927,849	1,910,052	2,034,604	2,107,408	3,046,387	3,524,845
Sale of fuel	532,032	653,673	755,877	809,600	854,030	664,423	604,640	461,300	554,321	747,844
Airport services	898,153	920,930	4,136,078	4,819,705	331,277	798,098	1,000,679	949,129	498,253	380,200
Other	165,604	85,366	379,768	146,116	13,902	196,451	72,246	84,267	6,391	(4,148,559)
Total operating revenue	<u>129,716,803</u>	<u>118,618,573</u>	<u>143,748,662</u>	<u>159,392,634</u>	<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>
Operating expense:										
Salaries and benefits	33,084,803	35,989,114	37,081,912	36,149,138	30,302,735	27,021,772	26,842,856	30,372,684	33,422,424	34,463,798
Services and supplies	48,995,957	46,369,353	58,008,301	57,088,926	54,044,934	51,885,789	58,110,395	57,602,169	64,470,461	68,725,697
Cost of goods sold	431,389	542,657	628,838	641,268	648,940	509,938	431,554	361,608	499,671	680,942
Depreciation	26,928,736	29,750,690	43,847,407	51,673,862	54,204,762	53,531,817	50,565,547	52,011,580	52,013,372	52,647,894
Other	872,816	983,348	10,630	238,992	413,110	229,703	480,259	574,703	218,429	51,266
Total operating expense	<u>110,313,701</u>	<u>113,635,162</u>	<u>139,577,088</u>	<u>145,792,186</u>	<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>
Operating income (loss):	<u>19,403,102</u>	<u>4,983,411</u>	<u>4,171,574</u>	<u>13,600,448</u>	<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>
Nonoperating revenue (expense):										
Interest income	1,886,860	411,537	915,635	1,836,288	813,327	(54,853)	2,000,910	1,915,111	3,222,805	8,479,767
Passenger facility charges revenue	19,618,136	18,348,304	18,022,076	17,604,328	17,160,771	18,514,213	19,285,187	20,544,539	22,782,880	25,587,275
Customer facility charges revenue										1,269,420
Intergovernmental revenue	954,695	622,320	1,637,600	1,578,104	838,145	467,561	867,632	404,582	1,695,305	595,695
Gain (loss) on disposal of assets	(65,452)	10,020	(77,140)	44,886	(62,967)	141,167	(29,493)	260,372	369,892	(212,510)
Other nonoperating revenue (expense)	237,958	1,291,437	42,425	176,702	(32,690)	208,536	299,019	149,481	139,045	153,682
Amortization of bond issuance cost ¹	(700,471)	(744,688)	(750,981)	(703,026)	(405,146)	(405,146)	(405,146)	(388,175)	(313,653)	(25,902)
Interest expense	<u>(17,105,647)</u>	<u>(15,473,662)</u>	<u>(26,906,214)</u>	<u>(59,286,319)</u>	<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>
Net nonoperating revenue (expense)	<u>4,826,079</u>	<u>4,465,268</u>	<u>(7,116,599)</u>	<u>(38,749,037)</u>	<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>

COUNTY OF SACRAMENTO
Statement of Revenues, Expenses and Changes in Net Position - Last 10 Years
Fiscal Year Ended June 30
Exhibit 4

Page 2 of 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Income (loss) before capital contributions and transfers	24,229,181	9,448,679	(2,945,025)	(25,148,589)	(20,629,472)	(13,250,066)	(2,009,095)	4,670,106	9,381,212	25,801,909
Capital contributions	7,361,129	14,556,307	14,392,953	54,969,536	9,421,605	11,456,573	11,368,943	15,534,748	3,279,101	11,421,118
Transfer out ²					(2,711,985)	(2,765,151)	(2,231,084)	(2,406,265)	(2,484,035)	(2,552,322)
Changes in net position	31,590,310	24,004,986	11,447,928	29,820,947	(13,919,852)	(4,558,644)	7,128,764	17,798,589	10,176,278	34,670,705
Total net position, beginning of year ³	<u>502,077,255</u>	<u>533,667,565</u>	<u>557,672,551</u>	<u>569,120,479</u>	<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>
Total net position, end of year	<u>\$ 533,667,565</u>	<u>557,672,551</u>	<u>569,120,479</u>	<u>598,941,426</u>	<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>

¹ Starting with FY 2014, the amortization of bond issuance cost includes only the amortized bond prepaid insurance.

² Transfer Out - Pension Obligation Bond allocated to the Department of Airports starting with fiscal year 2014.

³ 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.

COUNTY OF SACRAMENTO
Airline and Nonairline Revenues - Last 7 Years
Fiscal Years Ended June 30
Exhibit 5

Page 1 of 2

	2013	2014	2015	2016	2017	2018 ³	2019
Airline Revenue							
Terminal building rents and fees	\$ 49,713,163	49,256,400	49,107,465	51,435,525	52,839,550	44,431,455	52,452,234
Aircraft parking fees	2,868,612	3,219,785	3,380,337	3,265,090	3,416,495	2,479,673	2,374,015
Loading bridge fees	2,300,004	2,330,794	2,600,865	3,387,186	2,922,392	1,673,891	1,580,825
Landing fees ¹	21,723,306	25,144,577	18,921,694	20,811,054	23,677,390	26,790,520	26,843,659
Airlines revenue sharing						(4,163,064)	(10,660,522)
Airport services	3,838,646						
Total Airline revenue	<u>\$ 80,443,731</u>	<u>79,951,556</u>	<u>74,010,361</u>	<u>78,898,855</u>	<u>82,855,827</u>	<u>71,212,475</u>	<u>72,590,211</u>
Less cargo revenues	<u>2,597,221</u>	<u>2,976,264</u>	<u>2,282,552</u>	<u>2,541,996</u>	<u>2,966,959</u>	<u>4,321,249</u>	<u>5,263,448</u>
Passenger airline operating revenues	<u>77,846,510</u>	<u>76,975,292</u>	<u>71,727,809</u>	<u>76,356,859</u>	<u>79,888,868</u>	<u>66,891,226</u>	<u>67,326,763</u>
Enplaned passengers	4,419,545	4,376,237	4,628,597	4,943,185	5,198,184	5,761,586	6,298,570
Cost per Enplaned Passenger (CPE)	17.61	17.59	15.50	15.45	15.37	11.61	10.69
Nonairline Revenue							
Airfield area							
Commercial fees	23,290	43,918	28,498	29,320			
Other landing fees	9,071	20,586	8,780	61,668	56,359		
Fuel sales	1,007,915	1,058,430	902,546	877,125	737,132	1,060,702	1,489,918
Subtotal	<u>1,040,276</u>	<u>1,122,934</u>	<u>939,824</u>	<u>968,113</u>	<u>793,491</u>	<u>1,060,702</u>	<u>1,489,918</u>
Terminal building							
Food/beverage	3,399,419	3,633,335	3,645,630	4,156,648	4,662,410	4,873,267	5,655,423
Merchandise	2,037,097	1,827,309	2,010,780	2,203,245	2,323,964	2,372,005	2,483,578
Advertising	795,077	885,923	861,913	850,159	813,827	724,537	724,409
Telephones	290,575	448,777	450,062	380,803	394,664	409,439	404,196
Vending	350,401	380,335	397,273	407,224	445,267	434,162	327,444
Other terminal rents	1,325,656	1,285,975	1,396,835	1,389,435	1,422,993	2,016,294	1,759,039
Subtotal	<u>8,198,225</u>	<u>8,461,654</u>	<u>8,762,493</u>	<u>9,387,514</u>	<u>10,063,125</u>	<u>10,829,704</u>	<u>11,354,089</u>
Parking	<u>48,106,292</u>	<u>48,411,994</u>	<u>52,530,925</u>	<u>55,438,637</u>	<u>57,052,230</u>	<u>61,446,320</u>	<u>66,700,985</u>

COUNTY OF SACRAMENTO
Airline and Nonairline Revenues - Last 7 Years
Fiscal Years Ended June 30
Exhibit 5

Page 2 of 2

	2013	2014	2015	2016	2017	2018 ³	2019
Other areas							
Autorentals	10,113,145	10,232,136	10,361,106	11,295,361	11,841,060	12,882,207	14,161,083
Autorental shuttle bus fees	3,081,002	2,969,309	2,913,934	3,073,675	3,577,686	4,420,013	4,667,613
Taxi/TNC	565,921	647,788	693,316	954,025	1,293,349	2,364,656	3,491,081
Tiedown and hangars	715,789	720,101	718,237	715,793	734,240	716,462	746,577
FBO rentals	96,960	103,826	91,461	91,461	92,460	92,334	92,334
Aviation ground leases	1,702,425	1,723,450	1,671,929	1,762,119	1,831,576	2,540,006	2,782,772
Other rentals/miscellaneous	4,179,735	4,284,393	4,683,211	4,817,517	4,705,159	3,931,754	4,186,758
Subtotal	<u>20,454,977</u>	<u>20,681,002</u>	<u>21,133,194</u>	<u>22,709,951</u>	<u>24,075,530</u>	<u>26,947,432</u>	<u>30,128,218</u>
Other revenue							
Service fees	981,059	331,277	798,098	1,000,679	949,129	498,253	380,200
Miscellaneous revenue	1,922,882	842,386	928,924	1,006,661	514,198	1,728,539	829,399
Subtotal	<u>2,903,941</u>	<u>1,173,663</u>	<u>1,727,022</u>	<u>2,007,340</u>	<u>1,463,327</u>	<u>2,226,792</u>	<u>1,209,599</u>
Total Non Airline Revenue	80,703,710	79,851,247	85,093,458	90,511,555	93,447,703	102,510,950	110,882,809
Interest income ²	1,787,484	786,576	(187,198)	1,440,381	1,805,024	3,882,123	7,159,293
Total Non Airline Revenue	<u>\$ 82,491,194</u>	<u>80,637,823</u>	<u>84,906,260</u>	<u>91,951,936</u>	<u>95,252,727</u>	<u>106,393,073</u>	<u>118,042,102</u>

Source: Airports financial statements.

¹ Landing fee for FY 2014-15 have been revised to include charters and commuters.

² As defined in the Bond Indenture.

³ The airline revenues for FY 2018 have been revised to include the airline rates and charges settlement and revenue sharing.

COUNTY OF SACRAMENTO
Summary of Historical Revenue, Expenses and Debt Service Coverage - Last 10 Years
Fiscal Years Ended June 30
Exhibit 6

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Rate Covenant per Section 6.04 (b)(i)										
Revenues ¹	\$ 132,007,161	128,179,835	146,057,155	162,934,925	160,589,380	158,928,261	171,150,791	178,108,554	187,410,070	193,835,260
Operating expenses ²	(83,384,965)	(83,884,472)	(95,729,680)	(94,118,325)	(88,121,704)	(82,412,353)	(88,096,148)	(91,317,429)	(101,128,080)	(106,474,025)
Net revenues	48,622,196	44,295,363	50,327,475	68,816,600	72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235
Transfer (limited to 25%)	4,301,661	4,321,838	8,995,140	13,031,769	12,357,018	13,391,226	13,390,638	13,338,831	9,800,819	10,972,283
Net revenues + Transfer	\$ 52,923,857	48,617,201	59,322,615	81,848,369	84,824,694	89,907,134	96,445,281	100,129,956	96,082,809	98,333,518
Accrued debt service on senior obligations ³	\$ 17,206,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132
Debt service coverage (>1.25)	3.08	2.81	1.65	1.57	1.72	1.68	1.80	1.88	2.45	2.24
Rate Covenant per Section 6.04 (b)(ii)										
Net revenues	\$ 48,622,196	44,295,363	50,327,475	68,816,600	72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235
Transfer (limited to 10%)	1,720,665	1,728,735	3,598,056	5,212,707	4,942,807	5,356,490	5,356,255	5,335,533	3,920,328	4,388,913
Net revenues + Transfers	\$ 50,342,861	46,024,098	53,925,531	74,029,307	77,410,483	81,872,398	88,410,898	92,126,658	90,202,318	91,750,148
Accrued debt service on senior obligations	\$ 17,206,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132
Debt service on subordinate obligations	30,130,833	31,129,931	30,112,081	30,159,794	30,211,816	30,271,621	21,944,846	20,832,404	13,494,431	16,145,064
Less: PFC Revenues	(20,448,833)	(22,005,931)	(21,941,081)	(21,939,794)	(21,940,816)	(21,942,737)	(21,944,846)	(20,832,404)	(13,494,431)	(16,145,064)
Less: Available Grant Revenues	(9,862,000)	(9,124,000)	(8,171,000)	(8,220,000)	(8,271,000)	(8,328,884)				
Accrued debt service on sr. & sub. obligations	\$ 17,026,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132
Debt Service Coverage (>1.10)	2.93	2.66	1.50	1.42	1.57	1.53	1.65	1.73	2.30	2.09

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.

¹ Per Bond Indenture, Revenues include the Department's revenues excluding certain interest earnings and restricted revenues.

² Per Bond Indenture, Operating Expenses include the Department's operating expenses and other non-operating expenses. Operating Expenses exclude depreciation, amortization and debt service.

³ The Accrued Debt Service includes the principal payment due on July 1st of the following fiscal year.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2015 through 2019**

On April 8, 2003, the 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 not a blended component unit of the Agency Enterprise Fund, but it is a blended component unit of the Sacramento County Water Agency. However, all balances and transactions of the Authority are presented as part of the Agency Enterprise Fund's financial statements.

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 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 both 2007 issues.

This Bond Disclosure Section included within the County of Sacramento's Comprehensive Annual Financial Report (CAFR) provides the information required by the Continuing Disclosure Certificate. The CAFR, 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

As required by the Certificate, this annual report is incorporated into this CAFR and thus, includes by reference, the audited financial statements of the Agency. Refer to page 33 of this CAFR.

The annual report also contains the following five (5) sections as required in the Certificate:

- (1) Approximate number of connections to which the Agency delivered water
- (2) Zone 40 Monthly Service Fee generally imposed on customers
- (3) Zone 41 Monthly Service Fee generally imposed on customers
- (4) Zone 40 Impact Fees
- (5) Information contained in "Summary of Projected Operating Results" table on page 42 of the 2007 Bonds Official Statement

REPORTING OF SIGNIFICANT EVENTS

As of June 30, 2019, there is no knowledge on the part of the Board of Directors, officers, or employees of Sacramento County Water Agency of any impending significant event that would require disclosure under the provisions of the Certificate.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2015 through 2019**

ADDITIONAL INFORMATION

The Certificate requires that the following information be updated annually:

Section 4(b)(i) A table indicating the approximate number of connections to which the Agency delivered water.

Fiscal Year:	2014-15	2015-16	2016-17	2017-18	2018-19
Number of connections	52,400	53,439	54,464	55,178	56,137
Annual Percent Increase	1.4 %	2.0 %	1.9 %	1.3 %	1.7 %

Section 4(b)(ii) Zone 40 Monthly Service Fee generally imposed on customers.

Fiscal Year:	2014-15	2015-16	2016-17	2017-18	2018-19
Monthly Rate:	\$ 28.80	28.80	28.80	28.80	28.80

Section 4(b)(iii) Zone 41 Monthly Service Fee generally imposed on customers.

Fiscal Year:	2014-15	2015-16	2016-17	2017-18	2018-19
Monthly Rate:	\$ 39.99	42.39	44.54	44.54	46.22

Section 4(b)(iv) Zone 40 Impact Fees

Effective Date (Month-Yr)	Mar-15	Mar-16	Mar-16	Mar-18	Mar-19
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 14,955	15,380	16,104	16,651	16,962
Annual increase	7 %	3 %	5 %	3 %	2 %
Commercial Service (per acre)	\$ 8,521	8,763	9,175	9,486	9,663
Annual increase	0 %	3 %	5 %	3 %	2 %
Other Service (per acre)	\$ 1,651	1,698	1,778	1,838	1,872
Annual increase	0 %	3 %	5 %	3 %	2 %

Section 4(b)(iv) Zone 41 Connection Fees

Effective Date (Month-Yr)	Mar-15	Mar-16	Mar-16	Mar-18	Mar-19
Connection Fee (per EDU)	\$ 376	376	376	376	376

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2015 through 2019**

Section 4(b)(v) Summary of Historical and Projected Operating Results

**Revenues, Maintenance and Operations Costs, Net Revenue (as these three terms are
defined in the Installment Purchase Contract) and Reserve Balances of the Agency
For the Fiscal Years Ended June 30
(amounts expressed in thousands)**

	2016-17	2017-18	2018-19
Revenues:			
Operating revenues			
Water service charges	\$ 46,703	49,703	50,257
Charges for services	2,508	2,283	2,390
Development fees	13,762	26,149	29,204
Connection fees	254	734	502
Other	1,338	1,563	2,383
Total net operating revenues	64,565	80,432	84,736
Nonoperating revenues			
Total interest income (excludes fair value adjustments)	1,798	1,928	2,688
Less: interest earnings on reserves	(1,204)	(1,188)	(1,204)
Net interest income	594	740	1,484
Total revenues	65,159	81,172	86,220
Adjusted annual revenues ¹	65,159	81,172	86,220
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	27,813	27,169	27,521
Net revenues	37,346	54,003	58,699
Impact fee credits	(2,117)	(3,494)	(3,561)
Net revenue less impact fee credits	35,229	50,509	55,138
Debt service			
Debt service on 2007 bonds	25,669	25,681	25,712
Less int earnings on reserve	(1,204)	(1,188)	(1,204)
Adjusted annual debt service	24,465	24,493	24,508
Debt service coverage (1)	1.53	2.20	2.40
Debt service coverage net of impact fee credits	1.44	2.06	2.25
Pay-as-you-go capital	10,390	6,653	17,155
Net cash flow of year's operations	\$ 375	19,363	13,475
 Reserves end of year	 \$ 44,167	 55,498	 65,648
Bond reserve account end of year	\$ 25,713	25,713	25,713

1 - Calculated in accordance with the Master Installment Purchase Contract

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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2019**

