



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CHAD RINDE
DIRECTOR OF FINANCE

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Photo Credit:

**Nicolae Leustian, Accounting Manager
Department of Finance**

The cover image displays the Fair Oaks Bridge over the American River at the Sunrise Recreation Area. The photo was taken in July 2022 while walking along the American River bike trail.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2024



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

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Table of Contents

TABLE OF CONTENTS.....i

INTRODUCTORY SECTION

Letter of Transmittal.....vii

Certificate of Achievement for Excellence in Financial Reporting.....xvii

Organizational Chart.....xviii

List of Public Officials.....xix

Acknowledgement.....xx

FINANCIAL SECTION

Independent Auditor's Report.....1

Management's Discussion and Analysis (Required Supplementary Information).....5

Basic Financial Statements:

 Government-Wide Financial Statements:

 Statement of Net Position.....25

 Statement of Activities.....28

 Fund Financial Statements:

 Balance Sheet - Governmental Funds.....29

 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....30

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....31

 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....32

 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....33

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Statement of Net Position - Proprietary Funds.....	35
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	38
Statement of Cash Flows - Proprietary Funds.....	39
Statement of Fiduciary Net Position - Fiduciary Funds.....	42
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	44
Notes to Basic Financial Statements.....	45
Required Supplementary Information (Unaudited):	
Retirement Plan - Schedule of Proportionate Share of the Net Pension Liability.....	146
Retirement Plan - Schedule of Contributions.....	148
Other Postemployment Benefits (OPEB) - Schedule of Changes in the Total OPEB Liability and Related Ratios.....	150
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	153
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	154
Special Revenue Funds:	
Combining Balance Sheet.....	157
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	161
Individual Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	165
Debt Service Funds:	
Combining Balance Sheet.....	184
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	185

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Individual Funds:

Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....186

Capital Projects Funds:

Combining Balance Sheet.....193

Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....196

Individual Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....199

Nonmajor Enterprise Funds:

Combining Statement of Net Position.....214

Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....216

Combining Statement of Cash Flows.....217

Internal Service Funds:

Combining Statement of Net Position.....220

Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....222

Combining Statement of Cash Flows.....223

Custodial Funds:

Combining Statement of Fiduciary Net Position.....226

Combining Statement of Changes in Fiduciary Net Position.....227

STATISTICAL SECTION

Net Position by Component.....230

Changes in Net Position.....231

Fund Balances of Governmental Funds.....234

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Fund Balances of Governmental Funds.....	235
General Governmental Tax Revenues by Source.....	237
Assessed Value and Estimated Actual Value of Taxable Property.....	238
Average Property Tax Rates - All Direct and Overlapping Governments.....	239
Principal Property Taxpayers.....	240
County-Wide 1 Percent - Secured and Unitary Property Tax Levies and Collections.....	241
Ratios of Outstanding Debt by Type.....	242
Legal Debt Margin Information.....	244
Pledged-Revenue Coverage.....	245
Private Sector Principal Employers.....	246
Demographic and Economic Statistics.....	247
Full-Time Equivalent County Government Employees by Function.....	248
Operating Indicators by Function.....	249
Capital Asset Statistics by Function.....	251
 <i>BOND DISCLOSURES</i>	
County of Sacramento Annual Continuing Disclosures.....	253
County of Sacramento Investment Pool.....	254
County of Sacramento General Fund Adopted Budget.....	255
History of Gross Assessed Valuations.....	256
County-wide Secured Tax Levies, Delinquencies and Collections.....	256
Largest Secured Taxpayers FY 2024-25.....	257

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2019-20 Through FY 2023-24.....	258
Financing Obligations.....	259
Pension Obligation Bonds.....	260
Other County General Fund Obligations.....	261
Aggregate Debt Service, Current Outstanding Debt-Certificates of Participation Only.....	262
Aggregate Debt Service, Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation.....	263
Variable Rate Debt/Interest Rate Swaps.....	264
Department of Airports.....	267
Historical Enplaned Passengers.....	268
Historical Aircraft Landed Weight.....	269
Airlines' Market Shares of Enplaned Passengers.....	270
Statement of Revenues, Expenses and Changes in Net Position.....	272
Airline and Nonairline Revenues.....	274
Summary of Historical Revenue, Expenses and Debt Service Coverage.....	276
Water Agency Enterprise Fund.....	277

This page intentionally left blank

ANNUAL COMPREHENSIVE FINANCIAL REPORT



INTRODUCTORY SECTION

Department of Finance

Chad Rinde

Director



County of Sacramento

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

December 3, 2024

To the Members of the Board of Supervisors and Citizens of Sacramento County
Sacramento, California

The Annual Comprehensive Financial Report (ACFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2024, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the County's financial statements are accurate in all material respects and presented as of and for the fiscal year ended June 30, 2024. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and bond disclosures. The introductory section includes this transmittal letter, a copy of the Fiscal Year Ended June 30, 2023 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, a list of public officials, and acknowledgment section. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and individual nonmajor fund financial statements and schedules to provide readers with a comprehensive understanding of the County's financial activities. This letter is designed to complement the County's MD&A and should be read in conjunction with it. The County's MD&A, which is unaudited, can be found on pages 5 - 24 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF SACRAMENTO COUNTY

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

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

At the national level, the economy continues to expand at a moderate rate, with Gross Domestic Product (GDP) increasing at an annual rate of 2.8 percent for the second quarter of 2024, up from 1.4 percent in the first quarter. In a report from the U.S. Bureau of Economic Analysis, retail trade, construction, finance and insurance, and health care and social assistance were the leading contributors to growth in real GDP nationally. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers increased at an annual rate of 3.0 percent before seasonal adjustments for the twelve months ended on June 30, 2024.

Housing Market

The U.S. Census Bureau and U.S. Department of Housing and Urban Development jointly reported that nationally housing starts in June 2024 increased 3.0 percent from May 2024 and were 4.4 percent below the June 2023 level. Permits for new construction in June 2024, a sign of future demand, have increased 3.4 percent from May 2024 nationally, but are 3.1 percent below the June 2023 rate. Within the Sacramento Metropolitan Statistical Area, housing starts were up 24.3 percent for the twelve month ending June 2024 according to the Federal Reserve Bank Economic Data.

Active listings increased 36.7 percent nationally over the last year, according to a report from Realtor.com, while the total inventory of unsold homes increased by 22.4 percent. The median price of homes for sale in June 2024 remained stable nationally compared with June 2023, however, the median price per square foot grew by 3.4 percent, indicating that the inventory of smaller and more affordable homes has grown in share. Homes spent 45 days on the market in June 2024, compared to the average 43 days during June 2023. In California, June's statewide median home price was \$900,720, down 0.8 percent from May and up 7.5 percent from and adjusted price of \$837,850 in June 2023.

According to the Federal Reserve Bank of St. Louis, the House Price Index (HPI), a broad measure of the movement of single-family property prices, in the Sacramento, Roseville, and Folsom Metropolitan Statistical Area (MSA) was 403.06 in the first quarter of 2024, an increase from 378.77 in the first quarter of 2023. According to a recent report from the California Association of Realtors, the median home price within Sacramento County was \$560,000 as of June 2024, a 5.36 percent decrease over the prior year. The month-to-month numbers reflect a slight increase in the average home sale price from \$550,000 in May 2024 to \$560,000 in June 2024 reflecting a 0.9 percent increase in values.

In FY 2023-24, the County's property tax assessment roll increased by 7.43 percent, following an increase of 8.0 percent in FY 2022-23. This is the eleventh annual consecutive increase since FY 2012-13. The County is expecting growth of 5.18 percent in FY 2024-25 property taxes, which are based on assessed values as of January 1, 2024. The recent growth in assessed values is due to a combination of factors, including sustained increase in average home prices over the last few years and ongoing new housing development and construction projects.

Labor Market

According to the Bureau of Labor Statistics, the national unemployment rate was 4.3 percent in June 2024, and increase from 3.8 percent in June 2023. The number of jobs added to nonfarm payroll from May 2024 to June 2024 was 206,000. Notable employment gains in June 2024 occurred in government, healthcare, social assistance, and construction. Both the unemployment rate, at 4.3 percent, and the number of unemployed person, at 6.8 million, changed little in June 2024.

The unemployment rate in the Sacramento, Roseville, and Arden-Arcade MSA was 4.7 percent in June 2024, up from 3.9 percent in May 2024, and 4.4 percent at June 2023. Between June 2023 and June 2024, total jobs in the region increased 2.4 percent, or 26,100 jobs, primarily in the areas of public and private education, health services, social assistance, government, and construction.

Tax Abatements

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

Williamson Land Conservation Act which the County offers to restrict the usage of specific parcels to preserve agricultural and other open space lands. The economic impact is approximately \$1,128,000 of abated revenue per year.

Mills Act which the County offers to promote the restoration and preservation of qualified historic buildings by private property owners. This requires the building owners maintain its historic character and to use it in a manner compatible with its historic features. The future economic impact is approximately \$50,000 of abated revenue per year.

LONG-TERM FINANCIAL PLANNING

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

- The *Baseline Scenario* shows projected Net County Cost exceeding discretionary revenues until FY 2026-27 and then again in FY 2029-30. Under this scenario, the General Fund's unrestricted fund balance is projected to remain between \$205 million and \$275 million throughout the forecast period.
- Under the *More Conservative Scenario*, Net County Cost is projected to exceed discretionary revenues throughout the forecast period. The projected unrestricted fund balance would continue to decline throughout the forecast period, with a negative fund balance beginning in FY 2030-31. As a practical matter, the County would begin making significant reductions in General Fund programs earlier in the forecast period to ensure the unassigned fund balance would not become negative.
- Under the *More Optimistic Scenario*, discretionary revenues are projected to exceed Net County Cost beginning if FY 2026-27 through the end of the forecast period. And the projected unrestricted fund balance at the end of FY 2031-32 would increase to approximately \$700 million.

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

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP) and a Technology Improvement Plan (TIP) for consideration by the Board of Supervisors. The most recent CIP and TIP was approved by the Board in June 2024 and identified capital and technology needs through FY 2028-29.

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 the combined balance of the General Reserves, Reserve for Cash Flow, and Service Stability Reserve equal to 17.0 percent of total General Fund revenues. In accordance with State law, except in cases of a legally declared emergency, General Reserves or Service Stability Reserve may only be cancelled or decreased at the time of budget adoption. In addition to emergencies, in times of fiscal stress these funds can be used to help balance the General Fund budget as part of a plan to achieve structured balance. Any plan to achieve structural balance should include a provision to replenish the General Reserves or Service Stability Reserve to the 17.0 percent level.

General Reserves Funding Policies:

- For the County's Recommended Budget, after funding base budget expenditures and any new obligations, the Reserve Policy call for making an required contribution to maintain the General Reserve at 10 percent of the discretionary revenues and depositing a minimum of 25 percent of any remaining discretionary resources to the Service Stability Reserve until the Reserve Target is reached.
- For the Revised Recommend Budget, after funding any changes in base budget requirements or new obligations, adjusting required contributions to the General Reserve, and funding enhanced programs and services prioritized in the Recommended Budget, the Reserve Policy calls for depositing any remaining discretionary resources in the Service Stability Reserve.

The FY 2024-25 Adopted Budget complied with this policy by funding the General Reserve at 10 percent of discretionary revenues and depositing remaining discretionary resources, after funding the expenditures identified above, in the Service Stability Reserve.

General Fund Contingency Policy

The General Fund Contingency Policy recognizes that departments in the General Fund are subject to the risk of unplanned, unavoidable expenditures during the year and that a pooled General Fund contingency is an efficient way to provide a form of “insurance” against these risks and avoid disruption to important services. The Contingency Policy specifies:

- Contingency Size: During the annual budget process, the County Executive will recommend an amount for contingency based on expectations for the potential of unplanned, unavoidable costs in the normal course of doing business during the upcoming budget year.
- Acceptable Uses of Contingency: The contingency is intended to be used for unplanned, unavoidable expenditures incurred in the ordinary course of doing business.
- Authority to Use the Contingency: Any potential use of contingency must be coordinated with the Office of the County Executive, with recommendation to the Board in the form of an Appropriation Adjustment Request, which would require a four-fifths vote for approval.

County Budget Priorities

The following are the Board’s Budget Priorities for the use of discretionary resources in order of priority:

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

MAJOR INITIATIVES

In the FY 2024-25 budget, Sacramento County is implementing or continuing a number of initiatives in each of the major functional areas of Social Services, Community Services, Public Safety and Justice, Administrative Services and General Government.

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

- Continued expansion of outreach, shelter and re-housing supports to address homelessness, including opening a third Safe Stay community and implementation of the Landlord Engagement and Assistance Program (LEAP).
- Continued build-out of the behavioral health continuum of care for justice involved populations, including building out 2 new THRIVE outpatient programs and adding 200 THRIVE Full-Service Partnership (FSP) slots.
- Expansion of behavioral health housing and shelter supports for unsheltered residents, including building out 247 Behavioral Health Bridge Housing units and 3 new permanent supportive housing sites.
- Expanding the continuum of placement options for foster youth through increased family engagement and the development of more intensive placement settings with comprehensive behavioral health supports.
- Implementation of Public Health’s Community Health Improvement Plan (CHIP) and the Edible Food Recovery Program (SB 1343).
- Continued development and phase one implementation of the Social Health Information Exchange (SHIE).
- Development of the Local Aging and Disability-Friendly Action Plan (LADAP), aiming to foster inclusivity, equity, and support for the aging

community and those with disabilities.

Community Services: Major initiatives in Community Services departments include:

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

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

- Relationship and trust building with communities affected by law enforcement.
- Meeting the County's obligations under the Mays Consent Decree related to conditions of confinement in the County's jails, including alternatives to incarceration.
- Criminal Justice System County-wide mapping and data sharing.

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

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

DEPARTMENT FOCUS

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2023-24, we have selected the following activities:

Airports

- Sacramento County Department of Airports became the first airport in the nation to advance to the "creditworthiness" stage of the Transportation Infrastructure Finance and Innovation Act (TIFIA) process, a federal program that provides low-cost loans to eligible infrastructure projects. The Department intends to use more than \$32 million in TIFIA proceeds to finance a portion of the new Pedestrian Walkway connecting Terminal B to Concourse B, a key component of the Department's SMForward Capital Program. These low interest loans will save the airport nearly \$900,000 per year in debt payments versus traditional financing methods.
- The Greater Sacramento Economic Council awarded the Sacramento County Department of Airports with its annual Competitiveness Award. This recognition is given to organizations that make significant contributions to the Greater Sacramento region by developing strategies, programs, and policies that drive tradable-sector economic development and position the region favorably against competitor markets.

Community Development

- Completed the County’s Climate Action Plan Environmental Impact Report.

Child Support Services

- Improved accessibility and efficiency by streamlining processes and providing innovative ways to reach customers. The Department implemented several on-line service tools to simplify processes for customers opening cases, modifying orders, and allowing for the use of text messaging and DocuSign when conducting business.

Homeless Services and Housing

- Opened Sacramento County’s first two Safe Stay Communities, which provide on-site services, security, and re-housing services to people experiencing unsheltered homelessness and reduce the impacts of unsheltered homelessness on nearby communities.

Office of Emergency Services

- Worked with contractors and community partners to develop 35 evacuation zone maps in nine languages, 32 livestock evacuation maps, and three public-facing evacuation websites. Emergency Services also created an instructional video detailing how to use the Evacuation Preparedness webpage, ran five multi-media campaigns to educate and prepare residents on wildfire safety and evacuations, and produced a video explaining the use of the Hi-Lo siren that alerts the public to evacuate immediately.

Health Services

- A Community Health Assessment (CHA), which provides data that assists with identifying priority issues affecting health in Sacramento County, was released in October 2023. The Sacramento County Community Health Improvement Plan (CHIP), which is a community-led 5-year action plan aimed to coordinate efforts and target resources to address root causes of health inequities in Sacramento County, was released in February 2024.
- Sacramento County Primary Health’s Federally Qualified Health Center earned three Community Health Center Quality Recognition (CHQR) badges from the federal agency Health Resources and Services Administration to recognize the County’s efforts as an Access Enhancer, Health Disparities Reducer, and in Advancing Health Information Technology for Quality. These awards recognize the Health Center’s efforts in quality improvement achievements, improved access to care, and improved patient outcomes.

Probation

- Opted into Vera’s Initiative to End Girls Incarceration (EGI), which focuses on prevention and early intervention efforts to divert youth from the juvenile justice system and prevent further involvement, when possible, with funding and support from the Vera Institute of Justice and the California Office of Youth and Community Restoration (OYCR). Probation is taking a deep dive into local data, identifying system and programming gaps, and implementing policy and programming solutions to meaningfully reduce incarceration of girls and gender expansive youth.
- Established the Department’s Mental Health Unit (MHU) to serve individuals granted pretrial mental health diversion by the Superior Court

pursuant to section 1001.36 of the Penal Code. The provisions were established to increase diversion of individuals with mental disorders to mitigate the individuals' entry and reentry into the criminal justice system while protecting public safety. Dedicated to supporting individuals with behavioral health needs, the MHU manages court-determined supervision levels and offers a comprehensive range of services.

Sheriff

- In early 2024, the Reentry Services Unit at Rio Cosumnes Correctional Center presented to key legal and behavioral health stakeholders, establishing a groundbreaking partnership with the court system. This collaboration aims to integrate pre-trial inmates into the Reentry Services program, which offers an in-custody Residential Substance Abuse Treatment as an alternative to lengthy out-of-custody rehabilitation waitlists. The program has successfully admitted about 40% of court-referred individuals, reducing both wait times and potential jail stays. By addressing the challenges of working with Pre-Trial inmates, this innovative approach could serve as a model for other counties and help reduce recidivism.

Voter Registration and Elections

- Launched a self-service web application called My Voter Portal (MVP), which provides Sacramento County voters the ability to verify their registration, determine their districts, find their nearest Vote Center or Official Ballot Drop Box, and confirm their ballot status. Voters can use MVP to update their language preference, request a replacement ballot, and review their voting history from the comfort of home. MVP also provides voters with accessible versions of their County Voter Information Guide and direct access to the Remote Accessible Vote by Mail system, which allows voters to mark, print, and mail their ballot securely from anywhere in the world.

FINANCIAL INFORMATION

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

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

Single Audit

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The FY 2023-24 Single Audit will be issued under a separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, by March 31, 2025.

Budgeting Controls

In addition to accounting controls, the County maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. The County prepares and adopts a budget for each fiscal year in accordance with the provisions of Sections 29000 through 29144 of the Government Code and other statutory provisions. All County

departments are required to submit their annual budget requests for the ensuing year. The County Executive Office reviews each request and a budget is presented to the Board of Supervisors. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

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

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled at the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board. During FY 2023-24, amendments were made to the final adopted budget. The budget data reflected in this ACFR includes the effect of all approved budget amendments.

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, Washington supranationals, and U.S. Treasury and Agency investments. The average yield on investments during FY 2023-24 was 4.69 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 5.16 percent.

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

Risk Management

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

OTHER INFORMATION

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its annual comprehensive financial reports for each of the last 35 fiscal years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted

accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance, and the cooperation and assistance of the County Executive Office and 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 responsible and transparent manner.

Respectfully submitted,



Chad Rinde
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Sacramento
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



RESIDENTS

THE BOARD OF SUPERVISORS

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

COUNTY EXECUTIVE
David Villanueva

ASSESSOR
Christina Wynn

DISTRICT ATTORNEY
Thien Ho

SHERIFF
Jim Cooper

COUNTY COUNSEL
Lisa Travis

ASSISTANT COUNTY EXECUTIVE¹
ADMINISTRATIVE SERVICES
Sylvester Fadal

DEPUTY COUNTY EXECUTIVE²
PUBLIC SAFETY AND JUSTICE
Eric Jones

DEPUTY COUNTY EXECUTIVE
COMMUNITY SERVICES
Dave Defanti

DEPUTY COUNTY EXECUTIVE
SOCIAL SERVICES
Chevon Kothari

COUNTY CLERK RECORDER
Donna Allred

FINANCE
Chad Rinde

PERSONNEL SERVICES
Sylvester Fadal

VOTER REGISTRATION & ELECTIONS
Hang Nguyen

SACRAMENTO COUNTY EMPLOYEE RETIREMENT SYSTEM
Eric Stern

EMERGENCY SERVICES
Mary Jo Flynn-Ne vins

GENERAL SERVICES
Joshua Green

TECHNOLOGY
Rami Zakaria

LIBRARY JPA
Peter Coyl

SACRAMENTO COUNTY LAFCO
Jose Henriquez

CIVIL SERVICE
Alice Dowdin Calvillo

CORONER
Rosa Vega

PUBLIC DEFENDER
Amanda Benson

PUBLIC SAFETY & JUSTICE AGENCY ADVISORY COMMITTEE

COMMUNITY CORRECTIONS PARTNERSHIP

INSPECTOR GENERAL
Kevin Garner

PROBATION
Marlon Yarber

CONFLICT CRIMINAL DEFENDER
Theresa Huff

COMMUNITY REVIEW COMMISSION

CRIMINAL JUSTICE CABINET

SUPERIOR COURT

LAW LIBRARY

AGRICULTURAL COMMISSIONER-SEALER OF WEIGHTS & MEASURES
Chrisandra Flores

ANIMAL CARE & REGULATION
Annette Bedsworth

ECONOMIC DEVELOPMENT
Crystal Bethke

WASTE MANAGEMENT & RECYCLING
Keith Goodrich

SANITATION DISTRICT
Christoph Dobson

AIRPORTS
Cindy Nichol

COMMUNITY DEVELOPMENT
Troy Givans

REGIONAL PARKS
Liz Bellas

TRANSPORTATION
Ron Vicari

WATER RESOURCES
Matt Satow

SOUTHEAST CONNECTOR – JPA
Derek Minnema

CHILD, FAMILY AND ADULT SERVICES
Michelle Callejas

ENVIRONMENTAL MANAGEMENT
Jennea Monasterio

HUMAN ASSISTANCE
Ethan Dye

SHRA
LaShelle Dozier

CHILD SUPPORT SERVICES
Dalen Fredrickson

HEALTH SERVICES
Timothy W. Lutz

HOMELESS SERVICES AND HOUSING
Emily Halcon

FIRST 5 SACRAMENTO
Julie Gallelo

SACRAMENTO EMPLOYMENT & TRAINING AGENCY
Anita Maldonado

CLERK OF THE BOARD
Florence Evans

BUDGET & DEBT MANAGEMENT
Amanda Thomas

PUBLIC INFORMATION
Kim Nava

LEGISLATIVE AFFAIRS
Elisia De Bord

Legend

 ELECTED OFFICIALS	 LINE OF DIRECT AUTHORITY
 "OFFICE OF..."	 COORDINATIVE RELATIONSHIP

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

**COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2024**

ELECTED:

Board of Supervisors:

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

Department Heads:

Christina Wynn	Assessor
Thien Ho	District Attorney
Jim Cooper	Sheriff

APPOINTED:

David Villanueva	County Executive
Chad Rinde	Director of Finance

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE
COUNTY OF SACRAMENTO

For the Fiscal Year Ended June 30, 2024

ACKNOWLEDGEMENT

Prepared by the County of Sacramento
Department of Finance

Chad Rinde, Director of Finance
Mark Aspesi, Deputy Director of Finance
Sean Stoyanowski, Chief of Financial Reporting and Control
Renee Davenport, Senior Accounting Manager
Greg Cundari, Accounting Manager
Olga Bachylo, Accounting Manager
Doan Bui, Senior Accountant
Brian Stangland, Senior Accountant

In memory of Zongchar Moua

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FINANCIAL
SECTION**

Independent Auditor's Report

Honorable Board of Supervisors
County of Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sacramento County Employees' Retirement System (SCERS), a fiduciary component unit, which represent 64.8% of the assets, 65.2% of the fund balances/net position, and 7.1% of the revenues/additions of the aggregate remaining fund information as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SCERS, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, 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 black ink that reads "Macias Gini E O'Connell LPA". The signature is written in a cursive, slightly slanted style.

Sacramento, California
December 3, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) comprehensive financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year (FY) 2023-24 by \$3,131,985 (net position). Of this amount, \$1,227,601 is restricted for specific purposes (restricted net position), and \$2,856,949 is the County's net investment in capital assets. The County's total net position increased by \$482,648 during the current fiscal year.

As of June 30, 2024, the County governmental funds reported combined fund balances of \$1,484,125 for an increase of \$53,528, in comparison with the prior fiscal year. Total amounts available for spending include restricted, assigned, and unassigned fund balances, which totaled \$1,429,658 (96.3 percent), of the ending fund balance. Of this amount, \$1,103,351 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund decreased \$(11,372) to \$756,167, which equates to 23.3 percent of total General Fund expenditures for the current fiscal year.

At the end of the fiscal year, assigned fund balance for the General Fund was a positive \$161,282 or 5.0 percent of total General Fund expenditures. Unassigned fund balance was \$165,025 or 5.1 percent of total General Fund expenditures. Restricted fund balance was \$375,393 or 11.5 percent of total General Fund expenditures.

The County's investment in capital assets increased by \$94,086 or 2.1 percent in comparison with June 30, 2023.

The County's total long-term obligations had a net decrease of \$162,317 in comparison with June 30, 2023. This net decrease was comprised of a decrease of \$393,580 and an increase of \$231,263 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, teeter notes, and refunding of pension obligation bonds. The increase resulted primarily from the additions of compensated absences, Teeter note, and additions to a revolving line of credit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses

are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

The government-wide financial statements can be found on pages 25 - 28 of this report.

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

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

evaluating a county's near-term financing requirements.

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

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

The governmental funds financial statements can be found on pages 29 - 32 of this report. The General Fund statement of revenues, expenditures and changes in fund balance budget and actual statement is found on pages 33 - 34 of this report.

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

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

The proprietary funds financial statements can be found on pages 35 - 41 of this report.

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

The fiduciary fund financial statements can be found on pages 42 - 44 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 45 - 145 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, enterprise, internal service, and custodial funds, and can be found on pages 153 - 227 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,131,985 at the close of the most recent fiscal year (see Condensed Statement of Net Position and analysis on page 9).

The County is allocated a proportion of the Sacramento County Employees' Retirement System (SCERS) pension plan net pension liability. The Net Pension Liability (NPL) is equal to the difference between the total pension liability and the pension plan's fiduciary net position. The pension plan's fiduciary net position includes the fair value of plan investments. The County's proportionate share of the SCERS NPL increased by \$213,770 in FY 2023-24 to \$1,780,016, primarily due to unfavorable investment return (about \$92 million less than expected) during the measurement period of FY 2022-23. Deferred outflows and inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, differences between expected and actual experience, and also contributions to the plan made subsequent to the liability's measurement date. Deferred outflows of resources related to pensions increased by \$230,143 in FY 2023-24 to \$798,686. Deferred inflows of resources related to pensions decreased by \$35,996 in FY 2023-24 to \$141,788.

Governmental activities increased the County's net position by \$318,969, from \$857,258 to \$1,176,227 in the current fiscal year. The County's long-term liabilities (excluding pension and OPEB) decreased by \$155,381, capital assets decreased by \$6,842, and current and other assets increased by \$72,268. The County's improvement in net pension related items totaled \$51,484 and total OPEB related items improved \$5,473. The changes in capital assets and long-term liabilities are discussed in the Capital Assets and Debt Administration section of the Management's Discussion and Analysis (MD&A).

Business-type activities increased the County's net position by \$163,679 to \$1,955,758 in the current fiscal year. See page 16 for additional comments on changes to enterprise funds net position.

Condensed Statements of Net Position
June 30, 2024 and 2023
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 2,689,932	2,617,664	1,035,118	968,864	3,725,050	3,586,528
Capital assets, net of depreciation/amortization	2,135,850	2,142,692	2,387,651	2,286,723	4,523,501	4,429,415
Total assets	<u>4,825,782</u>	<u>4,760,356</u>	<u>3,422,769</u>	<u>3,255,587</u>	<u>8,248,551</u>	<u>8,015,943</u>
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement	11,639	16,537	14,056	17,602	25,695	34,139
Deferred amounts related to refundings	14,145	18,565	22,947	25,293	37,092	43,858
Deferred outflows related to pensions	758,470	539,744	40,216	28,799	798,686	568,543
Deferred outflows related to OPEB	24,990	21,574	1,495	1,241	26,485	22,815
Total deferred outflows of resources	<u>809,244</u>	<u>596,420</u>	<u>78,714</u>	<u>72,935</u>	<u>887,958</u>	<u>669,355</u>
Liabilities:						
Current and other liabilities	997,611	1,046,261	168,629	154,226	1,166,240	1,200,487
Long-term debt obligations	1,407,052	1,562,433	1,247,557	1,254,493	2,654,609	2,816,926
Net pension liability	1,702,067	1,500,794	77,949	65,452	1,780,016	1,566,246
Total OPEB liability	136,484	129,157	7,539	7,080	144,023	136,237
Total liabilities	<u>4,243,214</u>	<u>4,238,645</u>	<u>1,501,674</u>	<u>1,481,251</u>	<u>5,744,888</u>	<u>5,719,896</u>
Deferred inflows of resources:						
Deferred amounts related to refunding			3,114	3,719	3,114	3,719
Deferred inflows related to pensions	135,350	169,381	6,438	8,403	141,788	177,784
Deferred inflows related to OPEB	57,561	66,945	3,425	4,047	60,986	70,992
Deferred inflows related to leases	22,674	24,547	31,074	39,023	53,748	63,570
Total deferred inflows of resources	<u>215,585</u>	<u>260,873</u>	<u>44,051</u>	<u>55,192</u>	<u>259,636</u>	<u>316,065</u>
Net position:						
Net investment in capital assets	1,573,696	1,536,121	1,283,253	1,220,490	2,856,949	2,756,611
Restricted	1,057,624	995,823	169,977	129,314	1,227,601	1,125,137
Unrestricted	(1,455,093)	(1,674,686)	502,528	442,275	(952,565)	(1,232,411)
Total net position	<u>\$ 1,176,227</u>	<u>857,258</u>	<u>1,955,758</u>	<u>1,792,079</u>	<u>3,131,985</u>	<u>2,649,337</u>

Net Position. The largest portion of the County's net position totaling \$2,856,949, reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, right-to-use assets, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, net of depreciation/amortization and less any related debt used to acquire those assets that is still outstanding). Total net investment in capital assets is comprised of \$1,573,696 for governmental activities and \$1,283,253 for business type activities. 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 \$37,575 increase in governmental activities and \$62,763 increase in business type activities in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt. Capital asset additions, net of construction in progress transfers totaling \$360,483 which is comprised of an increase in governmental activities of \$162,933 and \$197,550 in business type. The increase in governmental was related primarily to infrastructure (roads and road improvements), additions to equipment, and additions of the right-to-use assets due to new leases and SBITA arrangements. The increase in business type was primarily caused by Airport due to expansion and renovation of both terminals. Solid Waste improved the Keifer Landfill Liner and Lechate System as well as site improvements to North Area Recovery Station. Water Agency Enterprise Fund completed several structural improvement projects, pipe realignment and meter installation projects. Other business type increases can be attributed to additions to equipment and right-to-use assets due to new lease arrangements entered. Additionally, the County recorded depreciation/amortization of \$264,925 against its assets in the current fiscal year, which is comprised of \$168,759 in governmental activities and \$96,166 in business-type activities.

Another significant portion of the County's net position totaling \$1,227,601 is restricted and represents resources that are subject to external restrictions on how they may be used. The makeup of the restricted net position between governmental activities and business-type activities is \$1,057,624 and \$169,977, respectively. The major categories of restricted net position are bond reserves \$46,881, capital projects \$229,057, health and sanitation programs \$180,523, public protection \$198,802, public assistance \$113,476, passenger facility charges \$62,986, transportation programs \$245,909, economic development programs \$44,969, and general government programs \$19,438. The County's restricted net position increased by \$102,464 from the prior year restricted net position amount of \$1,125,137. The increase in comprised of \$61,801 for governmental activities which is primarily due to timing of revenues and expenses relating to road and roadway projects, while the business-type activities increased \$40,663 which is primarily due to increased passenger facility and customer facility charges due to higher passenger counts within the Sacramento international airport.

The remaining balance of total net position, a negative \$952,565 is unrestricted which consist of \$(1,455,093) for governmental and \$502,528 for business type. Unrestricted net position increased by \$279,846 resulting from an increase of \$219,593 in governmental and \$60,253 in business type from the prior year. The increase in Governmental activities is primarily the result of increased tax revenues from higher assessed values and investment earnings due to favorable market conditions, and the aforementioned net changes in pension and OPEB related items. The business type increase was primarily due to increased charges for services due to increased capacity charges of \$22 million within the water enterprise fund due to increased development, increase charges for services of \$18.1 million in airports from increased terminal rents due to rate increases, and an increase of \$11.9 million in investment earnings due to favorable market conditions.

The County's total net position increased by \$482,648 during the current fiscal year, which results in an increase of 18.2 percent of total net position from prior year.

Revenues. When compared to the prior year, government-wide revenues increased approximately \$163,291 (3.7 percent), which are increases of \$97,567 in governmental activities and \$65,724 in business-type activities. Program revenues for governmental activities increased by \$36,754 mostly due to an increase in charges for services of \$30,896 (6.8 percent) and an increase of operating grants and contributions of \$48,282 offset with an decrease in capital grants and contributions of \$42,424. The increase in charges for services is due to voluminous amount of small increases spanning from various road projects, opioid settlements, and other items, while the increase in operating grants and contributions is due to an increase governmental funding for law enforcement and mental health services. The reduction of capital grants and contributions is primarily due to reduction of

contributions from property owners while. Total program revenues represent 59.7 percent of the County's funding.

General revenues increased by \$73,287 (4.7 percent) which is comprised of a \$60,813 increase in governmental activities and \$12,474 increase in business type activities. These revenues provide the Board of Supervisors with the most discretionary spending ability. Programs such as public assistance, public protection, and health and sanitation consume most of these resources. The increase in general revenues for governmental activities is due primarily to increases in property taxes revenue of \$34,424 (5.2 percent), and unrestricted investment earnings \$38,973 (60.7 percent) with reasoning for the increases explained in the net position section above. These increases were offset by a decrease in grants and contributions not restricted to a specific program (\$23,231) ((4.0) percent) which is made up of a voluminous amount of small decreases. Total general revenues represent 40.3 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 352 FTEs from 13,423 in the prior year to 13,775 at June 30, 2024. When compared to the prior year, government-wide expenses increased \$322,064 (8.5 percent) which are increases of \$276,226 for governmental activities and \$45,838 for business-type activities. For governmental activities the following functions provided the most significant increases in expenses in the current year: public protection \$174,656 (16.4 percent); health and sanitation \$129,002 (13.8 percent); and public ways \$11,773 (6.0 percent). These increases are due to changes in payroll cost, other postemployment benefits, pension related items, road related projects/activities, and increased governmental funding in the fiscal year. The table on the following page indicates the changes in net position for governmental and business-type activities.

Analysis of business type revenues and expenses can be found in the enterprise section found starting on page 16 of the MDA.

Condensed Statements of Activities
For the Fiscal Years Ended June 30, 2024 and 2023
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 484,436	453,540	555,376	455,840	1,039,812	909,380
Operating grants and contributions	1,877,179	1,828,897	9,184	14,377	1,886,363	1,843,274
Capital grants and contributions	12,879	55,303	27,764	68,857	40,643	124,160
General revenue:						
Taxes:						
Property	696,152	661,728			696,152	661,728
Transient occupancy	6,018	5,748			6,018	5,748
Sales and use	170,437	171,604			170,437	171,604
Unrestricted investment earnings	103,151	64,178	35,961	24,056	139,112	88,234
Grants and contributions not restricted to specific programs	565,076	588,307			565,076	588,307
Pledged tobacco settlement	12,954	14,672			12,954	14,672
Miscellaneous	47,563	34,301	569		48,132	34,301
Total revenues	<u>3,975,845</u>	<u>3,878,278</u>	<u>628,854</u>	<u>563,130</u>	<u>4,604,699</u>	<u>4,441,408</u>
Expenses:						
General government	226,792	255,607			226,792	255,607
Public assistance	818,072	821,921			818,072	821,921
Public protection	1,236,837	1,062,181			1,236,837	1,062,181
Health and sanitation	1,065,393	936,391			1,065,393	936,391
Public ways and facilities	209,286	197,513			209,286	197,513
Recreation and culture	63,519	52,201			63,519	52,201
Education	2,225	2,085			2,225	2,085
Interest and fiscal charges	40,809	58,808			40,809	58,808
Airports			250,383	231,997	250,383	231,997
Solid Waste			127,890	109,285	127,890	109,285
Water Agency			75,844	67,312	75,844	67,312
Parking Enterprise			2,370	1,801	2,370	1,801
County Transit			2,631	2,885	2,631	2,885
Total expenses	<u>3,662,933</u>	<u>3,386,707</u>	<u>459,118</u>	<u>413,280</u>	<u>4,122,051</u>	<u>3,799,987</u>
Changes in net position before transfers	312,912	491,571	169,736	149,850	482,648	641,421
Transfers	6,057	6,166	(6,057)	(6,166)		
Changes in net position	318,969	497,737	163,679	143,684	482,648	641,421
Net position (deficit), beginning of year	857,258	359,521	1,792,079	1,648,395	2,649,337	2,007,916
Net position, end of year	<u>\$ 1,176,227</u>	<u>857,258</u>	<u>1,955,758</u>	<u>1,792,079</u>	<u>3,131,985</u>	<u>2,649,337</u>

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, 2024, the County's governmental funds reported combined fund balances of \$1,484,125, an increase of \$53,528 in comparison with the prior year's total ending fund balance of \$1,430,597. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

Nonspendable fund balance, \$54,467, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventories of \$3,025; 2) prepaid items of \$40,033; 3) long-term receivables/advances of \$1,416; 4) legally required Teeter Tax program loss reserves of \$9,331; and 5) Teeter Tax delinquencies of \$662.

Restricted fund balance, \$1,103,351, 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 \$173,131; 2) capital projects of \$224,150; 3) public ways and facilities of \$240,506; 4) public protection of \$198,781; 5) debt service of \$60,112; 6) economic development of \$44,969; and 7) public assistance \$113,476.

Assigned fund balance, \$161,282, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 96.3 percent, or \$1,429,658, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$54,467, \$1,103,351 is available for appropriation for restricted purposes, \$161,282 is assigned for County Board of Supervisors approved uses, and \$165,025 is unassigned.

The increase of \$53,528 in the governmental funds combined fund balance is attributable to a decrease in the General Fund totaling \$(11,372), offset by increases in special revenue funds totaling \$45,669, \$14,994 in the capital project funds, and \$4,237 in the debt service funds.

The General Fund is the principal operating fund of the County. The General Fund's total fund balance decreased by (1.5) percent, or \$(11,372), to \$756,167 at June 30, 2024. The nonspendable portion of fund balance was \$54,467, which is an increase of \$3,646 from the prior year balance of \$50,821 and the spendable portion was \$701,700, a decrease of \$(15,018) from the prior year spendable balance of \$716,718. General Fund revenues increased by \$47,518, while expenditures increased by \$151,666 when compared to FY 2022-23. See analysis beginning on page 14 of significant changes in revenues and expenditures for the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 23.3 percent of total General Fund expenditures while spendable fund balance equates to 21.6 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$375,393, or 53.5 percent, is restricted.

Other governmental funds: The total fund balances of the remaining governmental funds increased 9.8 percent, or \$64,900, to \$727,958. Other governmental funds revenues decreased by \$22,024, while expenditures increased by \$6,557. See analysis beginning below for significant changes in revenues and expenditures for other governmental funds.

Revenues for total governmental funds totaled \$3,933,215 in FY 2023-24, which represents an increase of \$25,494 or 0.7 percent from FY 2022-23.

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 2024		FY 2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 872,607	22.19 %	839,080	21.47 %	33,527	4.00 %
Use of money and property	101,691	2.59 %	62,866	1.61 %	38,825	61.76 %
Licenses and permits	82,156	2.09 %	72,026	1.84 %	10,130	14.06 %
Intergovernmental	2,413,586	61.35 %	2,464,300	63.06 %	(50,714)	(2.06)%
Charges for sales and services	363,312	9.24 %	346,149	8.86 %	17,163	4.96 %
Fines, forfeitures and penalties	38,772	0.99 %	35,500	0.91 %	3,272	9.22 %
Pledged tobacco settlement	13,790	0.35 %	15,463	0.40 %	(1,673)	(10.82)%
Contributions from property owners			37,239	0.95 %	(37,239)	
Miscellaneous	47,301	1.20 %	35,098	0.90 %	12,203	34.77 %
Total	\$ 3,933,215	100.00 %	3,907,721	100.00 %	25,494	0.65 %

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

Taxes increased \$33.5 million, of which the General Fund had an increase of \$33.4 million. The increase is primarily due to \$31.2 million increase in property tax revenue due to higher assessed property values.

Use of money and property increased by \$38.8 million primarily due to increased yield in fixed income investment markets and is comprised of increases in the General Fund totaling \$28.7 million and \$10.1 million for other governmental funds.

Licenses and permits increased \$10.1 million in FY 2023-24. The increase is primarily caused by other governmental funds where the increase was \$11.1 million with an decrease in the General Fund of \$1.0 million. The increase in the other governmental funds was primarily caused by the following: \$2.4 million for residential building permits issued due to increased development; \$2.6 million for affordable housing fees due to an initiative to develop affordable housing; and \$2.9 million for food establishment permits.

Intergovernmental revenues decreased \$50.7 million in FY 2023-24. Intergovernmental revenues for the General Fund decreased by \$32.6 million and a decrease of \$18.1 million for other governmental funds. The primary reasons for the decrease in the General Fund is due to the County recognizing decreased revenue from the following services: Proposition 172 \$4.8 million; 1991 & 2011 Realignment \$76.2 million; American Rescue Plan Act (ARPA) \$42.4 million; and \$25.0 million in Housing and Community Development grants. These decreases were offset by increases in Mental Health Services Act revenue of \$66.6 million; \$18.3 million from CalWorks revenues; \$4.9 million from In Home Support Services revenues; and \$26.0 million from various increases in other intergovernmental revenue. The decrease from other governmental funds is primarily caused by a decrease of \$17.3

million in ARPA eligible projects.

Charges for sales and services increased by \$17.2 million. The increase is comprised of an increase of \$9.6 million in the General Fund and an increase of \$7.6 million in other governmental funds. The primary reason for the increase in the General Fund is as follows: \$1.3 million in opioid settlement revenues; \$1.6 million increase due to uptick of various development projects; \$1.1 million for personnel charges for administering self insurance funds; and \$1.7 million for additional Sheriff services provided to Airports and General Services. The primary reason for the increase in other governmental funds is due to the following: \$3.0 million increase in public work service revenues; and \$5.0 million in road projects; and \$2.4 million in various other governmental funds. This increase was offset by a decrease of \$2.8 million in development fees for capital projects.

Contributions from property owners decreased by \$37.2 million due to no new special assessment debt issued within FY 2023-24.

Miscellaneous revenues increased by \$12.2 million, of which the General Fund had an increase of \$9.0 million, while the other governmental funds had an increase of \$3.2 million. The General Fund increase is primarily made of up of a one time repayment of an interfund loan for \$8.3 million. The other governmental funds increase is primarily made of a \$2.2 million settlement agreement for environmental management.

Expenditures for governmental funds totaled \$3,954,337 in FY 2023-24, which represents an increase of \$158,223 or 4.2 percent from FY 2022-23. The following table presents expenditures by function compared to prior year amounts:

Expenditures by Function	FY 2024		FY 2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 226,300	5.72 %	265,652	7.00 %	(39,352)	(14.81)%
Public assistance	823,922	20.84 %	842,654	22.20 %	(18,732)	(2.22)%
Public protection	1,261,983	31.90 %	1,166,694	30.74 %	95,289	8.17 %
Health and sanitation	1,073,048	27.14 %	965,090	25.42 %	107,958	11.19 %
Public ways and facilities	189,480	4.79 %	188,000	4.95 %	1,480	0.79 %
Recreation and culture	61,725	1.56 %	54,014	1.42 %	7,711	14.28 %
Education	1,830	0.05 %	1,617	0.04 %	213	13.17 %
Capital outlay	64,048	1.62 %	58,413	1.54 %	5,635	9.65 %
Debt service:						
Principal	199,946	5.06 %	193,231	5.09 %	6,715	3.48 %
Interest and fiscal charges	52,055	1.32 %	60,117	1.58 %	(8,062)	(13.41)%
Bond issuance costs			632	0.02 %	(632)	
Total	<u>\$ 3,954,337</u>	<u>100.00 %</u>	<u>3,796,114</u>	<u>100.00 %</u>	<u>158,223</u>	<u>4.17 %</u>

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

General Government decreased \$39.3 million with the majority of the decrease in the General Fund. The decrease in the General Fund is primarily due to a legal settlement of \$50 million that was accrued in FY 2022-23. This decrease is primarily offset with an increase in implementation cost of \$8.1 million for a new property tax reporting system. Other governmental funds had a \$3.0 million decrease due to less contributions to external agencies arising from programs funded by ARPA monies of \$8.3 million, which is primarily offset with an increase of \$4.3 million due to timing and completion

of road projects expenditures.

Public protection increased by \$95.3 million. The increase is comprised of an increase in the General Fund totaling \$89.9 million and an increase in other governmental funds totaling \$5.4 million. The increase in the General Fund is primarily due to: 1) \$63.7 million increase in salaries and benefits resulting from Cost of Living Adjustments (COLAs) and equity adjustments; 2) \$3.1 million increase in provider payments for correction health services; and 3) drugs and pharmacy supplies. The other governmental funds increase is primarily due to: 1) \$3.0 million increase in salaries and benefits resulting from COLAs and equity adjustments; and 2) \$1.8 million increase in inmate welfare cost due to increased commissary cost and personnel cost.

Public assistance decreased by \$18.7 million, with all of the decrease within the General Fund. The decrease is primarily due to reduction of \$44.5 million in expenditures relating to the emergency rental assistance program due to funds being fully expended. This decrease primarily offsets with increases to welfare assistance payments of \$21.2 million.

Health and sanitation increased by \$107.9 million. The General Fund increase totaled \$110.7 million and other governmental funds decreased \$2.8 million. The increase in the General Fund is primarily attributable to the following: 1) \$32.6 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) \$50.7 million increase in provider payments; 3) \$2.6 million increase in community outreach; and 4) \$13.5 million increase in contracted health services.

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

	FY 2024	FY 2023	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 204,380	245,546	(41,166)	(16.77)%
Transfers out	(186,863)	(230,177)	43,314	18.82 %
Issuance of debt	57,133	56,962	171	0.30 %
Refunding debt issued		180,740	(180,740)	
Premiums on debt issued		445	(445)	
Payment to refunded bonds escrow agent		(180,371)	180,371	
Total other financing sources (uses)	<u>\$ 74,650</u>	<u>73,145</u>	<u>1,505</u>	2.06 %

Transfers in/out: Decrease in net transfers is primarily due to decreased debt service activity and capital projects.

Issuance of debt: Increase is due to the addition of new Leases/SBITAs, along with the issuance of a Teeter note due to the timing of property tax collections.

Premiums on debt issued/refunding debt issued: During FY 2023-24 there was no new debt issued with a premium, while in FY 2022-23 Carmichael Park District issued its 2023 COP which had a premium.

Payment to refunded bonds escrow agent: in FY 2023-24 no refunding debt was issued, while in FY 2022-23 proceeds from the 2023 POB direct placement were used to defease a portion of the 2008 POB.

Enterprise funds. The County’s enterprise funds reported an increase in net position totaling \$159.5 million. The following provides an explanation of the operating and nonoperating activities that changed significantly over the prior year:

- Airport operating revenues increased from \$220.9 million to \$239.0 million due to all-time highs in passenger traffic increasing 2.4 percent over the

prior year along with increased airline billing rates. Concessions revenue increased \$1.8 million over the previous year from the year-over-year increase in passenger traffic. Airfield charges increased \$7.7 million from landing fees due to a rate increase of 15.5 percent. Building rents increased \$8.1 million from a rate increase of 14 percent. Operating expenses increased by \$19.1 million largely due to an increase in services and supplies of \$11.0 million in addition to an increase in payroll expenses of \$7.6 million. Services increased from increased maintenance for the baggage handling system and automated people mover. Additional increases in service and maintenance costs were related to environmental services, shuttle bus, internal services from other departments, and law enforcement. Additionally, the payroll increase was due to a 4 percent salary increase and an increase in staffing of 4.5 percent. Net nonoperating revenues increased by \$13.2 million primarily due to an increase of \$1.8 million in passenger facility charges related to the increase in passenger traffic and a \$7.4 million increase in customer facility charges due to a rate change at the end of the previous fiscal year.

- The Solid Waste operating revenues increased from \$133.6 million in FY 2022-23 to \$139.5 million in FY 2023-24, due to an increase of \$4.2 million in service charges as residential curbside rates increased 4.8 percent as part of multiyear series of rate increases approved by the Board of Supervisors starting with FY 2020-21 and extending through FY 2025-2026. Additionally, an increase in tipping fees of \$4.0 million due to an approximately 3.0 percent increase in per ton weighed disposal fees and a greater volume of customers choosing County sites for disposal. The drop in electricity sales revenue was expected given the historically high price of electricity experienced in FY 2022-2023. Operating expenses increased by \$16.4 million due to increases in payroll costs of \$4.7 million, equipment maintenance of \$2.0 million and \$4.5 million in depreciation can be attributed to the needs generated by SB 1383 compliance, requiring more staff and equipment. The \$3.5 million increase in landfill closure costs was due to a topographical study performed in FY 2022-2023 which showed more settlement activity, increasing overall capacity and therefore lowering landfill closure costs based on the GASB 18 prescribed liability calculation methodology. FY 2023-2024 landfill closure costs are more typical and in line with expectations. Net nonoperating revenues (expenses) were relatively flat, experiencing a decrease of \$0.1 million.
- The Water Agency had its operating income increase from \$7.1 million in FY 2022-23 to \$68.0 million in FY 2023-24. Operating revenues increased by \$66.2 million mainly due to reclassing \$65.7 million of capacity fees from nonoperating revenue to operating revenue starting in FY 2023-24. Additionally, the Water Agency water service accounts grew by 1,947 new customers and issued 2,770 building permits (compared to 1,120 permits issued in FY 2022-23), increasing operating revenues by an additional \$1.4 million compared to FY 2022-23. Operating expenses increased by \$5.2 million mainly due to an increase of \$2.4 million in payroll costs and an increase of \$2.8 million in services and supplies. Most of the increase in service and supplies was driven by purchasing and treating more surface water instead of ground water, as well as increased water rate charges imposed by the City of Sacramento for the Metro Air Park area of the County. Net nonoperating revenues (expenses) decreased \$39.6 million, largely a result of a \$40.1 million decrease in capacity fees as they were reclassified to operating revenues offset by an increase of \$4.9 million due to increased yields in fixed income investment markets which led to an increase in interest income.

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

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

	Major Enterprise Funds			Nonmajor Enterprise Funds		Total
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit	
Operating revenues	\$ 238,952	139,479	130,017	2,665	102	511,215
Operating expenses	(219,972)	(128,703)	(61,977)	(2,478)	(2,631)	(415,761)
Operating income (loss)	18,980	10,776	68,040	187	(2,529)	95,454
Nonoperating revenues (expenses)	38,099	3,244	(1,487)	355	2,173	42,384
Income (loss) before capital contributions and transfers	57,079	14,020	66,553	542	(356)	137,838
Transfers in (out)	(2,929)	(2,005)	(1,101)	(22)		(6,057)
Capital contributions	12,078		15,371		315	27,764
Changes in net position	\$ 66,228	12,015	80,823	520	(41)	159,545

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget resulted in a \$194.1 million increase in expenditures. The increase is primarily due to additional capital investments, settlement cost, rising public assistance caseloads, increased investments in homeless response and behavioral health needs, and various other adjustments. Changes are briefly summarized as follows:

General Government: Increased by \$81.2 million due primarily to a lawsuit settlement and increased investment in capital projects.

Public Assistance: Increased by \$48.6 million primarily due to rising caseloads in various public assistance programs.

Public Protection: Increased by \$38.9 million primarily due to various equipment purchases in the Sheriff's budget, increased cost for inmate health needs, investments in youth detention services, and rebudgeting of unused prior year fund balances in various restricted revenue budgets.

Health and Sanitation: Increased by \$23.4 million primarily due to increases in Mental Health Services Act and Behavioral Health realignment eligible services costs and the addition of 48 positions in the In-Home Supportive Services programs.

Recreation and Culture: Increased by \$1.8 million primarily due to new capital investment in the Golf program and adjustments for a fire field reduction contract.

Actual revenues in the General Fund were \$208.2 million less than the final budgetary estimates. The undercollection of revenues is due primarily to a \$277.6 million decrease in intergovernmental revenue including under collections in Mental Health Services Act revenue resulting from lower than anticipated State tax revenue, Patient Care revenue resulting from slow program implementation at the state level, and a decrease in American Rescue Plan Act and other federal and state revenues, a decrease in ARPA and other federal and state revenues resulting from a reduction in eligible expenditures due to the timing of program implementations, and difficulty filling positions. There was also a \$2.0 million under-collection in taxes

resulting from less than anticipated and sales tax revenues. The under-collections were partially offset by a \$44.7 million over-collection in Uses of Money and Property revenues primarily due to higher than anticipated interest rates, a net \$23.5 million over-collection in charges for services and sales across several departments, and modest over-collections in other areas.

Actual expenditures were \$502.4 million less than final budgetary estimates. Expenditures less than budget were due to lower than anticipated program costs for general government (\$93.0 million), public assistance (\$62.1 million), public protection (\$92.5 million), and health and sanitation (\$247.8 million) resulting primarily from the timing of program and project implementations, and difficulties in filling positions.

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, 2024, amounted to \$4,523,501, net of accumulated depreciation/amortization. This investment in capital assets includes land and easements, leases, SBITA, computer software and other intangibles, water facility rights, infrastructure, buildings and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current year was 2.10 percent when compared to the prior year net investment in capital assets.

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

Schedule of Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2024	2023	2024	2023	2024	2023	Percent of Change
Nondepreciable:							
Land	\$ 135,677	135,677	135,737	135,737	271,414	271,414	0.00 %
Construction in progress	59,720	48,120	231,739	155,958	291,459	204,078	42.82 %
Permanent easement	22,964	21,424	57	57	23,021	21,481	7.17 %
Water facility rights			200,692	200,692	200,692	200,692	0.00 %
Other intangibles			1,904	1,904	1,904	1,904	0.00 %
Intangible assets under project	66	66			66	66	0.00 %
Depreciable/amortizable:							
Buildings and improvements	323,253	338,175	1,545,615	1,515,633	1,868,868	1,853,808	0.81 %
Infrastructure	1,205,013	1,193,546	202,680	208,554	1,407,693	1,402,100	0.40 %
Equipment	110,407	110,171	51,897	54,656	162,304	164,827	(1.53)%
Computer software	2,502	1,881	244	78	2,746	1,959	40.17 %
Water facility rights			691	716	691	716	(3.49)%
Intangible right-to-use lease buildings	265,007	276,359	4,502	4,452	269,509	280,811	(4.02)%
Intangible right-to-use lease equipment	86	587	11,393	7,576	11,479	8,163	40.62 %
Intangible right-to-use subscription-based IT arrangements	11,155	16,686	500	710	11,655	17,396	(33.00)%
Total	\$ 2,135,850	2,142,692	2,387,651	2,286,723	4,523,501	4,429,415	2.12 %

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

- Buildings and improvements: Increased in total by approximately \$15.1 million. This is due to increases in completed projects in governmental funds of \$13.0 million, which included \$1.8 million for upgrading facility fencing, replacing the water boiler, and upgrading food port cell locks of the Rio Cosumnes Correctional Center for \$1.7 million, replacing the garment conveyor system and replacing clothes washing machines and dryers at the Sacramento County Main Jail, \$1.7 million improving Department of Technology's building central plant, \$1.6 million redesigning the ground level entries and lobby as well as installing a security kiosk at the New Administration Building, and \$6.3 million in other various projects throughout the County. Airports capitalized \$32.5 million in project costs; \$18.5 million for extending Elkhorn Boulevard access, \$3.7 million for expanding the East Vault Bus Lot, \$2.4 million for Escalator Rehabilitation in Terminal A, \$1.9 million improving Cy Homer Road for airfield operations, \$1.3 million in improvements for Aviation Drive, and \$4.7 million in various projects. Solid Waste completed \$15.4 million in project costs; \$12.0 million in improving the Keifer Landfill Liner and Leachate system, \$1.1 million in constructing a new Compressed Natural Gas station, and \$2.3 million in various projects. The Water Agency Enterprise Fund capitalized \$56.5 in construction projects; \$32.0 million in structural improvement projects, \$15.4 million in contributed capital from developers consisting of hydrants, gate valves, butterfly valves, pipes, and meters, \$5.6 in transmission main projects, and \$3.5 in other various projects. The increases were offset by depreciation of \$27.9 million in governmental funds, \$52.8 in Airports, \$5.5 million in Solid Waste, and \$16.1 million in the Water Agency Enterprise Fund.
- Infrastructure: Increased in total by approximately \$5.6 million. This is due to increases in completed projects for Road infrastructures of \$74.4 million and \$4.1 million in stormwater utility. The roadway costs incurred included the following community facility districts: Florin Vineyard, Vineyard Roadways, North Vineyard Station, and Metro Air Park. The Water Agency Enterprise Fund did not incur any completed project costs in

FY 2023-24. These increases were offset by depreciation of \$67.0 million in governmental activities and \$5.9 million in Water Agency Enterprise Fund.

- Construction in progress: Increased in total by approximately \$87.4 million. This is due to increases in construction projects totaling \$26.2 million for governmental activities, \$68.1 million for Airports, \$19.5 million for Solid Waste, and \$72.7 million for Water Agency Enterprise Fund. A combination of decreases in governmental fund projects being capitalized to building costs and infrastructure of \$14.6 million, as well as decreases in other projects being capitalized to building costs and infrastructure for Airports of \$28.7 million, \$11.3 million for Solid Waste, and \$44.4 million for the Water Agency Enterprise Fund. More details can be found in the section below related to construction of capital projects.
- Equipment: Decreased in total by approximately \$2.5 million. This is due to increases in governmental funds of \$7.8 million, which included \$0.5 million to replace vehicles and weapons for Sacramento County Probation Department, \$0.7 million enhancing District Attorney laboratory capabilities, \$5.1 million improving several Sacramento County Sheriff Divisions, and \$0.8 million in improved medical services provided at Sacramento County Main Jail and Rio Cosumnes Correctional Center and \$0.7 million in other various purchases. General Services additional fleet vehicles for \$17.3 million, Regional Radio Communications System for \$1.4 million in order to upgrade and maintain various systems and the Department of Technology for \$2.4 million to upgrade storage and server capacity. Additions in equipment to Airports for \$3.5 million, which included \$2.0 million in vehicle purchases and \$0.6 million in electric bus chargers, and \$0.9 million in other various purchases. Solid Waste for \$3.3 million, which included \$3.0 million in vehicle purchases and \$0.3 million for other various purchases. \$0.8 million for the Water Agency Enterprise Fund, which included \$0.3 million in vehicle purchases and \$0.5 million in other various purchases, and \$0.4 million for County Transit to purchase 3 new buses. Decreases due to depreciation were as follows: governmental activities for \$4.9 million, General Services for \$12.7 million, Regional Radio Communications System for \$2.2 million, Department of Technology for \$8.9 million, Airports for \$4.7 million, Solid Waste for \$5.4 million, Water Agency Fund for \$0.2 million, County Transit for \$0.3 million and Parking Enterprise for \$0.1 million.
- Right-to-use lease assets: Decreased in total by approximately \$7.9 million. This is due to increases in governmental funds of \$25.6 million, which include \$25.5 million for new building leases; \$15.0 million in leases for the Department of Child, Family, and Adult Services that increased Child Protection Services visitations, allowed for expanded employee work areas, slightly expanded warehousing facilities and maintaining other various services, a \$5.2 million lease entered into for Department of Finance to relocate existing services to a new location, \$3.0 million in leases for Sacramento County Probation Department to maintain current service levels, \$2.0 million for Department of Homeless Services and Housing entering into a lease for office space as a new County department in FY 2023-24, \$0.3 million in other various building leases and \$0.1 million for new equipment leases entered. Solid Waste increased by \$8.6 million for, which includes \$8.0 million in vehicle leases and \$0.6 million in building leases. The increases were offset by depreciation of \$37.3 million in governmental funds and \$4.8 million in Solid Waste.
- Right-to-use subscription-based IT arrangements: Decreased in total by \$5.7 million. This is due to a total increase in governmental fund SBITA arrangements of \$1.7 million, which include a \$0.8 million agreement to maintain electronic medical records and public health services for Department of Health Services, \$0.6 million to obtain digital vendor onboarding to provide a secure process for acquiring vendor information for Department of Finance, and \$0.3 million in other various arrangements offset by amortization of governmental activities for \$7.2 million, Water Agency Enterprise Fund for \$0.1 million and Parking Enterprise for \$0.1 million.

Additional information on the County's capital assets can be found in Note 5 on pages 89-91.

The County has entered into several agreements related to the construction of capital projects. The governmental funds had \$26.2 million in various improvement projects throughout the County. This included \$4.0 million in improvements to Grantland L. Johnson Center for Department of Health and

Human Services to install a commercial grade weather cover and install additional infrastructure to support a sanctioned homeless encampment, \$3.7 million in improving Sacramento County Main Jail refrigeration systems, garment conveyor systems, and hot water hydronic heating system, \$3.4 million in improvements for Stormwater Utility Operations, \$1.8 million improving Rio Cosumnes Correctional Center, \$1.4 million redesigning the ground level and entries and lobby as well as installing a security kiosk, and \$12.0 million in other various projects throughout the County. The Water Agency Enterprise Fund had \$72.7 million in agreements related to the construction of capital projects. Of this amount, \$50.3 million were related to the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project, \$5.9 million to the Poppy Ridge Phase 2 expansion, \$3.9 million to water system improvements in widening White Rock Road, and \$12.6 million for other various construction projects. Airport has \$68.1 million improvements, \$15.6 million for Elkhorn Boulevard expansion, \$7.6 million related to the extension of East Vault Bus Lot, \$7.2 million related to the Terminal B baggage handling system upgrades, \$6.7 million related to Terminal A restroom renovations, \$5.8 million related to constructing a pedestrian walkway from Terminal B to Concourse B, \$2.4 million to the development of a Grand Transportation Center and expanding Lindberg Dr, \$2.4 million related to Terminal A escalator rehabilitation, \$1.8 million to improving Terminal B parking garage, \$1.3 million to widening Cy Homer Road, and \$17.3 million in various projects for replacements and upgrades. Solid Waste had projects totaling \$19.5 million: \$10.6 million related to site improvements at North Area Recovery Station, \$8.3 million for Kiefer Landfill liner and ancillary features, and \$0.6 million in other various construction projects.

Construction contract commitments as of June 30, 2024 for governmental and business-type activities were \$59.7 million and \$554.2 million, respectively.

Debt Administration. At June 30, 2024, the County's governmental activities had long-term obligations totaling \$1.4 billion. Of this amount, \$98.3 million are certificates of participation, \$247.4 million are revenue bonds for the securitization of the tobacco settlement agreement and revenue bonds issued by the Public Financing Authority to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento with associated accreted interest totaling \$12.5 million, and \$60.1 million as litigation liability. Other significant long-term obligations include \$28.0 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$180.3 million in direct placement bonds, and \$253.0 million in pension obligation bonds. As a result of a \$10.5 million payment during the fiscal year, \$0 in accreted interest associated to pension obligation bonds remain. In addition, compensated absences amounted to \$160.9 million, financing obligations were \$24.2 million, lease liabilities were \$279.0 million, SBITA liabilities were \$11.0 million and a net premium/discount of \$40.1 million on bonds issued. The remaining represents various other debt obligations.

Business-type activities had long-term obligations of approximately \$1.2 billion. This includes \$865.2 million of Airports and Water Agency revenue bonds; \$291.4 million relating to revenue bond premiums, Airports PFC and subordinate debt, and Sacramento County Water Agency reimbursement agreements and water rights, and \$34.4 million in loans agreements to fund a new building and improvements for Solid Waste. In addition, compensated absences amounted to \$10.6 million, financing obligations were \$8.3 million, lease liabilities were \$16.2 million, and a revolving line of credit agreement of \$20.0 million for Airports. The remaining represents various other debt obligations.

For the fiscal year ended June 30, 2024, the County's total long-term obligations had a net decrease of \$162.3 million. The net decrease is primarily a result of scheduled principal retirements of pension obligation bonds and associated accreted interest in the amount of \$117.4 million, a decrease of \$11.0 million in certificates of participation, a litigation liability payment of \$5.7 million, a net decrease in lease liability of \$3.9 million, a decrease in financed purchase obligations of \$9.5 million, a net decrease in unamortized amounts of \$12.4 million, a net decrease in revenue bonds and associated accreted interest in the amount of \$20.5 million, a reduction of PFC & subordinate revenue bonds of \$6.3 million, and SBITA liability decreasing by \$5.3 million. The decreases were offset by a \$18.9 million net increase related to a revolving line of credit agreement, a \$5.8 million increase in Teeter notes, and an increase in compensated absences of \$6.6 million.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percent
Governmental activities:								
Compensated absences	\$ 160,921	155,013	10,577	9,859	171,498	164,872	6,626	4.02 %
General obligation bonds	10,000	10,000			10,000	10,000		0.00 %
Certificates of participation	98,284	109,263			98,284	109,263	(10,979)	(10.05)%
Teeter notes	28,034	22,273			28,034	22,273	5,761	25.87 %
Pension obligation bonds	252,960	359,847			252,960	359,847	(106,887)	(29.70)%
Accreted interest		10,494				10,494	(10,494)	(100.00)%
Direct placement bonds	180,335	180,740			180,335	180,740	(405)	(0.22)%
Revenue bonds	247,351	258,984	865,245	876,650	1,112,596	1,135,634	(23,038)	(2.03)%
Accreted interest	12,491	9,953			12,491	9,953	2,538	25.50 %
Other long-term debt	2,358	2,738			2,358	2,738	(380)	(13.88)%
Litigation liability	60,093	65,836			60,093	65,836	(5,743)	(8.72)%
Financed purchase obligations	24,196	32,198	8,253	9,755	32,449	41,953	(9,504)	(22.65)%
Loan agreements			34,414	35,000	34,414	35,000	(586)	(1.67)%
Revolving line of credit agreement			20,026	1,080	20,026	1,080	18,946	1,754.26 %
Lease liability	278,979	286,854	16,224	12,218	295,203	299,072	(3,869)	(1.29)%
SBITA liability	10,970	16,011	425	720	11,395	16,731	(5,336)	(31.89)%
Unamortized amounts								
Issuance premiums	40,689	43,065	89,300	99,501	129,989	142,566	(12,577)	(8.82)%
Issuance discounts	(609)	(836)			(609)	(836)	227	(27.15)%
PFC and subordinate revenue bonds			202,110	208,400	202,110	208,400	(6,290)	(3.02)%
Reimbursement agreements			983	1,310	983	1,310	(327)	(24.96)%
	<u>\$ 1,407,052</u>	<u>1,562,433</u>	<u>1,247,557</u>	<u>1,254,493</u>	<u>2,654,609</u>	<u>2,816,926</u>	<u>(162,317)</u>	<u>(5.76)%</u>

Additional information regarding the County's long-term debt can be found in Note 8 starting on page 97.

On April 30, 2024 Moody's Investors Services upgraded the following:

- Certificates of Participation, Series 2018B rating from "A2" to "A1"
- Certificates of Participation, Series 2020 rating from "A2" to "A1"
- Pension Obligation bonds, Series 2008 rating from "A2" to "A1"
- Tax Allocation Revenue Bonds, Series 2008 rating from "A2" to "A1"

On October 16, 2023 S&P Global Ratings upgraded the following::

- Tobacco Securitization Authority of Northern California Series 2021A Class 1 Senior Bonds from "A-" to "A"
- Tobacco Securitization Authority of Northern California Series 2021B Class 1 Senior Bonds from "BBB-" to "BBB+"

Economic Factors and Next Year's Budget and Rates

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

- Property tax revenue from all sources (secured, unsecured, delinquent, in lieu of Vehicle License Fee, supplemental), budgeted for FY 2024-25 in the amount of \$630,723, are projected to increase over the FY 2023-24 Adopted Budget by \$27,070 (4.5 percent). The FY 2024-25 projection is a \$31,447 (5.2 percent) increase over FY 2023-24 actual levels.
- Sales and use tax revenue budgeted for FY 2024-25 in the amount of \$143,224 is projected to decrease from the FY 2023-24 Adopted Budget by \$760 (0.5 percent). The FY 2024-25 projection is a \$3,694 (2.5 percent) decrease from the FY 2023-24 actual levels.
- Utility user tax revenue budgeted for FY 2024-25 in the amount of \$20,130 is projected to decrease from the FY 2023-24 Adopted Budget by \$1,925 (8.7 percent). The FY 2024-25 projection is a \$546 (2.8 percent) increase from the FY 2023-24 actual level.
- Proposition 172 revenue budgeted for FY 2024-25 in the amount of \$173,028 is projected to decrease from the FY 2023-24 Adopted Budget by \$4,171 (2.4 percent). The FY 2024-25 projection is a \$2,458 (1.4 percent) increase from the FY 2023-24 actual level.
- Non-CalWORKS Realignment revenue budgeted for FY 2024-25 in the amount of \$636,622 is projected to decrease from the FY 2023-24 Adopted Budget by \$6,077 (1.0 percent). The FY 2024-25 projection is a \$18,038 (2.8 percent) decrease from the FY 2023-24 actual level.

The County received \$300 million of ARPA funding across FY 2020-21 and FY 2021-22 with \$177.4 million having been expended as of June 30, 2024. The remaining ARPA funding will be expended on qualifying purposes in future years.

Request for Information

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 1 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Assets:				
Current assets:				
Cash and investments	\$ 1,943,826	534,876	2,478,702	20,504
Restricted cash and investments		59,176	59,176	
Receivables, net of allowance for uncollectibles:				
Billed	76,185	33,644	109,829	
Interest	39,997	17,685	57,682	
Intergovernmental	476,364	7,900	484,264	3,306
Leases	1,700	5,912	7,612	
Prepaid items	44,647	111	44,758	
Internal balances	(58,905)	58,905		
Inventories	5,544	871	6,415	
Total current assets	<u>2,529,358</u>	<u>719,080</u>	<u>3,248,438</u>	<u>23,810</u>
Noncurrent assets:				
Restricted assets		289,569	289,569	
Loan receivable from County Successor Agency	49,119		49,119	
Loan receivable from City Successor Agency	3,623		3,623	
Long-term receivables	72,423		72,423	
Long-term receivable, leases	22,084	26,169	48,253	
Prepaid items	13,325	300	13,625	
Capital assets:				
Land and other nondepreciable assets	218,427	570,129	788,556	
Buildings and improvements, infrastructure, equipment and intangibles, net	1,917,423	1,817,522	3,734,945	366
Total capital assets, net	<u>2,135,850</u>	<u>2,387,651</u>	<u>4,523,501</u>	<u>366</u>
Total noncurrent assets	<u>2,296,424</u>	<u>2,703,689</u>	<u>5,000,113</u>	<u>366</u>
Total assets	<u>4,825,782</u>	<u>3,422,769</u>	<u>8,248,551</u>	<u>24,176</u>
Deferred outflows of resources:				
Accumulated decrease in fair value of SWAP agreements	11,639	14,056	25,695	
Deferred amounts related to refunding	14,145	22,947	37,092	
Deferred outflows related to pensions	758,470	40,216	798,686	908
Deferred outflows related to OPEB	24,990	1,495	26,485	17
Total deferred outflows of resources	<u>809,244</u>	<u>78,714</u>	<u>887,958</u>	<u>925</u>
Total assets and deferred outflows of resources	<u>5,635,026</u>	<u>3,501,483</u>	<u>9,136,509</u>	<u>25,101</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Liabilities:				
Current liabilities:				
Warrants payable	\$ 33,971	5,233	39,204	2,205
Accrued liabilities	221,693	80,874	302,567	
Intergovernmental payable	70,986	17	71,003	2,127
Accrued interest payable	9,844		9,844	
Current portion of insurance claims payable	47,319		47,319	
Current portion of long-term debt obligations	214,529	26,430	240,959	212
Current liabilities payable from restricted assets		17,925	17,925	
Unearned revenues	372,727	6,425	379,152	
Total current liabilities	<u>971,069</u>	<u>136,904</u>	<u>1,107,973</u>	<u>4,544</u>
Noncurrent liabilities:				
Insurance claims payable	229,432		229,432	
Long-term debt obligations	1,192,523	1,221,127	2,413,650	556
Derivative instrument liability	11,639	14,056	25,695	
Landfill closure and postclosure care		39,810	39,810	
Other long-term liabilities		4,289	4,289	
Net pension liability	1,702,067	77,949	1,780,016	1,788
Total OPEB liability	136,484	7,539	144,023	109
Total noncurrent liabilities	<u>3,272,145</u>	<u>1,364,770</u>	<u>4,636,915</u>	<u>2,453</u>
Total liabilities	<u>4,243,214</u>	<u>1,501,674</u>	<u>5,744,888</u>	<u>6,997</u>
Deferred inflows of resources:				
Deferred inflows related to refunding		3,114	3,114	
Deferred inflows related to pensions	135,350	6,438	141,788	163
Deferred inflows related to OPEB	57,561	3,425	60,986	61
Deferred inflows related to leases	22,674	31,074	53,748	
Total deferred inflows of resources	<u>215,585</u>	<u>44,051</u>	<u>259,636</u>	<u>224</u>
Total liabilities and deferred inflows of resources	<u>4,458,799</u>	<u>1,545,725</u>	<u>6,004,524</u>	<u>7,221</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 3 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Net position:				
Net investment in capital assets	\$ 1,573,696	1,283,253	2,856,949	
Restricted for:				
Bond reserves		46,881	46,881	
Landfill closure		11,402	11,402	
Kiefer Wetlands Preserve		1,254	1,254	
Debt service		1,648	1,648	
Passenger facility charges		62,986	62,986	
Customer facility charges		39,915	39,915	
Capital projects	227,115	1,942	229,057	
General government	19,438		19,438	
Public protection	198,802		198,802	
Public assistance	113,476		113,476	
Health and sanitation programs	180,523		180,523	
Transportation	244,315	1,594	245,909	
Lighting and landscape maintenance	5,866		5,866	
Economic development	44,969		44,969	
Other	23,120		23,120	
Endowments				
Expendable		326	326	
Nonexpendable		2,029	2,029	
Unrestricted	(1,455,093)	502,528	(952,565)	17,880
Total net position	<u>\$ 1,176,227</u>	<u>1,955,758</u>	<u>3,131,985</u>	<u>17,880</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Function/Programs	Primary Government						Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 226,792	112,377	19,136		(95,279)	(95,279)	
Public assistance	818,072	228	855,453		37,609	37,609	
Public protection	1,236,837	188,685	169,558	3,310	(875,284)	(875,284)	
Health and sanitation	1,065,393	40,354	739,434	295	(285,310)	(285,310)	
Public ways and facilities	209,286	129,546	91,259	9,274	20,793	20,793	
Recreation and culture	63,519	13,246	2,339		(47,934)	(47,934)	
Education	2,225				(2,225)	(2,225)	
Interest and fiscal charges	40,809				(40,809)	(40,809)	
Total governmental activities	<u>3,662,933</u>	<u>484,436</u>	<u>1,877,179</u>	<u>12,879</u>	<u>(1,288,439)</u>	<u>(1,288,439)</u>	
Business-type activities:							
Airports	250,383	283,112	5,894	12,078		50,701	50,701
Solid waste	127,890	139,479	1,219			12,808	12,808
Water agency	75,844	130,017		15,371		69,544	69,544
Parking enterprise	2,370	2,665				295	295
County transit	2,631	103	2,071	315		(142)	(142)
Total business-type activities	<u>459,118</u>	<u>555,376</u>	<u>9,184</u>	<u>27,764</u>		<u>133,206</u>	<u>133,206</u>
Total primary government	<u>\$ 4,122,051</u>	<u>1,039,812</u>	<u>1,886,363</u>	<u>40,643</u>	<u>(1,288,439)</u>	<u>133,206</u>	<u>(1,155,233)</u>
Component unit							
First 5 Commission	\$ 21,210		18,365				(2,845)
General Revenues:							
Taxes:							
Property taxes					696,152	696,152	
Transient occupancy					6,018	6,018	
Sales/Use taxes					170,437	170,437	
Unrestricted investment earnings					103,151	35,961	139,112
Grants and contributions not restricted to specific programs					565,076		565,076
Pledged tobacco settlement					12,954		12,954
Miscellaneous					47,563	569	48,132
Transfers					6,057	(6,057)	
Total general revenues and transfers					<u>1,607,408</u>	<u>30,473</u>	<u>1,637,881</u>
Changes in net position					318,969	163,679	482,648
Net position, beginning of year					857,258	1,792,079	2,649,337
Net position, end of year					<u>\$ 1,176,227</u>	<u>1,955,758</u>	<u>3,131,985</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 841,900	699,070	1,540,970
Receivables, net of allowance for uncollectibles:			
Billed	61,794	14,385	76,179
Interest	25,014	14,709	39,723
Intergovernmental	446,895	29,397	476,292
Leases	103	1,430	1,533
Prepaid items	40,033		40,033
Inventories	3,025		3,025
Loan receivable from County Successor Agency		49,119	49,119
Loan receivable from City Successor Agency		3,623	3,623
Long-term receivables, other	33,053	39,252	72,305
Long-term receivable, leases	5,193	16,619	21,812
Total assets	\$ 1,457,010	867,604	2,324,614
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Warrants payable	\$ 22,603	4,057	26,660
Accrued liabilities	178,746	28,042	206,788
Intergovernmental payable	49,814	21,172	70,986
Unearned revenues	359,916	1,990	361,906
Total liabilities	611,079	55,261	666,340
Deferred inflows of resources:			
Deferred inflows relating to unavailable revenues	84,773	67,127	151,900
Deferred inflows related to leases	4,991	17,258	22,249
Total deferred inflows of resources	89,764	84,385	174,149
Fund balances:			
Nonspendable	54,467		54,467
Restricted	375,393	727,958	1,103,351
Assigned	161,282		161,282
Unassigned	165,025		165,025
Total fund balances	756,167	727,958	1,484,125
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,457,010	867,604	2,324,614

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, 2024
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 1,484,125
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not current financial resources, and therefore, are not reported in the funds.	2,039,179
Accrued interest payable is not reported in the funds.	(9,844)
Prepaid bond insurance and prepaid expenditures relating to SBITA assets of the governmental activities are not current financial resources, and therefore, are not reported in the funds.	13,325
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred amounts related to refunding, are not due and payable in the current period nor represent current financial resources, and therefore, are not reported in the funds.	(1,350,169)
Total OPEB liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(158,503)
Net pension liability including related deferred outflows and deferred inflows of resources are not reported in the funds.	(1,028,983)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as unavailable revenues in the funds.	151,900
Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications, and department of technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement net position.	<u>35,197</u>
Net position of governmental activities	<u><u>\$ 1,176,227</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, 2024
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 804,075	68,532	872,607
Use of money and property	63,128	38,563	101,691
Licenses and permits	10,838	71,318	82,156
Intergovernmental	2,265,130	148,456	2,413,586
Charges for sales and services	141,432	221,880	363,312
Fines, forfeitures and penalties	22,163	16,609	38,772
Pledged tobacco settlement		13,790	13,790
Miscellaneous	37,301	10,000	47,301
Total revenues	<u>3,344,067</u>	<u>589,148</u>	<u>3,933,215</u>
Expenditures:			
Current:			
General government	159,627	66,673	226,300
Public assistance	823,922		823,922
Public protection	1,158,394	103,589	1,261,983
Health and sanitation	1,035,228	37,820	1,073,048
Public ways and facilities		189,480	189,480
Recreation and culture	35,739	25,986	61,725
Education	519	1,311	1,830
Capital outlay		64,048	64,048
Debt service:			
Principal	33,705	166,241	199,946
Interest and fiscal charges	3,450	48,605	52,055
Total expenditures	<u>3,250,584</u>	<u>703,753</u>	<u>3,954,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>93,483</u>	<u>(114,605)</u>	<u>(21,122)</u>
Other financing sources (uses):			
Transfers in	14,677	189,703	204,380
Transfers out	(146,657)	(40,206)	(186,863)
Issuance of long-term debt	27,125	30,008	57,133
Total other financing sources (uses)	<u>(104,855)</u>	<u>179,505</u>	<u>74,650</u>
Changes in fund balances	(11,372)	64,900	53,528
Fund balances - beginning	767,539	663,058	1,430,597
Fund balances - ending	<u>\$ 756,167</u>	<u>727,958</u>	<u>1,484,125</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, 2024
(amounts expressed in thousands)

Changes in fund balances - total governmental funds	\$	53,528
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 are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.		
		1,824
Change in accrued interest payable.		2,343
Change in prepaid items.		9,896
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. Also included is the change in compensated absences, which does not require the use of current financial resources. This amount is the net effect of these differences in the treatment.		
		138,194
Pension related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
		47,663
OPEB related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
		5,086
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.		
		41,170
The net revenues of certain activities of internal service funds is reported with governmental activities.		<u>19,265</u>
Change in net position of governmental activities	\$	<u><u>318,969</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 BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 807,248	806,026	804,075	(1,951)
Use of money and property	10,576	18,361	63,128	44,767
Licenses and permits	12,144	11,082	10,838	(244)
Intergovernmental	2,483,454	2,542,701	2,265,130	(277,571)
Charges for sales and services	115,206	117,958	141,432	23,474
Fines, forfeitures and penalties	18,550	20,475	22,163	1,688
Miscellaneous	40,078	35,627	37,301	1,674
Total revenues	<u>3,487,256</u>	<u>3,552,230</u>	<u>3,344,067</u>	<u>(208,163)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	11,861	40,536	18,825	21,711
Finance	95,106	147,599	85,066	62,533
Counsel	6,186	6,186	5,810	376
Human resources	17,429	17,429	15,468	1,961
Elections	14,819	14,895	14,595	300
Other	25,996	25,996	19,863	6,133
Total general government	<u>171,397</u>	<u>252,641</u>	<u>159,627</u>	<u>93,014</u>
Public assistance:				
Administration	325,092	340,533	316,588	23,945
Aid programs	468,042	501,220	466,627	34,593
Other	44,220	44,220	40,707	3,513
Total public assistance	<u>837,354</u>	<u>885,973</u>	<u>823,922</u>	<u>62,051</u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public protection:				
Judicial	\$ 195,189	199,452	186,682	12,770
Police protection	479,780	502,039	485,283	16,756
Detention and correction	463,703	470,603	417,128	53,475
Protection and inspection	5,648	5,648	5,206	442
Other	67,657	73,190	64,095	9,095
Total public protection	<u>1,211,977</u>	<u>1,250,932</u>	<u>1,158,394</u>	<u>92,538</u>
Health and sanitation	1,259,598	1,283,046	1,035,228	247,818
Recreation and culture	40,888	42,694	35,739	6,955
Education	548	548	519	29
Debt service:				
Principal	33,705	33,705	33,705	
Interest and fiscal charges	3,450	3,450	3,450	
Total expenditures	<u>3,558,917</u>	<u>3,752,989</u>	<u>3,250,584</u>	<u>502,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,661)</u>	<u>(200,759)</u>	<u>93,483</u>	<u>294,242</u>
Other financing sources (uses):				
Transfers in	14,677	14,677	14,677	
Transfers out	(146,657)	(146,657)	(146,657)	
Issuance of long-term debt	27,125	27,125	27,125	
Total other financing sources (uses)	<u>(104,855)</u>	<u>(104,855)</u>	<u>(104,855)</u>	
Changes in fund balance	(176,516)	(305,614)	(11,372)	294,242
Fund balance - beginning	767,539	767,539	767,539	
Fund balance - ending	<u>\$ 591,023</u>	<u>461,925</u>	<u>756,167</u>	<u>294,242</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, 2024
 (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	\$ 296,807	49,851	178,142	10,076	534,876	402,856
Restricted cash and investments	24,526	34,650			59,176	
Receivables, net of allowance for uncollectibles:						
Billed	7,916	19,589	5,770	369	33,644	6
Interest	10,108	3,505	3,826	246	17,685	274
Intergovernmental	5,572	622	303	1,403	7,900	72
Leases	5,657	198	57		5,912	167
Prepaid items	111				111	4,614
Inventories	809	62			871	2,519
Total current assets	<u>351,506</u>	<u>108,477</u>	<u>188,098</u>	<u>12,094</u>	<u>660,175</u>	<u>410,508</u>
Noncurrent assets:						
Restricted assets	193,520	22,968	73,081		289,569	
Prepaid items	300				300	
Long-term receivables, other						118
Long-term receivable, leases	17,476	1,874	6,819		26,169	272
Capital assets:						
Land and other nondepreciable assets	156,134	70,200	342,496	1,299	570,129	
Buildings and improvements, infrastructure, equipment and intangibles, net	<u>1,056,029</u>	<u>133,432</u>	<u>626,979</u>	<u>1,082</u>	<u>1,817,522</u>	<u>96,671</u>
Total capital assets	<u>1,212,163</u>	<u>203,632</u>	<u>969,475</u>	<u>2,381</u>	<u>2,387,651</u>	<u>96,671</u>
Total noncurrent assets	<u>1,423,459</u>	<u>228,474</u>	<u>1,049,375</u>	<u>2,381</u>	<u>2,703,689</u>	<u>97,061</u>
Total assets	<u>1,774,965</u>	<u>336,951</u>	<u>1,237,473</u>	<u>14,475</u>	<u>3,363,864</u>	<u>507,569</u>
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement			14,056		14,056	
Deferred outflows related to refunding	22,649		298		22,947	
Deferred outflows related to pensions	17,800	14,582	7,713	121	40,216	40,606
Deferred outflows related to OPEB	626	605	257	7	1,495	1,393
Total deferred outflows of resources	<u>41,075</u>	<u>15,187</u>	<u>22,324</u>	<u>128</u>	<u>78,714</u>	<u>41,999</u>
Total assets and deferred outflows of resources	<u>1,816,040</u>	<u>352,138</u>	<u>1,259,797</u>	<u>14,603</u>	<u>3,442,578</u>	<u>549,568</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, 2024
 (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	
Liabilities:						
Current liabilities:						
Warrants payable	\$ 1,693	1,718	1,372	450	5,233	7,311
Accrued liabilities	49,005	12,812	19,036	21	80,874	14,905
Intergovernmental payable				17	17	
Current portion of insurance claims payable						47,319
Current portion of long-term debt obligations	6,779	7,084	12,495	72	26,430	13,151
Current liabilities payable from restricted assets	17,925				17,925	
Unearned revenues	6,425				6,425	10,821
Total current liabilities	81,827	21,614	32,903	560	136,904	93,507
Noncurrent liabilities:						
Insurance claims payable						229,432
Long-term debt obligations	820,475	55,157	345,386	109	1,221,127	29,587
Derivative instrument liability			14,056		14,056	
Landfill closure and postclosure care		39,810			39,810	
Other long-term liabilities			4,289		4,289	
Net pension liability	36,963	26,148	14,624	214	77,949	81,267
Total OPEB liability	3,256	2,928	1,310	45	7,539	8,031
Total noncurrent liabilities	860,694	124,043	379,665	368	1,364,770	348,317
Total liabilities	942,521	145,657	412,568	928	1,501,674	441,824
Deferred inflows of resources:						
Deferred inflows related to refunding	1,101		2,013		3,114	
Deferred inflows related to pensions	3,159	2,012	1,198	69	6,438	9,303
Deferred inflows related to OPEB	1,511	1,288	595	31	3,425	3,914
Deferred inflows related to leases	22,604	1,969	6,501		31,074	425
Total deferred inflows of resources	28,375	5,269	10,307	100	44,051	13,642
Total liabilities and deferred inflows of resources	970,896	150,926	422,875	1,028	1,545,725	455,466

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, 2024
 (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	\$ 445,602	177,397	658,013	2,241	1,283,253	66,163
Restricted for:						
Bond reserves	46,881				46,881	
Landfill closure		11,402			11,402	
Kiefer Wetlands Preserve		1,254			1,254	
Debt service	1,648				1,648	
Capital projects				1,942	1,942	
Passenger facility charges	62,986				62,986	
Customer facility charges	39,915				39,915	
Transportation				1,594	1,594	
Endowments:						
Expendable	326				326	
Nonexpendable	2,029				2,029	
Unrestricted	245,757	11,159	178,909	7,798	443,623	27,939
Total net position	\$ 845,144	201,212	836,922	13,575	1,896,853	94,102
Adjustment to reflect internal service fund activities related to enterprise funds					58,905	
Net position of business-type activities					\$ 1,955,758	

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, 2024**

	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	\$ 238,946	137,277	127,631	2,767	506,621	410,977
Other	6	2,202	2,386		4,594	7,098
Total operating revenues	<u>238,952</u>	<u>139,479</u>	<u>130,017</u>	<u>2,767</u>	<u>511,215</u>	<u>418,075</u>
Operating expenses:						
Salaries and benefits	47,439	42,414	15,533	362	105,748	116,092
Services and supplies	113,676	67,778	19,552	2,054	203,060	141,067
Cost of sales and services	1,020			2,016	3,036	3,523
Depreciation and amortization	57,626	15,700	22,369	471	96,166	30,071
Claim payments and actuarial estimates						95,448
Landfill closure costs		2,811			2,811	
Other	211		4,523	206	4,940	1,498
Total operating expenses	<u>219,972</u>	<u>128,703</u>	<u>61,977</u>	<u>5,109</u>	<u>415,761</u>	<u>387,699</u>
Operating income (loss)	<u>18,980</u>	<u>10,776</u>	<u>68,040</u>	<u>(2,342)</u>	<u>95,454</u>	<u>30,376</u>
Nonoperating revenues (expenses):						
Use of money and property	19,378	3,319	12,804	460	35,961	1,460
Intergovernmental	5,894	1,219		2,071	9,184	
Passenger facility charges	27,757				27,757	
Customer facility charges	16,403				16,403	
Interest expense	(31,902)		(10,824)	(4)	(42,730)	(14)
Other revenues (expenses), net	569	(1,294)	(3,467)	1	(4,191)	3,037
Total nonoperating revenues (expenses), net	<u>38,099</u>	<u>3,244</u>	<u>(1,487)</u>	<u>2,528</u>	<u>42,384</u>	<u>4,483</u>
Income before transfers and capital contributions	<u>57,079</u>	<u>14,020</u>	<u>66,553</u>	<u>186</u>	<u>137,838</u>	<u>34,859</u>
Transfers in			46		46	
Transfers out	(2,929)	(2,005)	(1,147)	(22)	(6,103)	(11,460)
Capital contributions	12,078		15,371	315	27,764	
Changes in net position	66,228	12,015	80,823	479	159,545	23,399
Net position, beginning of year	778,916	189,197	756,099	13,096		70,703
Net position, end of year	<u>\$ 845,144</u>	<u>201,212</u>	<u>836,922</u>	<u>13,575</u>		<u>94,102</u>
Adjustment to reflect internal service fund activities related to enterprise funds					4,134	
Change in net position of business-type activities					<u>\$ 163,679</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, 2024
 (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	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 241,100	128,590	125,317	2,665	497,672	128,734
Receipts from interfund services provided						309,050
Receipts for other operating activities	485	10,011	2,386		12,882	5,817
Payments to suppliers	(112,896)	(74,022)	(19,000)	(4,179)	(210,097)	(237,088)
Payments to employees	(47,465)	(42,420)	(15,766)	(401)	(106,052)	(121,223)
Payments for other operating activities		(2,757)		(206)	(2,963)	(2,170)
Payments for interfund services used		(4,145)			(4,145)	(19,908)
Net cash provided by (used for) operating activities	<u>81,224</u>	<u>15,257</u>	<u>92,937</u>	<u>(2,121)</u>	<u>187,297</u>	<u>63,212</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from other funds			46		46	
Transfers to other funds	(2,929)	(2,005)	(1,147)	(22)	(6,103)	(11,462)
Intergovernmental revenue	5,833	2,433		2,814	11,080	
Other nonoperating expense						(1)
Net cash provided by (used for) noncapital financing activities	<u>2,904</u>	<u>428</u>	<u>(1,101)</u>	<u>2,792</u>	<u>5,023</u>	<u>(11,463)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Passenger facility charges	26,263				26,263	
Customer facility charges	15,473				15,473	
Capital contributions	10,187			320	10,507	
Acquisition and construction of capital assets	(61,417)	(26,919)	(66,930)	(423)	(155,689)	(21,867)
Principal paid on long-term obligations	(7,364)	(6,722)	(11,957)	(67)	(26,110)	(11,954)
Interest paid on long-term obligations	(36,054)	(250)	(15,317)	(4)	(51,625)	(385)
Proceeds from the sale of capital assets	395	60	2		457	3,506
Proceeds from revolving line of credit	20,000				20,000	
Net cash used for capital and related financing activities	<u>(32,517)</u>	<u>(33,831)</u>	<u>(94,202)</u>	<u>(174)</u>	<u>(160,724)</u>	<u>(30,700)</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, 2024
 (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:						
Proceeds from sale and maturities of investments	\$		59,999		59,999	
Interest received and fair value adjustment on cash and investments	17,283	3,950	11,701	405	33,339	1,406
Net cash provided by (used for) investing activities	17,283	3,950	71,700	405	93,338	1,406
Net increase (decrease) in cash and cash equivalents	68,894	(14,196)	69,334	902	124,934	22,455
Cash and cash equivalents, beginning of year	438,984	121,665	159,193	9,174	729,016	380,401
Cash and cash equivalents, end of year	<u>\$ 507,878</u>	<u>107,469</u>	<u>228,527</u>	<u>10,076</u>	<u>853,950</u>	<u>402,856</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 296,807	49,851	178,142	10,076	534,876	402,856
Restricted cash and investments	24,526	34,650			59,176	
Restricted noncurrent assets	193,520	22,968	73,081		289,569	
Less: Long-term investments and receivables included in restricted assets	(6,975)		(22,696)		(29,671)	
Cash and cash equivalents	<u>\$ 507,878</u>	<u>107,469</u>	<u>228,527</u>	<u>10,076</u>	<u>853,950</u>	<u>402,856</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, 2024
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 18,980	10,776	68,040	(2,342)	95,454	30,376
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	57,626	15,700	22,369	471	96,166	30,071
Provision for uncollectible accounts	13				13	
Impact fee credits applied			(3,408)		(3,408)	
Other nonoperating revenue	485				485	
Other nonoperating expense		(2,338)			(2,338)	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	1,168	(447)	742	(352)	1,111	24,999
Leases						30
Intergovernmental			352		352	34
Deposits with others	(1,096)				(1,096)	
Prepaid items	(37)				(37)	271
Inventories	59				59	(179)
Warrants payable	493	(6,539)	(250)	152	(6,144)	(618)
Accrued liabilities	2,757	70	5,384		8,211	(25,492)
Intergovernmental payable				(10)	(10)	(3)
Unearned revenues	967				967	(652)
Landfill closure and postclosure care		(1,685)			(1,685)	
Compensated absences	388	164	163	3	718	
Insurance claims payable						9,426
Net pension liability and related deferred outflows and inflows	(413)	(82)	(359)	(31)	(885)	(3,818)
Net leases liability and related deferred outflows and inflows		(217)			(217)	(29)
Total OPEB liability and related deferred outflows and inflows	(166)	(145)	(96)	(12)	(419)	(387)
Total adjustments	62,244	4,481	24,897	221	91,843	32,836
Net cash provided by (used for) operating activities	\$ 81,224	15,257	92,937	(2,121)	187,297	63,212
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets	\$		15,371		15,371	
Amortization of bond premiums	6,209		3,992		10,201	
Capital assets purchases using long-term debt	8	8,650			8,658	4
Capital grants receivable	4,246				4,246	
Amortization of deferred outflows and inflows - bonds	2,215		473		2,688	
Capital assets purchases included in accrued liabilities and warrants payable	23,171	150			23,321	

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, 2024
(amounts expressed in thousands)**

Page 1 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Assets:					
Cash and investments	\$ 6,407	4,924,271	6,605	855,118	318,330
Other cash and cash equivalents	20,463				
Short-term investments with fiscal agents	570,225				
Receivables, net of allowance for uncollectibles:					
Billed					1,487
Interest		103,642	157		121,976
Member and employer contributions	45,413				
Accrued investment income	33,629				
Investment sales and other	294,615				
Investments					
Equity	5,437,080				
Fixed income	2,429,821				
Real assets	1,280,633				
Real estate	867,436				
Absolute return	840,864				
Private credit	420,495				
Private equity	1,745,892				
Securities lending collateral	283,577				
Prepaid items					1,518
Other assets	1,840				
Long-term receivables, other					234
Buildings and improvements, equipment and intangibles, net	5,063				
Total assets	14,283,453	5,027,913	6,762	855,118	443,545

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, 2024
(amounts expressed in thousands)**

Page 2 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Liabilities:					
Warrants payable	2,120				14,798
Accrued liabilities	6,347		2,387		7,362
Intergovernmental payable			1,707		
Current lease liability	538				
Long-term lease liability	4,259				
Investment purchases and other	684,397				
Securities lending obligation	276,160				
Other long-term liabilities			3,480		
Loan due to County Public Financing Authority					
Due within one year			2,440		
Due after one year			46,679		
Total liabilities	973,821		56,693		22,160
Net position (deficit) restricted for:					
Pension	13,309,632				
Pool participants		5,027,913			
Individuals, organizations and other governments			(49,931)	855,118	421,385
Total net position (deficit)	\$ 13,309,632	5,027,913	(49,931)	855,118	421,385

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, 2024
(amounts expressed in thousands)**

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Additions:					
Property taxes	\$		6,442		3,263,378
Contributions on pooled investments		10,578,682			1,707,860
Contributions on non-pooled investments				4,852,164	
Member contributions	159,654				
Employer contributions	397,981				
Securities lending income, net	1,353				
Investment income (loss), net	1,103,159	277,455	326	39,675	33,736
Miscellaneous	2,389				
Total additions	1,664,536	10,856,137	6,768	4,891,839	5,004,974
Deductions:					
Distributions to taxing entities				4,898,706	3,268,119
Distributions from pooled investments		10,411,368			1,535,807
Benefits paid	698,773				
Withdrawal/refunds of contributions	6,967				
Administrative expenses	12,422				15,393
Services and supplies			750		
Interest expense			4,754		
Total deductions	718,162	10,411,368	5,504	4,898,706	4,819,319
Changes in net position	946,374	444,769	1,264	(6,867)	185,655
Net position (deficit), beginning of year	12,363,258	4,583,144	(51,195)	861,985	235,730
Net position (deficit), end of year	\$ 13,309,632	5,027,913	(49,931)	855,118	421,385

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FINANCIAL SECTION

NOTES TO BASIC FINANCIAL STATEMENTS

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Scope of Financial Reporting Entity

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

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

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

Blended Component Units:

Lighting and Landscape Maintenance Districts Special Revenue Fund:

County Service Area Number One
Sacramento County Landscape Maintenance District

Park Districts and Park Service Areas Special Revenue Fund:

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

Other Special Revenue Funds:

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

Enterprise Fund:

Water Agency Water Supply

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 25, 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Board of Supervisors sits as the Board of Directors of the PFA. The PFA was created for the purpose of obtaining financing for various designated redevelopment and housing projects in the greater Sacramento area. The debts and liabilities of the PFA belong solely to it, thus the County is in no way responsible for those liabilities.

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

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

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

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

The *Metro Air Park Enhanced Infrastructure Financing District* is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Metro Air Park Enhanced Infrastructure Financing District (EIFD) Public Financing Authority was established by a Board Resolution on April 20, 2021, as authorized under the EIFD Law authorized pursuant to California Government Code Sections 53398.50 through 53398.88. The first year of financial activity for the EIFD is FY 2023-24 due to the statutorily required time for the EIFD to adopt the Infrastructure Financing Plan and received Tax Rate Area approval from the State Board of Equalization. The purpose of the EIFD is to facilitate economic growth throughout the Metro Air Park region and to support the growth of economic activity within the EIFD by utilizing 50% of the County's incremental property tax revenue growth and incremental property tax in lieu of vehicle license fees growth to provide funding for a portion of the public facilities that will enable the Metro Air Park to fully develop and continue to attract new regional-serving business. The EIFD's Board of Directors is composed of three members from the County of Sacramento's Board of Supervisors and two members of the public as chosen by the County of Sacramento's Board of Supervisors. The activities of the EIFD are reported within the Metro Air Park EIFD Special Revenue Fund.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

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

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

Discretely Presented Component Unit:

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

Excluded from the Reporting Entity:

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

**COUNTY OF SACRAMENTO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024
 (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
 SacSewer
 Southeast Connector Joint Power Authority

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

PURPOSE

Regional planning (primarily transportation)
 Coordination of Federal and State funding for job programs
 Regional flood control issues
 Administration of the franchising and licensing of cable TV services
 Housing projects
 Administration of County-wide transportation projects
 Formation of districts and cities within the County
 Acquisition of rail lines for a transportation corridor
 Monitor and enforce air quality
 Library operations
 Wastewater conveyance, treatment, and disposal along with 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
 Enhance local management of groundwater

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

Joint Ventures

The Sacramento County entered into a joint venture in 2002 with the East Bay Municipal Utility District establishing the Freeport Regional Water Authority (FRWA). The purpose of the FRWA was to construct a joint regional surface water supply project on the Sacramento River near the community of Freeport and adjacent to the City of Sacramento. The Sacramento County has no equity interest in the FRWA. As of June 30, 2024, this entity reported a net position of \$325.4 million. Copies of the FRWA's financial statements may be obtained from the FRWA Authority Treasurer, MS #801, P.O. Box 24055, Oakland, CA 94623-1055.

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. The County also includes certain indirect costs as part of the program expenses reported for various functional activities. Program revenues include 1) charges paid by the recipients of goods or services offered by programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Fund Financial Statements:

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

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

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

The County also reports the following fund types:

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

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

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

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.

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property and sales taxes, grants, entitlements and donations. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes are recognized as revenues in the year for which they are levied.

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

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

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

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

Implementation of New Governmental Accounting Standards

GASB Statement No. 99, Omnibus 2022

Effective July 1, 2023, the County implemented Statement No. 99 paragraphs 4 -10 (paragraphs 11-32 were implemented in prior fiscal years ended June 30, 2022 and June 30, 2023). The objectives of this statement and these paragraphs are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB statement No. 53. These paragraphs of this statement had no material impact to the County's financial statements.

GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62

Effective July 1, 2023 the County implemented Statement No. 100. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

accountability. This statement had no material impact to the County's 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 statement of cash flows.

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for FY 2023-24 is July 1 and the lien date is January 1 (unsecured property taxes are due in one installment and become delinquent after August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

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

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

A description of the debt related to the Teeter Plan can be found in NOTE 8 - LONG-TERM OBLIGATIONS on page 100-101.

Deferred Outflows/Inflows of Resources

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Intergovernmental Revenues

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

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

Interfund Transactions

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

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

Inventories

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

Prepaid Items

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

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.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Capital Assets

Capital assets, which include land, easements, buildings and improvements, infrastructure, machinery and equipment, computer software, water facility rights, right-to-use assets and other intangible assets, are reported in the applicable governmental or business-type activities columns in the proprietary fund financial statements. Capital assets are defined as assets with an initial useful life in excess of one year and an individual cost of more than \$5 for equipment, \$25 for buildings, improvements, and infrastructure, and \$100 for computer software. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The County has not reported infrastructure acquired prior to 1980. Donated capital assets are recorded at acquisition value at the date of donation. Right-to-use assets are initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before lease/SBITA commencement date, plus certain initial direct costs. Capital outlay is recorded as expenditures of the general, special revenue, and capital projects funds and as assets in the proprietary funds and government-wide financial statements to the extent the County’s capitalization threshold is met. Buildings and improvements, infrastructure, equipment, intangible assets are depreciated using the straight line method over the following estimated used lives. Right-to-use lease and SBITA assets are amortized over the lesser of useful life or contract terms. If the County is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the asset.

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

Compensated Absences

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

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

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

Long-Term Obligations

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

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

Fund Equity

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

- Nonspendable fund balance – amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (Resolution by the Board), and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the County’s intent to be used for specific purposes on an annual basis. The intent can be established at either the highest level of decision-making (Resolution from the Board), or by a body or an official designated by the Board for that purpose. The Board adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Executive in consultation with the County Director of Finance. This is also the classification for residual funds in the County’s special revenue, capital projects, and debt service funds.
- Unassigned fund balance – the residual classification for the County’s General Fund includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. The unassigned fund balance also includes \$90,640 of a service stabilization reserve that was established during the recommended budget adoption by County resolution. At this time there is no condition under which this stabilization may be spent; however, should the County deem it necessary to use these funds, the Board will need to adopt another resolution allowing the use. To increase the stabilization amount the Board would need to approve an appropriation adjustment request authorizing the increase.

Fund Balance Policy

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

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

Net Position

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, intangible assets including leases and SBITAs, unspent proceeds for capital related debt, and deferred outflows of resources for capital related debt, into one component of net position. Accumulated depreciation/amortization, outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets, and deferred inflows of resources for capital related debt 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.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

Use of Estimates in the Preparation of Financial Statements

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

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

As of June 30, 2024, the Liability and Workers' Compensation ISF have deficit net position of \$29,736 and \$63,673, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability/property and workers' compensation programs. The County is gradually collecting additional amounts from the departments to eliminate the deficit in net position.

Investments/Fair Value

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

Pension

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

In general, the County recognizes a net pension liability which represents the County's proportional share of the excess of the total pension liability over the fiduciary net position of the pension plan reflected in the actuarial report provided by SCERS. The net pension liability is measured as of the County's prior fiscal year-end. Employer pension contributions made subsequent to the measurement period are reported as deferred outflows of resources.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with SCERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Other Postemployment Benefits (OPEB)

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

Classification

In fiscal year 2023-24, the County has classified the Water Enterprise Fund development fees as operating revenue to better align the nature of the revenue. In previous years development fees were classified as nonoperating revenue.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

Total fund balances of the County’s governmental funds of \$1,484,125 differs from net position of governmental activities of \$1,176,227 because of the long-term economic focus in the statement of net position versus the current financial resources measurement focus in the governmental funds balance sheet. The effect of the differences is illustrated below:

Balance Sheet/Statement of Net Position

	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 1,540,970		402,856		1,943,826
Receivables, net of allowance for uncollectibles:					
Billed	76,179		6		76,185
Interest	39,723		274		39,997
Intergovernmental	476,292		72		476,364
Leases	1,533		167		1,700
Prepaid items	40,033		4,614		44,647
Due from other funds/internal balances			(58,905)		(58,905)
Inventories	3,025		2,519		5,544
Total current assets	<u>2,177,755</u>		<u>351,603</u>		<u>2,529,358</u>
Noncurrent assets:					
Loan receivable from County Successor Agency	49,119				49,119
Loan receivable from City Successor Agency	3,623				3,623
Long-term receivables	72,305		118		72,423
Long-term receivable, leases	21,812		272		22,084
Prepaid items		13,325			13,325
Capital assets:					
Land and other nondepreciable assets		218,427			218,427
Buildings and improvements, infrastructure, equipment and intangibles, net		1,820,752	96,671		1,917,423
Total capital assets		<u>2,039,179</u>	<u>96,671</u>		<u>2,135,850</u>
Total noncurrent assets	<u>146,859</u>	<u>2,052,504</u>	<u>97,061</u>		<u>2,296,424</u>
Total assets	<u>2,324,614</u>	<u>2,052,504</u>	<u>448,664</u>		<u>4,825,782</u>
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement		11,639			11,639
Deferred amounts related to refunding		14,145			14,145
Deferred outflows related to pensions		717,864	40,606		758,470
Deferred outflows related to OPEB		23,597	1,393		24,990
Total deferred outflows of resources		<u>767,245</u>	<u>41,999</u>		<u>809,244</u>
Total assets and deferred outflows of resources	<u>2,324,614</u>	<u>2,819,749</u>	<u>490,663</u>		<u>5,635,026</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities:					
Current liabilities:					
Warrants payable	\$ 26,660		7,311		33,971
Accrued liabilities	206,788		14,905		221,693
Intergovernmental payable	70,986				70,986
Accrued interest payable		9,844			9,844
Current portion of insurance claims payable			47,319		47,319
Current portion of long-term debt obligations		201,378	13,151		214,529
Unearned revenues	361,906		10,821		372,727
Total current liabilities	666,340	211,222	93,507		971,069
Noncurrent liabilities:					
Insurance claims payable			229,432		229,432
Long-term debt obligations		1,162,936	29,587		1,192,523
Derivative instrument liability		11,639			11,639
Net pension liability		1,620,800	81,267		1,702,067
Total OPEB liability		128,453	8,031		136,484
Total noncurrent liabilities		2,923,828	348,317		3,272,145
Total liabilities	666,340	3,135,050	441,824		4,243,214
Deferred inflows of resources:					
Unavailable revenues	151,900	(151,900)			
Deferred inflows related to pensions		126,047	9,303		135,350
Deferred inflows related to OPEB		53,647	3,914		57,561
Deferred inflows related to leases	22,249		425		22,674
Total deferred inflows of resources	174,149	27,794	13,642		215,585
Total liabilities and deferred inflows of resources	840,489	3,162,844	455,466		4,458,799
Fund balances/net position:					
Nonspendable	54,467			(54,467)	
Restricted	1,103,351			(1,103,351)	
Assigned	161,282			(161,282)	
Unassigned	165,025			(165,025)	
Net investment in capital assets		2,039,179	66,163	(531,646)	1,573,696
Restricted				1,057,624	1,057,624
Unrestricted		(2,382,274)	(30,966)	958,147	(1,455,093)
Total fund balances / net position	\$ 1,484,125	(343,095)	35,197		1,176,227

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

(a) Explanation of certain differences between the governmental funds balance sheet and the governmental activities statement of net position:

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

Cost of capital assets	\$ 4,950,519
Right-to-use assets	369,066
Accumulated depreciation/amortization	<u>(3,280,406)</u>
Total	<u>2,039,179</u>
Accrued interest payable	(9,844)
Prepaid items which consist of bond insurance costs and prepaid expense which related to future SBITA assets	13,325
<p>Long-term liabilities and related deferred outflows of resources applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current, long-term and deferred outflows, are reported in the statement of net position.</p>	
Compensated absences	(148,691)
Bonds, notes, COPs, leases, other payables	(1,143,039)
Derivative instrument liability	(11,639)
Accreted interest	(12,491)
Accumulated decrease in fair value of SWAP agreement	11,639
Deferred amounts related to refunding	14,145
Litigation liability	<u>(60,093)</u>
Total	<u>(1,350,169)</u>
Net Pension Liability:	
Deferred outflows related to pensions	717,864
Net pension liability	(1,620,800)
Deferred inflows related to pensions	<u>(126,047)</u>
Total	<u>(1,028,983)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	23,597
Total OPEB liability	(128,453)
Deferred inflows related to OPEB	<u>(53,647)</u>
Total	<u>(158,503)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Because the focus of governmental funds is on short-term financing, some deferred inflows of resources will not be available to pay for certain period expenditures.

Unavailable revenues	\$ 151,900
Total	<u>\$ (343,095)</u>
(2) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The assets and deferred outflows of resources, and liabilities and deferred inflows of resources, of certain internal service funds are included in governmental activities in the statement of net position.	<u>\$ 35,197</u>

The net change in fund balances for governmental funds of \$53,528 differs from the change in net position for governmental activities of \$318,969 reported in the statement of activities. The differences arise from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences are as follows:

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

	Total Governmental Funds	Capital-Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Revenues:						
Taxes:						
Property	\$ 696,152					696,152
Transient occupancy	6,018					6,018
Sales / use taxes	170,437					170,437
Use of money and property	101,691			1,460		103,151
Licenses and permits	82,156				(82,156)	
Intergovernmental	2,413,586		36,431		(2,450,017)	
Charges for sales and services	363,312		196		120,928	484,436
Operating grants and contributions					1,877,179	1,877,179
Capital grants and contributions					12,879	12,879
Grants and contributions not restricted to specific programs			5,117		559,959	565,076
Fines, forfeitures and penalties	38,772				(38,772)	
Pledged tobacco settlement	13,790		(836)			12,954
Miscellaneous	47,301		262			47,563
Total revenues	3,933,215		41,170	1,460		3,975,845

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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	\$ 226,300	12,194	(8,770)	(2,932)		226,792
Public assistance	823,922	5,307	(6,199)	(4,958)		818,072
Public protection	1,261,983	15,531	(28,483)	(12,194)		1,236,837
Health and sanitation	1,073,048	4,154	(7,544)	(4,265)		1,065,393
Public ways and facilities	189,480	22,053	(768)	(1,479)		209,286
Recreation and culture	61,725	2,465	(398)	(273)		63,519
Education	1,830	520	16	(141)		2,225
Capital outlay	64,048	(64,048)				
Debt service:						
Principal	199,946		(199,946)			
Interest and fiscal charges	52,055		(8,223)	(3,023)		40,809
Total expenditures/expenses	<u>3,954,337</u>	<u>(1,824)</u>	<u>(260,315)</u>	<u>(29,265)</u>		<u>3,662,933</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>(21,122)</u>	<u>1,824</u>	<u>301,485</u>	<u>30,725</u>		<u>312,912</u>
Other financing sources (uses):						
Transfers in	204,380					204,380
Transfers out	(186,863)			(11,460)		(198,323)
Leases issued	25,612		(25,612)			
SBITA issued	1,645		(1,645)			
Issuance of long-term debt	29,876		(29,876)			
Total other financing sources (uses)	<u>74,650</u>		<u>(57,133)</u>	<u>(11,460)</u>		<u>6,057</u>
Changes in fund balances/net position	53,528	1,824	244,352	19,265		318,969
Fund balances/net position - beginning	1,430,597	2,037,355	(2,626,626)	15,932		857,258
Fund balances/net position - ending	<u>\$ 1,484,125</u>	<u>2,039,179</u>	<u>(2,382,274)</u>	<u>35,197</u>		<u>1,176,227</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

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

Capital expenditures	\$ 113,803
Right-to-use assets	27,261
Depreciation/amortization expense	(138,688)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-in, disposals)	<u>(552)</u>
Total	<u><u>\$ 1,824</u></u>

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

\$ 9,896

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

Certificate of participation	10,979
Teeter notes	24,115
Revenue bonds	11,633
Pension obligation bonds	106,887
Direct placement bonds	405
Accreted interest	11,161
Financed purchase obligations	1,459
Lease liability	33,482
SBITA liability	1,284
Litigation liability	5,743
Other long-term debt	<u>686</u>
Total	<u><u>207,834</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

Teeter notes	\$ (29,876)
Leases issued	(25,612)
SBITA issued	<u>(1,645)</u>
Total	<u>(57,133)</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	(6,725)
Accreted interest	(3,205)
Current year other long-term debt	(306)
Amortization of deferred amount on refunded debt	(4,420)
Amortization of issuance premiums/discounts	<u>2,149</u>
Total	<u>(12,507)</u>

Net effect of long-term debt and related items	138,194
--	---------

Changes in net pension liability and related deferred outflows/inflows	47,663
--	--------

Changes in total other postemployment benefits (OPEB) liability and related deferred outflows/inflows	5,086
---	-------

Some revenues will not be collected within the County's availability period, and therefore are reported as unavailable revenues in the governmental funds. Deferred inflows of resources decreased by this amount during the year.	41,170
--	--------

Decrease in accrued interest payable	<u>2,343</u>
--------------------------------------	--------------

Total	<u>\$ 244,352</u>
-------	-------------------

(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.

	<u>\$ 19,265</u>
--	------------------

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 3 - BUDGETARY PRINCIPLES

As required by the laws of the State of California, the County prepares and legally adopts a final balanced operating budget on or before August 30 of each fiscal year. The Board may, by resolution, extend on a permanent basis or for a limited period, the date from August 30 to October 2. The final budget for FY 2023-24 was adopted on September 26, 2023. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board in June 2023. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

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

During FY 2023-24 the County settled the Schneider/Hardesty et al. lawsuit which resulted in the County accruing \$53.5 million in expenditures within the General Fund Finance function in FY 2022-23. However, due to the timing of the settlement the appropriations were budgeted in FY2023-24.

It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Department of Finance, Auditor-Controller Division, titled "Governmental Fund Expenditure Status Report." Copies of this report may be obtained from the County of Sacramento, Department of Finance - Auditor Controller division website, located at <https://finance.saccounty.gov/AuditorController/Pages/default.aspx>. Significant amendments, appropriation transfers between departments or funds, and transfers from contingencies must be approved by the Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

During FY 2023-24, the original adopted budget was amended by the Board. The final budget data contained in the General Fund's budget and actual statement, as well as the budget and actual schedules for the nonmajor governmental funds reflects the effect of all approved budget amendments. During FY 2023-24, the appropriation limit for the FY 2023-24 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.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

NOTE 4 - CASH, INVESTMENTS, AND RESTRICTED ASSETS

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

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

Cash, investments, and restricted assets as shown in the basic financial statements at June 30, 2024, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 2,478,702
Restricted cash and investments	59,176
Restricted assets, included in noncurrent assets	289,569
Fiduciary funds statement of net position:	
Pension Trust	6,407
Investment Trust	4,924,271
Successor Agency - Private-Purpose Trust Fund	6,605
Non-Pooled Investments	855,118
Other Custodial	318,330
Discretely presented component unit (First 5 Commission)	20,504
Total cash, investments, and restricted assets including receivables	8,958,682
Less receivables included in restricted assets	(11,005)
Total cash, investments, and restricted cash and investments	\$ 8,947,677

Investments Authorized by Debt Agreements

Cash and investments held by fiscal agents are restricted as to their use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2024, all cash and investments held by fiscal agents were covered by federal depository insurance, Securities Investor Protection Corporation Insurance, or the investments are held in the County's name.

Investments Authorized by Government Code and County Investment Policy

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

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

Specific restrictions of investments are noted below:

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

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

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

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the County's Investment Policy the dollar-weighted average maturity on all securities shall be equal to or less than three years. As of June 30, 2024, of the County's \$8.8 billion in investments held by the Treasurer and \$55.7 million held by fiscal agents, 72.3 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 269 days.

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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 67.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. The California Government Code and the County's Investment Policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following disclosures. As of June 30, 2024, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of \$250 and remaining cash deposits were collateralized by the pledging institutions as required by California Government Code Section 53652.

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

	Reported Amount
Federal Home Loan Banks	\$ 2,095,332
Federal Farm Credit Bank	629,079
Inter - American Development Bank	512,842

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

The following schedule indicates the credit and interest rate risk at June 30, 2024. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's and S&P, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Ratings	Maturity					Amount
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Imprest cash							\$ 514
Cash in banks							3,709
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							14
Cash in banks							52,821
Total cash and cash deposits in custody of the Treasurer							52,835
Investments held by Treasurer:							
Treasury bills	Aaa/AA+	\$ 30,304	295,245	187,187			512,736
Federal Farm Credit Bank (FFCB)	Aaa/AA+		39,626		229,749		269,375
FFCB discount notes	Aaa/AA+	99,985	172,440	87,279			359,704
Federal Home Loan Banks (FHLB)	Aaa/AA+		59,556		93,565		153,121
FHLB discount notes	P-1/A-1+	867,919	688,215	386,077			1,942,211
Federal National Mortgage Association	Aaa/AA+			47,832	47,405		95,237
Federal National Mortgage Association Discount Notes	Aaa/AA+		97,791				97,791
Federal Home Loan Mortgage Corporation	Aaa/AA+			19,540	47,637		67,177
State and local government securities	Aaa/AA+	36,956			6,362		43,318
Commercial paper	P-1/A-1	641,657	1,198,459	198,394			2,038,510
Washington supranationals notes	Aaa/AAA			19,569	927,211		946,780
Washington supranationals discount notes	P-1/A-1+		125,570				125,570
Negotiable certificates of deposit	P-1/A-1	259,974	1,494,787	95,002			1,849,763
Non-Negotiable certificates of deposit	NR			20,000			20,000
Bank money market funds	NR	120,428					120,428
Other assets held by Treasurer (Teeter Plan notes)	NR		960		27,075		28,035
Local Agency Investment Fund	NR	75,000					75,000
Money market mutual funds	Aaa/AAAm	67,573					67,573
Guaranteed investment contracts	NR					22,595	22,595
Total investments held by Treasurer		2,199,796	4,172,649	1,060,880	1,379,004	22,595	8,834,924
Total in custody of Treasurer							8,887,759
Investments held by fiscal agents:							
Money market mutual funds	Aaa/AAAm	54,744					54,744
Negotiable certificates of deposit	A+				951		951
Total investments held by fiscal agents		54,744			951		55,695
Total investments		\$ 2,254,540	4,172,649	1,060,880	1,379,955	22,595	
Total cash and investments							\$ 8,947,677

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Investment in State Investment Pool

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

The following are condensed statements of net position and changes in net position for the Treasurer's Pool and Non-Pooled Funds as of and for the year ended June 30, 2024:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	<u>\$ 7,951,046</u>	<u>1,040,355</u>	<u>8,991,401</u>
Equity of internal pool participants	\$ 2,923,133	185,237	3,108,370
Equity of external pool participants	<u>5,027,913</u>	<u>855,118</u>	<u>5,883,031</u>
Total equity	<u>\$ 7,951,046</u>	<u>1,040,355</u>	<u>8,991,401</u>
Statement of changes in net position			
Net position at July 1, 2023	\$ 7,432,162	1,081,998	8,514,160
Net changes in investments by pool participants	<u>518,884</u>	<u>(41,643)</u>	<u>477,241</u>
Net position at June 30, 2024	<u>\$ 7,951,046</u>	<u>1,040,355</u>	<u>8,991,401</u>

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2024, are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Interest Rate Range (%)</u>	<u>Maturity Range</u>
Governmental securities	\$ 3,540,670	3,522,678	0.320-5.270	7/24-4/29
Washington supranationals notes	1,072,350	1,103,842	0.500-5.240	9/24-3/29
Commercial paper	2,038,510	2,017,500	5.100-5.450	7/24-2/25
Negotiable/Non-Negotiable certificates of deposit	1,869,763	1,870,043	5.070-5.890	7/24-4/25
Other assets held by Treasurer (Teeter Plan notes)	28,035	28,035	4.839	8/24-8/28
Local Agency Investment Fund	75,000	75,000	4.480	N/A
Bank money markets funds	120,428	120,428	3.85-4.030	N/A
Money market mutual funds	67,573	67,573	0.609-4.833	N/A
Guaranteed investment contracts	22,595	22,595	5.301	5/31/39
Total investments held by Treasurer	<u>\$ 8,834,924</u>	<u>8,827,694</u>		

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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, 2024. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

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

The valuation of 2a-7 Money Market Mutual Funds and Bank Money Market Funds held by the Treasurer is at one-dollar net asset value (NAV) per share. The total value of these investments at June 30, 2024 was \$188,001. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

The valuation of 2a-7 Money Market Mutual Funds held by Fiscal Agents is at one-dollar NAV per share. The total value of these investments at June 30, 2024, was \$54,744. 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.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

At June 30, 2024, the County had the following recurring fair value measurements:

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Treasury bills	\$ 512,736		512,736	
Federal Farm Credit Bank (FFCB)	269,375		269,375	
Federal Home Loan Banks (FHLB)	153,121		153,121	
Federal National Mortgage Association (FNMA)	95,237		95,237	
FFCB discount notes	359,704		359,704	
FHLB discount notes	1,942,211		1,942,211	
Federal Home Loan Mortgage Corporation (FHLMC)	67,177		67,177	
FNMA discount notes	97,791		97,791	
Washington supranationals	946,780		946,780	
Washington supranationals discount notes	125,570		125,570	
Commercial paper	2,038,510		2,038,510	
Negotiable/Non-Negotiable certificates of deposits	1,869,763		1,869,763	
Negotiable certificates of deposits held by Fiscal Agent	951		951	
State and local government securities	43,318		43,318	
Other assets held by Treasurer (Teeter Plan notes)	28,035			28,035
Total Investments by fair value level	<u>8,550,279</u>		<u>8,522,244</u>	<u>28,035</u>
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy:				
Local Agency Investment Fund	75,000			
Guaranteed investment contracts	22,595			
Total Investments not measured at fair value or subject to fair value hierarchy	<u>97,595</u>			
Investments held by Treasurer measured at NAV:				
Bank money markets funds	120,428			
Money market mutual funds	67,573			
Total Investments measured at NAV	<u>188,001</u>			
Total Investments held by Treasurer	8,834,924			
Total Investments held by Fiscal Agents at NAV:				
Money market mutual funds	<u>54,744</u>			
Total Investments	<u>\$ 8,890,619</u>			

**COUNTY OF SACRAMENTO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024
 (amounts expressed in thousands)**

SCERS Pension Trust Fund Deposits and Investment Risk Disclosures

Investment Policies

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

Asset Allocation:

SCERS maintains an overall investment policy designed to achieve a diversified investment portfolio. An integral part of the investment policy is the strategic asset allocation, which is designed to provide an optimal mix of asset classes with return expectations that correspond to expected liabilities. The strategic asset allocation also emphasizes maximum diversification of the portfolio to reduce the range of outcomes that the portfolio is subject, and to protect SCERS from the possibility that a particular asset class may experience poor investment performance in a given period. SCERS' adopted asset allocation policy as of June 30, 2024 is as follows:

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

Investment Summary

Cash Invested with Sacramento County Treasurer:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

The value of SCERS pooled shares is determined on an amortized cost basis, which approximates fair value. The fair value of SCERS cash invested with the County Treasurer for both pension trust and custodial funds totaled \$8,766 at June 30, 2024. The pool was not rated, and the weighted-average maturity of the pool was 269 days at June 30, 2024.

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

Other Cash and Cash Equivalents:

At June 30, 2024, other cash and cash equivalents constituted balances in bank demand deposit accounts of \$20,463.

Short-Term Investments with Fiscal Agents:

Short-term investments, which include highly-liquid investments expected to be utilized by SCERS within 30-90 days, are reported at fair value. These investments may include securities that have a maturity in excess of 90 days but are readily marketable. At June 30, 2024, the fair value of SCERS short-term investments with fiscal agents was \$570,225. This total consisted of investments in the State Street Short-Term Investment Fund (STIF). The STIF is designed to provide qualified benefit plans with an investment vehicle that may be accessed on a daily basis. The STIF is limited to investing in securities that are rated A-1 by Moody's and P-1 by S&P at the time of issuance. As of June 30, 2024, the STIF is not rated by credit rating agencies. Most investments range in maturity from overnight to 90 days with 33 percent of the investment over 90 days. For the fiscal year ended June 30, 2024, the weighted-average maturity was 34 days.

Fair Value of Investments:

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

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

At June 30, 2024, SCERS had the following fair value measurements:

	Total	Fair Value Measurements by Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Communication Services	\$ 289,743	289,743		
Consumer Discretionary	425,547	425,547		
Consumer Staples	208,263	208,263		
Energy	192,744	192,744		
Financials	560,089	560,089		
Health Care	502,965	502,965		
Industrials	616,751	616,751		
Information Technology	834,057	834,057		
Materials	140,412	140,412		
Private Placement	6,508	6,508		
Real Estate	63,627	63,627		
Utilities	58,914	58,914		
Total Equity Securities	<u>3,899,620</u>	<u>3,899,620</u>		
Fixed Income Securities				
Securitized Obligations Asset-Backed Securities	372,577		372,577	
Credit Obligations				
Corporate Bonds	256,894	240	256,654	
Municipals	6,774		6,774	
Yankees	30,532		30,532	
U.S. Government and Agency Obligations				
Agency Securities	129,125		129,125	
Treasury Bills	915,534		915,534	
International Government	4,595		4,595	
Collateralized Mortgage Obligations	127,289		127,289	
Mortgage Pass-Through				
Federal Home Loan Mortgage Corporation (FHLMC)	92,153		92,153	
Federal National Mortgage Association (FNMA)	357,795		357,795	
Government National Mortgage Association (GNMA)	124,340		124,340	
Total Fixed Income Securities	<u>2,417,608</u>	<u>240</u>	<u>2,417,368</u>	
Total Investments by Fair Value Level	<u>\$ 6,317,228</u>	<u>3,899,860</u>	<u>2,417,368</u>	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Investments Measured at Net Asset Value (NAV):

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)*</u>	<u>Redemption Notice Period</u>
Equity Commingled Funds	\$ 1,537,460		Daily and Monthly	1-60 days
Fixed Income Commingled Funds	12,213		Monthly and Quarterly	30-90 days
Real Assets	1,280,633	336,720	Quarterly and 3-Years	90 days
Real Estate	867,436	161,371	Monthly and Quarterly	30-90 days
Absolute Return	840,864		Monthly and Quarterly	30-90 days
Private Credit	420,495	200,100		
Private Equity	1,745,892	673,260		
Securities Lending Collateral	283,577			
Total Investments Measured at NAV	<u>6,988,570</u>			
Total Investments	<u>\$ 13,305,798</u>			

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

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

Investments Derivative Instruments:

	<u>Total</u>	<u>Fair Value Measurements by Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Forwards	\$ 384		384	
Options	10		10	
Swaps	98,107		98,107	
Liabilities				
Forwards	(248)		(248)	
Options	(91)		(91)	
Swaps	(97,518)		(97,518)	
Total Investment Derivative Instruments	<u>\$ 644</u>		<u>644</u>	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Equity Securities:

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

Fixed Income Securities:

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

Equity and Fixed Income Commingled Funds:

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

Investments Measured at the Net Asset Value (NAV):

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

Absolute Return:

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

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

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

Real Assets and Real Estate:

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

Private Credit and Private Equity:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

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

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

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

Investment Derivative Instruments:

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

Annual Money-Weighted Rate of Return:

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.87 percent.

Securities Lending

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

During the fiscal year ended June 30, 2024, on behalf of SCERS, State Street loaned securities held by State Street as custodian, including U.S. government and agency obligations, domestic corporate bonds, and domestic and international equities and received, as collateral, U.S. and foreign currency, U.S. government bonds, U.S. corporate bonds, U.S. equity, and international equity securities. SCERS does not have the ability to pledge or sell security collateral absent a borrower's defaults. Borrowers are required to deliver collateral for each loan equal to a minimum of 100% of the fair value of the loaned security.

During the fiscal year ended June 30, 2024, SCERS did not impose any restrictions on the amount of the loans that State Street made on its behalf and there were no failures to return loaned securities or pay distributions thereon by any borrowers. Moreover, there were no losses resulting from a default of the borrowers or State Street.

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

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

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

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

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Collateral and related securities on loan at June 30, 2024 is as follows:

<u>Security Description</u>	Fair Value of Reinvested Cash Collateral	Cash Collateral Value	Non-Cash Collateral Value	Fair Value of Securities on Loan
Fixed Income	\$ 210,107	204,906	72,878	277,559
Equity	73,470	71,253	23,667	95,380
Total	<u>\$ 283,577</u>	<u>276,159</u>	<u>96,545</u>	<u>372,939</u>

Securities Lending Collateral Credit Risk:

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

Securities Lending Collateral Interest Rate Risk:

The Compass Fund's Investment Policy Guidelines provide that the lending agent shall maintain the dollar-weighted average maturity of the Compass Fund in a manner that the lending agent believes is appropriate to the objective of the Compass Fund, provided that (i) in no event shall any Eligible Security be acquired with a remaining legal final maturity of greater than 18 months, (ii) the lending agent shall maintain a dollar-weighted average maturity of the Compass Fund not to exceed 75 calendar days and (iii) the lending agent shall maintain a dollar-weighted average maturity to final of the Compass Fund not to exceed 180 calendar days. As of June 30, 2024, the weighted average maturity was 15.86 days.

Deposit and Investment Risks:

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

Credit Risk

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

The following table depicts the fixed income assets by credit ratings as of June 30, 2024:

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
Aaa	\$ 300,510	111,573	1,528		103,418		83,991			
AA+	148,693	1,407	258		24,913		5,187	39,122	77,806	
AA-1	984	881					103			
AA	9,941	8,328	1,595				18			
AA-2	913	66	196				651			
AA-	7,448		6,279				1,169			
AA-3	2,087	719	241				1,127			
A+	16,876	411	16,142		323					
A-1	2,880	1,069	1,701				110			
A	31,322	2,308	28,982				32			
A-2	502	502								
A-3	3,869		2,118				1,751			
A-	53,628	640	52,002				986			
BBB+	51,003		49,464				1,539			
BAA-1	1,287		1,016				271			
BBB	59,287		56,680		199	1,825	583			
BAA-2	191		191							
BBB-	39,939	1,787	36,179			375	1,598			
BAA-3	2,011		577				1,434			
BB+	10,259	862	7,910			732	755			
BA-1	682		200				482			
BB	7,363	1,907	5,157				299			
BA-2	1,312	302				1,010				
BB-	6,926		5,839		183	515	389			
BA-3	131		131							
B+	5,844		5,726				118			
B-1	555	344	211							
B	6,375		5,147				1,228			
B-2	250		250							
B-	3,711		2,800				911			
CCC+	1,280		1,280							
CCC	601		347				254			
CCC-	43		43							
CC	877	513	137		89	138				

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
D	370	370								
NA	1,039,874				915,534					124,340
NR	609,997	238,588	3,873	12,213			22,303	53,031	279,989	
Total	\$ 2,429,821	372,577	294,200	12,213	1,044,659	4,595	127,289	92,153	357,795	124,340

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2024, SCERS had no single issuer that exceeds 5% of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% or more of total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements.

SCERS investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer, and as of June 30, 2024, SCERS had no issuer that exceeds 5% of total portfolio fair value. As noted in the previous discussion of credit risk, manager investment guidelines place limitations on the maximum holdings in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, SCERS would not be able to recover the value of its deposits, investments, or securities. As of June 30, 2024, the bank balance of cash and cash equivalents on deposit with SCERS' custodian bank and financial institutions totaled \$11,600, of which \$11,400 was not insured by the Federal Depository Insurance Corporation (FDIC) and were exposed to custodial credit risk. SCERS believes that the risk is not significant because the cash is held with major financial institutions.

As of June 30, 2024, deposits held in SCERS name for the margin accounts of \$9,000 was not insured or not collateralized, and these deposits were exposed to custodial credit risk.

As of June 30, 2024, 100% of SCERS investments held with the custodian were held in SCERS name, and SCERS is not exposed to custodial credit risk related to these investments. There are no general policies relating to custodial credit risk.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Due to custodian report changes, SCERS has modified its methodology used in prior years from effective duration to weighted average maturity (WAM) beginning July 1, 2023. SCERS employs the WAM method to assess and disclose its interest rate risk. WAM measures the average time securities in the investment portfolio reach maturity, with each security's maturity date weighted by its market value. This approach helps to quantify the sensitivity of the portfolio to changes in interest rates. Securities with longer maturities typically exhibit greater price sensitivity to interest rate fluctuations.

The following tables depict the duration in years of the long-term fixed income portfolio vs. the benchmark as of June 30, 2024.

<u>Types of Securities</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Securitized Obligations		
Asset-Backed Securities	\$ 372,577	1.07
Credit Obligations		
Corporate Bonds	256,894	1.08
Municipals	6,774	0.10
Yankees	30,532	0.08
U.S. Government and Agency Obligations		
Agency Securities	129,125	0.35
Treasury Bills	915,534	3.72
International Government	4,595	0.01
Collateralized Mortgage Obligations	127,289	1.29
Mortgage Pass-Through		
FHLMC	92,153	1.03
FNMA	357,795	4.06
GNMA	124,340	1.47
No Effective Duration		
Commingled Fund	12,213	0.01
Total Fair Value with Weighted Average	<u>\$ 2,429,821</u>	1.19

NA represents securities that have no effective duration.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following table represents cash and investments held in a foreign currency as of June 30, 2024:

<u>Local Currency Name</u>	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Equity</u>	<u>Fixed Income</u>	<u>Real Assets</u>	<u>Real Estate</u>	<u>Private Credit</u>	<u>Private Equity</u>	<u>Total</u>
Australian Dollar	\$ 481	51,880						52,361
Canadian Dollar	1,676	98,240	66					99,982
Danish Krone	222	69,377						69,599
Euro Currency	1,382	469,445	20,496	10,612	175,467	29,073	117,693	824,168
Hong Kong Dollar	377	27,053						27,430
Japanese Yen	1,811	286,136			13,224			301,171
New Israeli Shekel		11,939						11,939
New Zealand Dollar	18	122						140
Norwegian Krone	67	12,202						12,269
Polish Zloty	51							51
Pound Sterling	4,027	198,304	2,458		284			205,073
Singapore Dollar	50	14,070						14,120
Swedish Krona	101	36,950						37,051
Swiss Franc		118,924						118,924
Yuan Renminbi	16							16
Total	\$ 10,279	1,394,642	23,020	10,612	188,975	29,073	117,693	1,774,294

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Highly Sensitive Investments

As of June 30, 2024, SCERS' investments included Collateralized Mortgage Obligations and Mortgage Pass-Through securities totaling \$701,577. These securities are highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates. The resulting reduction in expected total cash flows affects the fair value of these securities.

As of June 30, 2024, total commodities investments were \$24,900. The investments consist of commodity futures hedge fund-of-funds and exposure through a customized, diversified real assets strategy.

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

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

Derivative Instruments

SCERS investment portfolios contain individual securities as well as investments in external investment pools. SCERS investment policy allows investment managers to use derivative instruments for certain purposes and within certain parameters. Such instruments include futures contracts, currency forward contracts, option contracts, swap agreements, and rights and warrants. SCERS uses derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets, as an alternative to investments in the cash market in which the manager is permitted to invest, and as an additional yield curve and/or duration management strategy. SCERS does not use derivative instruments for speculative purposes or to create leverage, however, this does not apply to investments in external pools. As of June 30, 2024, the derivative instruments held by SCERS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

The table below presents the related net appreciation/(depreciation) in fair value, the fair value and the notional value of derivative instruments outstanding at June 30, 2024:

Investment Derivative Instruments	Net Appreciation/ (Depreciation) in Fair Value of		Fair Value	Notional
	Investments	Financial Statement Classification		
Forwards	\$ 678	Investment Sales and Other	136	77,438
Futures	(28,469)	Investment Sales and Other		609,609
Options	226	Investment Purchases and Other	(81)	(4,998)
Rights/Warrants	27	Investment Sales and Other		
Swaps	815	Investment Purchases and Other	589	98,020
Total Derivative Instruments	<u>\$ (26,723)</u>		<u>644</u>	

Futures contracts are financial instruments that derive their value from underlying indices or reference rates and are marked-to-market at the end of each trading day. Daily settlement of gains and losses occur on the following business day. As a result, the instruments themselves have no fair value at June 30, 2024, or at the end of any trading day. Daily settlement of gains and losses is a risk control measure to limit counterparty credit risk. Futures variation margin amounts are settled each trading day and recognized in the financial statements under Investment income, net as they are incurred.

Forward contracts are obligations to buy or sell a currency or other commodity at a specified exchange rate and quantity on a specific future date. The fair value of the foreign currency forwards is the unrealized gain or loss calculated based on the difference between the specified exchange rate and the closing exchange rate at June 30, 2024.

Counterparty Credit Risk:

The tables below presents the counterparty credit ratings of SCERS non-exchange traded investment derivative instruments outstanding and subject to loss at June 30, 2024:

S&P Rating	Forwards	Swaps	Total
A	\$ 3		3
A-	72		72
A+	213	128	341
AA-	94		94
BBB+		245	245
Investments in Asset Position	382	373	755
Investment in Liability Position	(246)	(82)	(328)
Total investments in Asset/(Liability) Position	<u>\$ 136</u>	<u>291</u>	<u>427</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

The aggregate fair value of investment derivative instruments in an asset position subject to counterparty risk at June 30, 2024, was \$760. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. SCERS did not have any master netting agreements with its counterparties at June 30, 2024, except that certain investment managers used netting arrangements at their discretion to minimize counterparty risks. The above schedules present exposure for similar instruments with the same counterparty on a net basis.

At June 30, 2024, SCERS did not have any significant exposure to counterparty credit risk with any single party.

Interest Rate Risk:

At June 30, 2024, SCERS is exposed to interest rate risk on its derivative instruments as presented in the following tables:

Investment Type	Total Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Credit Default Swaps Bought	\$ (24)		(24)		
Credit Default Swaps Written	128		128		
Interest Rate Swaps	485	(41)	178	118	230
Total	\$ 589	(41)	282	118	230

Derivative Instruments Highly Sensitive to Interest Changes:

Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1%	\$ 179	\$ 2,895
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	76	423
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.2%	42	196
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 1.35%	230	550
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 4.80509%	15	8,330
Interest Rate Swaps	Receive Variable 12-month SOFR, Pay Fixed 4.699%	(9)	2,360
Interest Rate Swaps	Receive Variable 0-month SOFR, Pay Fixed 4.699%	(7)	10,545
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 4.94625%	(9)	4,028
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 5.11%	(5)	5,300
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 5.088%	(16)	13,206
Interest Rate Swaps	Pay Variable 12-month SOFR, Receive Fixed 5.38429%	(9)	26,765
Interest Rate Swaps	Pay Variable 0-month SOFR, Receive Fixed 5.113%	(2)	20,580
Total Interest Rate Swaps		\$ 485	95,178

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Foreign Currency Risk

At June 30, 2024, SCERS was exposed to foreign currency risk on its investments in forward contracts and swaps denominated in foreign currencies as presented in the following table:

Currency Name	Forward Contracts			Total Exposure
	Net Receivables	Net Payables	Swaps	
Brazilian Real	\$ (95)	7		(88)
Canadian Dollar	13	34		47
Chilean Peso	(3)	7		4
Colombian Peso	(25)			(25)
Czech Koruna	(16)	(29)		(45)
Euro Currency		110	(24)	86
Hungarian Forint	(6)	10		4
Indian Rupee	3			3
Indonesian Rupiah	(3)	(1)		(4)
Japanese Yen	(5)	6		1
Mexican Peso	14			14
New Taiwan Dollar	3	(1)		2
Peruvian Sol		5		5
Philippine Peso	1			1
Polish Zloty	(2)	7		5
Pound Sterling	9	16	298	323
Singapore Dollar		2		2
South African Rand	25	(3)		22
South Korean Won		(1)		(1)
Thailand Baht		(3)		(3)
Turkish Lira	39	(3)		36
Yuan Renminbi	(5)	26		21
Grand Total	<u>\$ (53)</u>	<u>189</u>	<u>274</u>	<u>410</u>

SCERS has investments in futures contracts. As indicated on the preceding pages, futures variation margin accounts are settled each trading day and recognized as realized gains/(losses) as they are incurred. As a result, the foreign futures contracts have no fair value at June 30, 2024.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,677			135,677
Construction in progress	48,120	26,192	(14,592)	59,720
Permanent easement	21,424	1,542	(2)	22,964
Intangible assets under development	66			66
Total capital assets not being depreciated	<u>205,287</u>	<u>27,734</u>	<u>(14,594)</u>	<u>218,427</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	997,625	13,289	(319)	1,010,595
Infrastructure	3,519,630	78,546		3,598,176
Machinery and equipment	346,993	29,388	(16,213)	360,168
Intangible - computer software	33,506	1,307	(282)	34,531
Intangible right-to-use lease buildings	349,263	25,485	(10,184)	364,564
Intangible right-to-use lease machinery and equipment	2,645	127	(2,633)	139
Intangible right-to-use SBITAs	22,089	1,649	(930)	22,808
Total capital assets being depreciated/amortized	<u>5,271,751</u>	<u>149,791</u>	<u>(30,561)</u>	<u>5,390,981</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(659,450)	(27,963)	71	(687,342)
Infrastructure	(2,326,084)	(67,079)		(2,393,163)
Machinery and equipment	(236,822)	(28,638)	15,699	(249,761)
Intangible - computer software	(31,625)	(686)	282	(32,029)
Intangible right-to-use lease buildings	(72,904)	(36,587)	9,934	(99,557)
Intangible right-to-use lease machinery and equipment	(2,058)	(626)	2,631	(53)
Intangible right-to-use SBITAs	(5,403)	(7,180)	930	(11,653)
Total accumulated depreciation/amortization	<u>(3,334,346)</u>	<u>(168,759)</u>	<u>29,547</u>	<u>(3,473,558)</u>
Total capital assets, being depreciated/amortized	<u>1,937,405</u>	<u>(18,968)</u>	<u>(1,014)</u>	<u>1,917,423</u>
Total governmental activities	<u>\$ 2,142,692</u>	<u>8,766</u>	<u>(15,608)</u>	<u>2,135,850</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,737			135,737
Construction in progress	155,958	195,284	(119,503)	231,739
Permanent easement	57			57
Water facility rights	200,692			200,692
Other intangible assets	1,904			1,904
Total capital assets not being depreciated/amortized	<u>494,348</u>	<u>195,284</u>	<u>(119,503)</u>	<u>570,129</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,590,732	104,737	(296)	2,695,173
Infrastructure	278,665	12		278,677
Machinery and equipment	137,488	8,068	(1,354)	144,202
Computer software	651	294		945
Water facility rights	1,273			1,273
Intangible right-to-use lease buildings	5,660	680		6,340
Intangible right-to-use lease machinery and equipment	15,351	7,970	(5,509)	17,812
Intangible right-to-use SBITAs	853	8		861
Total capital assets being depreciated/amortized	<u>3,030,673</u>	<u>121,769</u>	<u>(7,159)</u>	<u>3,145,283</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,075,099)	(74,466)	7	(1,149,558)
Infrastructure	(70,111)	(5,886)		(75,997)
Machinery and equipment	(82,832)	(10,660)	1,187	(92,305)
Computer software	(573)	(128)		(701)
Water facility rights	(557)	(25)		(582)
Intangible right-to-use lease buildings	(1,208)	(630)		(1,838)
Intangible right-to-use lease machinery and equipment	(7,775)	(4,153)	5,509	(6,419)
Intangible right-to-use SBITAs	(143)	(218)		(361)
Total accumulated depreciation/amortization	<u>(1,238,298)</u>	<u>(96,166)</u>	<u>6,703</u>	<u>(1,327,761)</u>
Total capital assets, being depreciated/amortized, net	<u>1,792,375</u>	<u>25,603</u>	<u>(456)</u>	<u>1,817,522</u>
Total business-type activities	<u>\$ 2,286,723</u>	<u>220,887</u>	<u>(119,959)</u>	<u>2,387,651</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

	Depreciation/ Amortization Expense
Governmental activities:	
General government	\$ 20,255
Public assistance	16,211
Public protection	29,254
Health and sanitation	11,973
Public ways and facilities	55,915
Recreation and culture	4,299
Education	781
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>30,071</u>
Total depreciation expense - governmental activities	<u><u>\$ 168,759</u></u>
 Business-type activities:	
Airport	\$ 57,626
Solid Waste	15,700
Water Agency	22,369
Parking Enterprise	181
County Transit	<u>290</u>
Total depreciation expense - business-type activities	<u><u>\$ 96,166</u></u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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, 2024.

Transfers Out / In Other Funds for the fiscal year ended June 30, 2024, are as follows:

Transfer Out	Transfer In	Amount	Description
General	Nonmajor governmental	\$ 146,611	Transfer to cover debt service payments and to provide support for special revenue activities
Nonmajor governmental	General	13,584	Transfer to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	26,622	Transfer to cover debt service payments and fund capital projects
Internal service	Nonmajor governmental	10,367	Transfer to cover Pension Obligation Bond and other debt service and payments
Enterprise - Water Agency	Nonmajor governmental	1,147	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	2,929	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	2,005	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	22	Transfer to cover Pension Obligation Bond debt service payments
Internal service	General	1,093	Transfer of unused portion of County Administration Building security project funds
General	Enterprise - Water Agency	<u>46</u>	Transfer to cover debt service payments and fund capital projects
	Total	<u>\$ 204,426</u>	

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

NOTE 7 - LEASES & SBITAS

Lease Income and Receivables

The County leases out several of its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewal provisions at the option of the County, generally for 3 or 5 year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rates, ranging from 0.20 percent to 5.00 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be received during the lease term period.

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

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

For the Fiscal Year ending June 30, 2024	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,700	476	5,912	583
2026	1,610	439	5,542	488
2027	1,695	402	3,719	401
2028	1,750	362	3,383	326
2029	1,761	320	3,069	254
2030-2034	8,268	946	3,193	877
2035-2039	2,119	452	835	722
2040-2044	480	389	1,158	600
2045-2049	32	387	499	456
2050-2054	(101)	395	(3)	428
2055-2059	(62)	403	66	426
2060-2064	(11)	406	154	417
2065-2069	52	406	262	400
2070-2074	133	398	396	371
2075-2079	233	383	559	330
2080-2084	356	358	757	273
2085-2089	507	321	997	196
2090-2094	690	269	1,287	98
2095-2099	912	199	296	5
2100-2104	1,181	108		
2105-2108	479	12		
Total	\$ 23,784	7,831	32,081	7,651

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

<u>For the Fiscal Year ended June 30, 2024</u>	Governmental Activities	Business-type Activities
Lease revenue	\$ 2,292	7,134
Interest revenue	349	696

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

The County recognized \$75,559 of total amount of inflows of resources during the current fiscal year related to these arrangements. The amount of inflows of resources recognized in the current fiscal year for variable payments is \$6,882.

As of June 30, the remaining amount of expected future payments under these contracts/arrangements amounts to \$301,401, which is expected to be received for each of the subsequent five years and in five-year increments thereafter, as stated below.

<u>For the Fiscal Year ending June 30</u>	<u>Expected Future Minimum Payments</u>
2025	\$ 87,270
2026	87,042
2027	87,012
2028	2,916
2029	2,859
2030-2034	11,716
2035-2039	6,463
2040-2044	4,810
2045-2049	3,549
2050-2054	3,549
2055-2059	3,469
2060-2064	638
2065	108
Total	<u>\$ 301,401</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Lease Payable

As a lessee, the County is obligated under leases covering buildings, land, and equipment that expire at various dates during the next 18 years.

The County entered into various contracts as lessee primarily for office space, land, heavy equipment, and office equipment. Most of the contracts have initial terms of up to 20 years, and some renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease contracts generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments, ranging from 0.28 percent to 3.43 percent depending on lease maturity dates, to measure the present value of the lease payments expected to be paid during the lease term period.

The future principal and interest lease payments as of June 30, 2024 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 33,123	4,217	4,735	327	103	3
2026	33,850	3,764	3,744	231	107	2
2027	33,017	3,282	2,934	140	110	2
2028	29,746	2,818	2,126	73	85	
2029	27,924	2,353	1,096	30		
2030-2034	106,045	5,556	1,589	30		
2035-2039	13,132	430				
2040-2042	2,142	43				
Total	\$ 278,979	22,463	16,224	831	405	7

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

SBITAs Payable

The County entered into various Subscription-Based Information Technology Arrangements (SBITAs). Most of the contracts have initial three-year terms, and the remainder of the contracts contain terms which range from two to ten years. Some contracts contain renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the SBITA term when it is reasonably certain that the renewal option(s) will be exercised. Many of the County’s SBITA contracts also include options to extend contract terms upon mutual agreement with the vendor, and some contracts contain termination options where either party may terminate the contract at any time for any reason. Such period(s) are excluded from the subscription terms. Certain SBITAs require additional payments for infrastructure technology (IT) support, training, and maintenance fees, which are expensed as incurred. As the interest rate implicit in the County’s SBITAs is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments, ranging from 1.87 percent to 3.43 percent depending on SBITA maturity dates, to measure the present value of the SBITA payments expected to be paid during the lease term period.

The County entered into a SBITA contract with Grant Street Group in February 2023 to provide property tax processing software for a period of ten years. Currently, this SBITA is in the implementation stage and is expected to be placed into service by September 2025. The County recognized initial implementation costs as a prepaid SBITA asset in the amount of \$12,418 and will capitalize these costs as an addition to the subscription asset once it is placed into service. Total implementation costs are expected to be \$26,301.

The future principal and interest SBITA payments as of June 30, 2024 are as follows:

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,881	215	213	10	5	
2026	4,465	69	212	4		
2027	328	17				
2028	296	7				
Total	\$ 10,970	308	425	14	5	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 155,013	132,666	(126,758)	160,921	12,072
General obligation bonds	10,000			10,000	690
Certificates of participation	109,263		(10,979)	98,284	11,533
Teeter notes	22,273	29,876	(24,115)	28,034	7,625
Pension obligation bonds	359,847		(106,887)	252,960	123,985
Accreted interest	10,494		(10,494)		
Direct placement bonds	180,740		(405)	180,335	680
Revenue bonds	258,984		(11,633)	247,351	6,424
Accreted interest	9,953	3,205	(667)	12,491	521
Other long-term debt	2,738	306	(686)	2,358	611
Litigation liability	65,836		(5,743)	60,093	5,915
Financed purchase obligations	32,198		(8,002)	24,196	7,655
Lease liability	286,854	25,612	(33,487)	278,979	33,123
SBITA liability	16,011	1,649	(6,690)	10,970	5,881
Unamortized amounts					
Issuance premiums	43,065		(2,376)	40,689	(2,377)
Issuance discounts	(836)		227	(609)	191
Total governmental activities - long-term obligations	<u>\$ 1,562,433</u>	<u>193,314</u>	<u>(348,695)</u>	<u>1,407,052</u>	<u>214,529</u>
Business-type activities:					
Compensated absences	\$ 9,859	9,291	(8,573)	10,577	456
Revenue bonds	876,650		(11,405)	865,245	11,955
PFC and subordinate revenue bonds	208,400		(6,290)	202,110	6,600
Reimbursement agreements	1,310		(327)	983	328
Financed purchase obligations	9,755		(1,502)	8,253	1,531
Loan agreements	35,000		(586)	34,414	612
Revolving line of credit agreement	1,080	20,000	(1,054)	20,026	
Lease liability	12,218	8,650	(4,644)	16,224	4,735
SBITA liability	720	8	(303)	425	213
Unamortized amounts					
Issuance premiums	99,501		(10,201)	89,300	
Total business-type activities - long-term obligations	<u>\$ 1,254,493</u>	<u>37,949</u>	<u>(44,885)</u>	<u>1,247,557</u>	<u>26,430</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts Due</u> <u>Within One Year</u>
Component Unit (First 5 Commission):					
Compensated absences	\$ 385	129	(156)	358	104
Lease liability	488		(83)	405	103
SBITA liability	77	5	(77)	5	5
Total component unit	<u>\$ 950</u>	<u>134</u>	<u>(316)</u>	<u>768</u>	<u>212</u>

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$12,229 of the internal service funds compensated absences balance and \$21,155 of the internal service funds financed purchase obligations balance is included in governmental activities and \$9,354 in lease & SBITA obligations. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and internal service funds.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2024 are as follows:

Governmental Activities:

	<u>Amount Outstanding at June 30, 2024</u>
Certificates of Participation (COP):	
County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003, in an aggregate principal amount of \$36,150. Principal payments are due December 1, 2024 through December 1, 2034, escalating from \$1,355 to \$2,160, with an interest rate at 5 percent. This issuance is collateralized by the base rental payments from the Juvenile Courthouse project. There is no accelerated payment schedule if payment goes into default.	\$ 18,870
County of Sacramento 2018 Certificates of Participation issued on November 28, 2018, in an aggregate principal payment of \$89,125. The County issued the 2018 bonds to refund and defease \$39,703 of outstanding debt for 1994/97 Refunding Certificates of Participation as Series 2018A and Series 2018B for the three Certificates of Participation; \$9,729 for 2003 Public Facilities Projects - ADA Improvements; \$16,355 for 2006 Public Facilities Project; \$34,198 for 2007 Certificates of Participation to pay costs of issuance, and debt service reserve of \$798. Principal payments are due October 1, 2024 through the October 1, 2033. Payments escalate from \$4,090 to \$4,755 for Series 2018A and \$465 to \$2,755 for Series 2018B, with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Coroner/Crime Lab, Data Center, and a County-owned Fleet Facility. There is no accelerated payment schedule if payment goes into default.	55,375
County of Sacramento 2020 Certificates of Participation issued on October 22, 2020, in an aggregate principal payment amount of \$27,080. The County issued the 2020 bonds to refund and defease \$39,755 of outstanding debt for 2010 Certificates of Participation, and debt service reserve of \$3,231. Principal payments are due October 1, 2024 through October 1, 2029. Payments escalate from \$2,840 to \$3,645 with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Sacramento Detention Facility, Cherry Island Golf Course, and a County-owned parking garage. There is no accelerated payment schedule if payment goes into default.	19,370
On November 19, 2020 the Sunrise Recreation & Park District (SRPD) Board approved the issuance of Certificates of Participation in an aggregate principal payment amount of \$5,421. SRPD issued the bonds to refund and defease \$5,485 of outstanding debt for SRPD's previous Certificates of Participation issued in June 2006. Principal payments are due September 1, 2024 through September 1, 2037, escalating from \$268 to \$408, with interest at 3.25 percent. There is no accelerated payment schedule if payment goes into default.	4,669
	98,284
Total certificates of participation	98,284
Add: Issuance premium	10,322
	\$ 108,606

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

General Obligation Bonds (GOB):

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

\$ 10,000

Add: Issuance Premium

426

\$ 10,426

Teeter notes:

County of Sacramento, 2019 Teeter Loan Agreement Note, dated November 19, 2019, to purchase the delinquent property taxes receivables as of June 30, 2019, of \$20,639. Annual payments of principal and interest are due August 1st of each year and ending in 2024. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2024. Interest payments will be at a variable rate that averaged 4.703 percent in the FY 2023-24 and was 4.742 percent at June 30, 2024.

960

County of Sacramento, 2020 Teeter Loan Agreement Note, dated January 12, 2021, to purchase the delinquent property taxes receivables as of June 30, 2020, of \$25,131. Annual payments of principal and interest are due August 1st of each year and ending in 2025. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2025. Interest payments will be at a variable rate that averaged 4.703 percent in the FY 2023-24 and was 4.742 percent at June 30, 2024.

1,781

County of Sacramento, 2021 Teeter Loan Agreement Note, dated November 16, 2021, to purchase the delinquent property taxes receivables as of June 30, 2021, of \$22,967. Annual payments of principal and interest are due August 1st of each year and ending in 2026. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2026. Interest payments will be at a variable rate that averaged 4.703 percent in the FY 2023-24 and was 4.742 percent at June 30, 2024.

2,985

County of Sacramento, 2022 Teeter Loan Agreement Note, dated December 6, 2022, to purchase the delinquent property taxes receivables as of June 30, 2022, of \$23,416. Annual payments of principal and interest are due August 1st of each year and ending in 2027. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2027. Interest payments will be at a variable rate that averaged 4.703 percent in the FY 2023-24 and was 4.742 percent at June 30, 2024.

6,349

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

County of Sacramento, 2023 Teeter Loan Agreement Note, dated December 12, 2023, to purchase the delinquent property taxes receivables as of June 30, 2023, of \$29,876. Annual payments of principal and interest are due August 1st of each year and ending in 2028. 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, 2028. Interest payments will be at a variable rate that averaged 4.765 percent in the FY 2023-24 and was 4.742 percent at June 30, 2024.

15,959

Total Teeter notes

\$ 28,034

Pension obligation bonds (POB):

County of Sacramento Pension Obligation Bonds issued March 28, 2008, \$359,165 of Series 2008 Taxable Pension Refunding Bonds. The County issued the Series 2008 Bonds to refund and defease \$350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. The County entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901 percent, which remains in effect for the 2008 Taxable Pension Refunding Bonds. See Note 9, Derivatives – Interest Rate Swaps. On June 2, 2023 the County refunded the 2030 Maturing Series of the 2008 POB by issuing the 2023 Synthetic Fixed Bond Series which refunded with a direct placement principal amount of \$179,315. See page 102 for Pension Obligation Bonds – Direct Placement. The 2026 Maturing Series remains outstanding with an \$87,325 principal balance. Principal payments on the remaining Series 2008 bonds are due July 10, 2024 through July 10, 2026, fluctuating from \$22,800 to \$26,675.

\$ 67,125

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

73,875

County of Sacramento 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

Total pension obligation bonds

252,960

Less: Issuance discount

(340)

\$ 252,620

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

Pension Obligation Bonds - Direct Placement:

County of Sacramento Pension Obligation Bonds issued June 2, 2023, \$180,740 of Series 2023 Taxable Pension Refunding Bonds. The County issued the Series 2023 Bonds to refund and defease \$179,315 of the Series 2008 Taxable Pension Refunding Bonds and to pay for the costs of issuance of the Series 2023 Bonds. Principal payments on the Series 2023 Bonds are due July 10, 2024 through July 10, 2030, escalating from \$680 to \$47,695, with an interest rate of 6.375 percent attributable to \$166,950 current swap principal and an interest rate of 4.122 attributable to \$13,790 new swap principal. See Note 9, Derivatives - Interest Rate Swaps. The deferred outflows on refunding for the Series 2008 Taxable Pension Refunding Bonds amounted to \$2,176 attributable to the existing swap and \$155 to the new swap. These amounts will be amortized through July 10, 2030. The bonds contain a provision that if payment goes into default, the interest rate on the Bonds shall increase to the Default Rate until the event of default has been cured. The Default Rate is four percent plus a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent, (b) the Federal Funds Rate plus two percent and (c) seven percent.

\$ 180,335

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

Revenue Bonds:

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

\$ 190,806

The Sacramento County Public Financing Authority (PFA) issued three series of Revenue Bonds issued December 23, 2003 totaling \$54,921, for the purpose of allowing the PFA to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are distributions made by the County's Redevelopment Property Tax Trust Fund (RPTTF). Total principal and interest remaining on the bonds is \$29,150, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$2,300 and \$997, respectively. The PFA issued \$33,696 of Series A Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,940 in serial bonds, maturing from December 2004 to 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020 to 2030. The PFA issued \$8,345 of Series B Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

Sacramento County Public Financing Authority (PFA) issued two series of Tax Allocation Revenue Bonds on March 5, 2008, totaling \$48,545, for the purpose of loaning the proceeds to the Sacramento Housing and Redevelopment Agency. The loan proceeds will finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is tax increment and/or housing set-aside tax increment revenues, depending upon the project. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Total principal and interest remaining on the bonds is \$55,439, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$1,025 and \$1,960, respectively. The PFA issued \$24,765 of Series A Mather/McClellan (Tax Exempt) Redevelopment Area improvements. The bonds were structured with one serial maturity in 2028 and three term bonds. The \$950 2028 serial bonds were priced with a 4.5 percent coupon to yield 4.66 percent. The \$4,930 2032 term bond was priced with a 4.625 percent coupon to yield 4.8 percent. The \$18,885 2038 term bond was split into two: \$5,000 was priced with a 5.0 percent coupon to yield 4.76 percent; the balance of \$13,885 was priced with a 4.625 percent coupon to yield 4.85 percent. The PFA issued \$23,780 of Series B Mather/McClellan (Taxable) Redevelopment Area and Housing Project. The bonds were structured with serial maturities in 2008 through 2014 and three term bonds - all sold as par bonds with coupon equal to yield. Yields on the \$4,500 serials ranged from 3.33 percent in 2008 to 4.52 percent in 2014. The \$2,815 2018 term bonds were priced to yield 5.317 percent; the \$9,795 2028 term bonds were priced to yield 6.227 percent; and the \$6,670 term bonds were priced to yield 6.577 percent. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the PFA is unable to make payment.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

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

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

56,545

Total revenue bonds	247,351
Add: Accreted interest	12,491
Add: Issuance Premium	29,941
Less: Issuance discount	<u>(269)</u>
	<u>\$ 289,514</u>

Other long-term debt:

Sacramento County Water Agency's reimbursement agreements with interest at the net County Treasury Pool Rate, is to be paid on the unpaid balance after County's acceptance of project completion, unless paid within 90 days of acceptance and maturities ranging from 18 months to 7 years to be repaid from drainage permit revenues in the Water Agency's Special Revenue Fund.

\$ 2,358

Financed purchase obligations:

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

\$ 24,196

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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 Services Program (CMISP) patients that were referred to UCD hospital.

The County entered into a settlement agreement with UCD in November 2017, with the County agreeing to pay a net amount of \$93,620 plus interest over a 15 year period. Payments made in the first 11 fiscal years, which include principal and interest, range from \$7.7 million to \$8.2 million, with the first payment having commenced on July 1, 2018. The remaining principal balance after the 11th payment will be paid in 5 equal annual payments starting on July 1, 2029 at an interest rate equal to the 5-year Treasury bill rate plus 6 percent, with a cap of 9.5 percent. As of June 30, 2024, the outstanding balance is \$60,093. In the case of default, UCD will provide notice of any perceived default and breach within 15 days of such default. Unless default is cured within 45 days of notice, the parties also agree that, time being of the essence, the entire unpaid portion of the settlement amount plus all then accrued and deferred interest (the "default amount") shall become immediately due and payable to UCD, which day shall be the "acceleration date." Also, the prejudgment interest will immediately begin to accrue on the default amount from the acceleration date at the rate of 9.5 percent.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

Business-type Activities:

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

On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rate on the 2007A bonds is 5.0 percent. The variable interest rates on the 2007B bonds range from 4.313 percent to 4.333 percent at June 30, 2024. Proceeds from this debt issue were used to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Water Agency’s Water System and to advance refund the majority of the 2003 revenue bonds, which have been subsequently paid in full. Principal payments on the Series 2007B bonds are due June 1, 2024 through June 1, 2039 ranging from \$2,065 to \$21,675. The Water Agency entered into a swap agreement effective May 9, 2007 on the Series 2007B bonds fixing the interest rate between 4.193 percent to 4.221 percent. See Note 9, Derivatives - Interest Rate Swaps. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

\$ 225,030

On October 31, 2019, the Sacramento County Water Financing Authority issued \$88,790 of Revenue Bonds for the Sacramento County Water Agency Zones 40 and 41 2019 Refunding Project Series. The Series 2019 Bonds were issued to refund and defease \$103,185 of outstanding debt for Sacramento County Water Agency Zones 40 and 41 2007A (Fixed Rate) Series Water System Project Revenue Bonds. Principal payments on the Series 2019 bonds are due June 1, 2024 through June 1, 2028 and range from \$7,115 to \$10,900, with an interest rate of 5 percent. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

38,290

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

81,215

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2024

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

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2024

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

On January 25, 2022, the County defeased the 2023 and 2024 maturities of the Series 2020 Airport System Senior Bonds and Series 2018 Airport System Senior Bonds in the amount of \$35,010 to lower the debt service payments for fiscal years 2023 and 2024, and consequently reduce the fees and charges related to the debt service payments. Airports used its existing cash resources for the defeasance and subsequently submitted a reimbursement request to the Federal Aviation Administration to recover the defeasance cost which was an eligible expense under the provisions of the American Rescue Plan Act (ARPA). Airports has placed an amount of \$18,267 with the escrow agent to provide for the debt service payments of the 2023 and 2024 maturities of the 2020 and 2018 Senior Bonds and their related interest obligations. The transaction resulted in a gain on defeasance of \$2.5 million. The prepaid insurance, bond premiums, and the deferred amounts on prior refunding transactions related to the defeased maturities have been written off. \$17,925 of the defeased debt remains outstanding as of June 30, 2024.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2024

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

520,710

Total Revenue Bonds	865,245
PFC and Subordinate Bonds	202,110
Add: Issuance premiums	89,300
	<u>\$ 1,156,655</u>

Reimbursement agreements:

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

\$ 983

Financed purchase obligations:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on August 13, 2021 for the acquisition of 14 automatic side loading garbage collection trucks. Semi-annual payments are due from August 13, 2023 to August 23, 2028. The interest rate is 7.45 percent. Of the \$6.254 million debt issued, only \$5.840 million was used to purchase and finance the equipment.

\$ 4,076

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

4,177

Total Financed Purchase Obligations	<u>\$ 8,253</u>
-------------------------------------	-----------------

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2024

Loan agreements:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement on January 17, 2023 for the improvement of the North Area Recovery Station and for the construction of a new Commercial Waste Transfer Building. The projects are funded by the IBank Loan for \$35,000 at an interest rate of 4.37 percent. Principal payments are due from August 1, 2024 through August 1, 2052, escalating from \$612 to \$2,027.

\$ 34,414

Revolving line of credit:

On December 8, 2022, the County entered into a Revolving Credit Agreement with Wells Fargo Bank, N.A. to obtain interim financing, in aggregate not to exceed \$50,000, for the Department of Airports SMForward Projects. The principal of each Revolving Loan shall be repaid in full by the commitment expiration date of December 8, 2025. As of June 30, 2024, the outstanding loan balance was \$20,026. This has a variable interest rate which is based on the applicable spread ranging from 35 to 113 basis points (based on credit ratings) plus daily simple SOFR, with a maximum interest rate of 12 percent.

\$ 20,026

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Long-term debt obligation maturities for business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2024.

<u>Fiscal Year ending June 30</u>	Revenue Bonds and PFC Revenue			
	Bonds		Reimbursement Agreements	
	Principal	Interest	Principal	Interest
2025	\$ 18,555	50,286	328	
2026	121,465	46,953	328	
2027	42,240	43,595	327	
2028	43,825	41,478		
2029	48,335	39,303		
2030 - 2034	278,955	159,409		
2035 - 2039	336,830	86,982		
2040 - 2043	177,150	13,388		
	<u>\$ 1,067,355</u>	<u>481,394</u>	<u>983</u>	

<u>Fiscal Year ending June 30</u>	Financed Purchase Obligations		Loans Agreements	
	Principal	Interest	Principal	Interest
	2025	\$ 1,531	169	612
2026	1,562	139	639	1,463
2027	1,593	108	666	1,435
2028	1,625	76	696	1,405
2029	1,191	43	726	1,374
2030 - 2034	751	18	4,136	6,353
2035 - 2039			5,122	5,345
2040 - 2044			6,344	4,097
2045 - 2049			7,859	2,551
2050 - 2054			7,614	683
	<u>\$ 8,253</u>	<u>553</u>	<u>34,414</u>	<u>26,196</u>

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for the fiscal year ended June 30, 2024.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Non-Exchange Financial Guarantees

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

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

As of June 30, 2024, the principal amount of bonds outstanding was \$16,590 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.

Conduit Debt Obligations

Airports Special Facilities Revenue Bonds

Variable Rate Demand Special Facilities Airport Revenue Bonds, Series 1998 (Special Facility Bonds), totaling \$9,900 were issued on November 3, 1998 to finance the demolition of an existing facility and construction and installation of a replacement aircraft maintenance hangar and associated facilities at the Sacramento International Airport for Cessna. Although taking the legal form of a financing lease between the County and Cessna, the substance of these arrangements is that the Special Facility Bonds constitute a special obligation of the Airports payable from and secured by certain revenues under its lease with Cessna and certain proceeds pledged under the Indenture. The bonds do not constitute a debt, liability or general obligation of the County or a pledge of the faith and credit of the Airports. Airports will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2024, the outstanding balance of the debt was \$8,800. The Special Facility Bonds mature on November 1, 2028.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 9 - DERIVATIVE INSTRUMENT - INTEREST RATE SWAPS

All five of the County’s interest rate swap agreements are considered to be effective hedging derivative instruments. The County used the consistent critical terms method to evaluate hedge effectiveness for the \$125,075 and \$99,955 Water Agency Revenue bonds, Series 2007B Swaps, and the regression analysis method for the \$67,125 Taxable Pension Bonds - 2008 C-1 Swap, and the \$166,950 and \$13,385 refunding 2023 POBs.

Hedging derivative instruments are classified as Level 2 fair value measurement within the fair value hierarchy established by GAAP and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. The payments are then discounted using the spot rates of SOFR (Secured Overnight Financing Rate) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2024, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year ended June 30, 2024 financial statements are as follows.

	Notional Amount	Changes in Fair Value		Fair Value - as of June 30, 2024	
		Classification	Amount	Classification	2024
Governmental Activities:					
<i>Cash Flow Hedges:</i>					
Series 2008 C-1 Swap					
Pay-fixed interest rate swap	\$ 67,125	Deferred outflow of resources	\$ 712	Debt	\$ (628)
Series 2023 POB refunding					
Pay-fixed interest rate swap	166,950	Deferred outflow of resources	4,139	Debt	(11,283)
Series 2023 POB refunding					
Pay-fixed interest rate swap	13,385	Deferred inflow of resources	<u>47</u>	Debt	<u>272</u>
		Total Governmental Activities	<u>\$ 4,898</u>		<u>\$ (11,639)</u>
Business-Type Activities:					
<i>Cash Flow Hedges:</i>					
Series 2007 B Swap					
Pay-fixed interest rate swap	\$ 125,075	Deferred outflow of resources	\$ 1,361	Debt	\$ (5,947)
Series 2007 B Swap					
Pay-fixed interest rate swap	99,955	Deferred outflow of resources	<u>2,184</u>	Debt	<u>(8,109)</u>
		Total Business-Type activities	<u>\$ 3,545</u>		<u>\$ (14,056)</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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, 2024, along with the credit rating of the associated counterparty:

Governmental Activities:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Series 2008 C-1 Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 67,125	6/10/2023	7/10/2026	County pays 5.901% fixed; receives 1M LIBOR - Fallback adjusted monthly; 5.453%	Aa1 Moody's A+ S&P AA- Fitch
Series 2023 POB refunding Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	166,950	6/10/2023	7/10/2030	County pays 6.375% fixed; receives SOFR + 0.56448%; 5.889 %	Aa1 Moody's A+ S&P AA- Fitch
Series 2023 POB refunding Pay-fixed interest rate swap	Hedge of changes in cash flows on 2023 bonds	13,385	6/2/2023	7/10/2030	County pays 4.122% fixed; receives SOFR + 0.56448%; 5.889%	Aa1 Moody's A+ S&P AA- Fitch

Business-Type Activities:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$ 125,075	5/9/2007	6/1/2034	Water Agency pays fixed 4.193%; receives lesser of 67% of the 3-Month Fallback Rate (SOFR) + 55 bps or 12% = 4.31275%	Aa2 Moody's A+ S&P AA Fitch
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 lesser of 67% of the 3-Month Fallback Rate (SOFR) + 57 bps or 12% = 4.33275%	Aa2 Moody's A+ S&P AA Fitch

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

Credit Risk:

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

Tier	Credit Ratings(Moody's/S&P/Fitch)	Applicable Spread
I	A2/A/A and above	.45
II	A3/A-/A-	.55
III	Baa1/BBB+/BBB+	.70
IV	Baa2/BBB/BBB	.90

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

Interest Rate Risk:

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

Basis Risk:

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

Contingencies:

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

Termination Risk:

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the 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 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, 2024 was \$11,639.

Water Agency Revenue Bonds, Series 2007B Swaps:

Credit Risk:

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

A+ by S&P Global Ratings and AA by Fitch.

Interest Rate Risk:

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

Basis Risk:

The Water Agency's variable rate bonds are based on 3-month CME Term SOFR while the Water Agency's variable rate swap payments are based on 3-month Fallback Rate (SOFR); a computation of the compounded SOFR. This mis-match exposes the Water Agency to potential basis risk which was introduced after June 30, 2023 with the broader LIBOR transition. To the extent 3-month CME term SOFR rests higher than 3-month Fallback Rate (SOFR), the Water Agency may experience higher interest cost than originally expected.

Contingencies:

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

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

Termination Risk:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Derivative Instrument Payments and Hedged Debt:

Using the rates as of June 30, 2024, debt service requirements for governmental activities and business-type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented below:

Governmental Activities:

<u>Fiscal Year ending June 30</u>	<u>Pension Refunding Bonds</u>			<u>Net Cash</u> <u>Flows</u>
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u> <u>Swaps, Net</u>	
	Series 2008 & 2023 Variable-Rate			
2025	\$ 23,480	14,341	875	38,696
2026	27,380	13,146	793	41,319
2027	31,300	11,644	687	43,631
2028	34,730	9,884	578	45,192
2029	39,195	7,860	455	47,510
2030 - 2031	91,375	6,023	345	97,743
	<u>\$ 247,460</u>	<u>62,898</u>	<u>3,733</u>	<u>314,091</u>

Business-Type Activities:

<u>Fiscal Year ending June 30</u>	<u>Sacramento County Water Agency Enterprise Fund</u>			<u>Net Cash</u> <u>Flows</u>
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u> <u>Swaps, Net</u>	
	Series 2007 B Revenue Bonds			
2025	\$ 2,065	9,565	(259)	11,371
2026	2,150	9,474	(257)	11,367
2027	2,245	9,378	(254)	11,369
2028	6,675	9,108	(247)	15,536
2029	16,795	8,426	(228)	24,993
2030 - 2034	95,145	30,294	(807)	124,632
2035 - 2039	99,955	9,305	(242)	109,018
	<u>\$ 225,030</u>	<u>85,550</u>	<u>(2,294)</u>	<u>308,286</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 10 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2024, special assessment improvement bonds outstanding for all assessment districts totaled \$188,855. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects is accounted for in the capital projects funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the other custodial funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999, the District issued \$13,025. On May 12, 2005, the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75 percent to 4.50 percent, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30 percent. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in the original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. At June 30, 2024, \$6,975 of authorized bonds remains unissued. The outstanding balance at June 30, 2024 was \$1,355.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue \$90,000 of Special Tax Bonds. On September 28, 2004, the District issued \$10,250 Series 2004 Special Tax Bonds with interest rates ranging from 3.00 percent to 6.25 percent. On December 8, 2011, the District issued \$10,395 Series 2011 Special Tax Bonds with interest rates ranging from 2.25 percent to 6.00 percent. On December 14, 2017, the District issued \$29,470 of Series 2017 Special Tax Bonds with interest rates ranging from 2.00 to 5.00 percent, a portion of the proceeds were used to defease the outstanding 2004 bonds and the outstanding 2011 bonds. The remaining proceeds were used to pay the costs of acquiring and constructing certain public facilities. The 2017 bonds constitute the entire bonded indebtedness as of June 30, 2024. At June 30, 2024, \$57,235 of authorized bonds remain unissued. The outstanding balance at June 30, 2024 for the Series 2017 bonds was \$26,040.

The Metro Air Park Community Facilities District No. 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004, the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 percent. On December 14, 2007, the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00 percent. On September 15, 2022, the District issued \$121,710 of Series 2022 Special Tax Bonds with an interest rate of 5.00 percent. Bond proceeds were used to refund the outstanding 2004A Bonds and 2007B Bonds, pay (or reimburse the County for) the costs of acquiring and constructing certain public facilities, fund a deposit to the Bond Reserve fund, and pay costs of issuance of the 2022 Bonds. The 2022 Special Tax Bonds constitute the entire bonded indebtedness. The outstanding balance as of June 30, 2024 for the 2022 Special Tax Bonds was \$117,310.

The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue \$30,000 of Special Tax Bonds. On September 6, 2007, the District issued \$14,415 of Special Tax Bonds with interest rates ranging from 4.40 percent to 6.00 percent. On June 8, 2016, the District issued \$23,155 of Special Tax Bonds 2016 Series, of which the proceeds were used to defease the outstanding 2007 bonds and to fund certain public facility construction projects. The interest rates relating to these bonds range from 2.00 percent to 5.00 percent. The 2016 Special Tax Bonds constitute the entire bonded indebtedness. As of June 30, 2024, \$6,845 of authorized bonds remains unissued. The outstanding balance as of June 30, 2024, for the 2016 Special Tax Bonds was \$20,295.

The County of Sacramento Community Facilities District No 2014-2 (North Vineyard Station No. 2) (District) has been authorized to issue \$50,000 of Special Tax Bonds. On June 8, 2016, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. On June 30, 2021, the District issued \$3,895 of Special Tax Bonds with a interest rate of 4.00 percent to provide funds to pay cost of acquisition and construction, deposit to a Bond Reserve fund, and pay certain cost of issuing. The Series 2016 and the Series 2021 Bonds, constitute the entire bonded indebtedness of the District. As of June 30, 2024, \$31,880 of authorized bonds remains unissued. The outstanding balance as of June 30, 2024 for the 2016 Special Tax Bonds was \$13,400 and for the 2021 Special Tax Bonds was \$3,770.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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, 2024, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2024 was \$335.

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, 2024, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2024 was \$6,350.

NOTE 11 - PLEDGED REVENUES

The County has pledged a portion of delinquent property tax revenues to repay \$28,034 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on November 19, 2019, January 12, 2021, November 16, 2021, December 6, 2022 and December 21, 2023. 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 \$28,034 and interest of \$3,479 remain on the notes and are payable through August 1, 2028. For the current year, net revenues pledged were equal to the total principal and interest paid of \$24,115 and \$1,085, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Department of Airports through fiscal year 2041. The total principal and interest remaining to be paid on senior bonds is \$795,467. Principal and interest paid in the current fiscal year was \$25,746 and the total net revenues were \$99,404. Additionally, the outstanding debt from the Revolving Credit Agreement is \$20,026 and the principal and interest paid in the current fiscal year was \$1,164. 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 \$306,968. Principal and interest paid for the current year was \$16,553 and the Passenger Facility Charges (PFC) cash generated in FY 2023-24 was \$25,115. Although PFC revenues are not pledged pursuant to the Master Indenture, the County intends to continue using PFCs to pay subordinate lien debt service, which will decrease significantly as a result of the refunding savings.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Water Agency through fiscal year 2039. The total principal and interest remaining to be paid on the bonds is \$446,314. Principal and interest paid in the current fiscal year was \$26,992 and the total net revenues were \$99,682. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding depreciation of capital assets.

NOTE 12 - COMMITMENTS

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

Governmental Funds – The County’s governmental funds had approximately \$59,747 in outstanding construction contract commitments at June 30, 2024.

Airports Enterprise Fund – The Airports had approximately \$404,487 in outstanding construction contract commitments at June 30, 2024.

Solid Waste Enterprise Fund – Solid Waste had approximately \$57,640 in outstanding construction contract commitments at June 30, 2024.

Water Agency Enterprise Fund – The Water Agency had approximately \$91,100 outstanding construction contract commitments at June 30, 2024.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Nonmajor Enterprise Funds - The nonmajor enterprise funds had \$951 in outstanding construction contract commitments at June 30, 2024.

NOTE 13 - CLOSURE AND POSTCLOSURE CARE COST

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

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

Management of the fund has deemed the capacity of the Kiefer Landfill will be the basis of recognizing its closure and postclosure care costs. Kiefer Landfill closure and postclosure care liabilities at June 30, 2024, were \$19,183. The Fund will recognize costs of \$37,798 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2024 the capacity of the Kiefer Landfill used to date was 34 percent and the estimated remaining landfill life is 50 years. As required by applicable laws, management has established a fund for the postclosure Kiefer Landfill, in which \$11,402 is considered restricted at June 30, 2024. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

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

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

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

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

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

The Elk Grove Landfill postclosure care liabilities were fully paid as of June 30, 2024, with all future maintenance costs expensed in the period incurred.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2024, of \$134. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2024, the reported liabilities represent postclosure costs for the remaining 5 years. The portion of the postclosure costs expected to be paid during the next year is \$33.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be different due to inflation,

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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 June 30, 2024, is estimated to be \$20,526.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2024 were as follows:

	July 1, 2023 Beginning	Expense/change in estimate	Payments	June 30, 2024 Ending	Due within One Year
Kiefer	\$ 17,398	1,785		19,183	
Grand Island	161	6	(33)	134	33
Kiefer Final Cover	<u>23,968</u>	<u>1,020</u>	<u>(4,462)</u>	<u>20,526</u>	
	<u>\$ 41,527</u>	<u>2,811</u>	<u>(4,495)</u>	<u>39,843</u>	<u>33</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 14 - RETIREMENT PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

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

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

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

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

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

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

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

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Employee and employer contribution rates for the fiscal year ended June 30, 2024, from the June 30, 2023 actuarial valuation, are as follows:

	County - Miscellaneous Cost Pool - Contribution Rates					Recreation and Park Districts - Miscellaneous Cost Pool - Contribution Rates		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 1	Tier 3	Tier 5
Employee	10.54%	7.74%	11.32%	10.94%	9.90%	0.00%	5.99%	9.90%
Employer	23.95%	20.55%	24.13%	23.75%	22.71%	0.00%	37.05%	30.50%

	County - Safety Cost Pool - Contribution Rates			
	Tier 1	Tier 2	Tier 3	Tier 4
Employee	21.70%	21.12%	20.92%	15.07%
Employer	69.13%	58.48%	58.20%	52.27%

For the fiscal year ended June 30, 2024, the employer contributions to SCERS were equal to the actuarially determined required employer contributions as follows:

Employer Contributions	Governmental	Business-type	Total	Component
	Activities	Activities		Unit
County - Miscellaneous Tier	\$ 174,749	14,210	188,959	First 5 Commission 366
County - Safety Tier	144,828	1,997	146,825	
Carmichael Recreation and Park District - Miscellaneous	516		516	
Mission Oaks Recreation and Park District - Miscellaneous	466		466	
Sunrise Recreation and Park District - Miscellaneous	1,161		1,161	
Total employer contributions	\$ 321,720	16,207	337,927	366

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

As of June 30, 2024, the County and its component unit reported net pension liabilities for its proportionate share of the net pension liability of the Retirement Plan as follows:

	Governmental	Business-type	Total	Component
	Activities	Activities		Unit
County - Miscellaneous Tier	\$ 800,830	66,491	867,321	First 5 Commission 1,788
County - Safety Tier	890,577	11,458	902,035	
Carmichael Recreation and Park District - Miscellaneous	2,400		2,400	
Mission Oaks Recreation and Park District - Miscellaneous	2,326		2,326	
Sunrise Recreation and Park District - Miscellaneous	5,934		5,934	
Total Net Pension Liability	\$ 1,702,067	77,949	1,780,016	1,788

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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, 2023 that made contributions in FY 2023-24; 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, 2023, 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, 2022 and 2023, was as follows:

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Component Unit-First 5 Commission</u>
Proportion - June 30, 2022	89.089 %	0.118 %	0.116 %	0.247 %	0.090 %
Proportion - June 30, 2023	88.663 %	0.120 %	0.117 %	0.297 %	0.090 %
Change - Increase (Decrease)	<u>(0.426)%</u>	<u>0.002 %</u>	<u>0.001 %</u>	<u>0.050 %</u>	<u>%</u>

For the fiscal year ended June 30, 2024, the County and the First 5 Commission recognized pension expense of \$282,997 and \$308, respectively. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>								
	<u>Governmental Activities</u>						Business-type Activities	Total Primary Government	Component Unit First 5 Commission
	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Total</u>			
Differences between actual and expected experience	\$ 253,392	378	367	935	255,072	12,119	267,191	282	
Net difference between projected and actual earnings on plan investments	133,557	203	197	503	134,460	6,481	140,941	152	
Changes in assumptions	31,451	80	78	198	31,807	2,280	34,087	60	
Changes in proportions	14,465		148	798	15,411	3,129	18,540	48	
Pension contributions made subsequent to measurement date	<u>319,577</u>	<u>516</u>	<u>466</u>	<u>1,161</u>	<u>321,720</u>	<u>16,207</u>	<u>337,927</u>	<u>366</u>	
Total deferred outflows related to pensions	<u>\$ 752,442</u>	<u>1,177</u>	<u>1,256</u>	<u>3,595</u>	<u>758,470</u>	<u>40,216</u>	<u>798,686</u>	<u>908</u>	

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	Deferred Inflows of Resources							
	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Changes in assumptions	\$ 121,919	175	169	432	122,695	5,658	128,353	130
Changes in proportions	11,812	132	209	502	12,655	780	13,435	33
Total deferred inflows related to pensions	\$ 133,731	307	378	934	135,350	6,438	141,788	163

The \$337,927 and \$366 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2025	\$ 84,229	94	109	399	84,831	101
2026	84,229	94	109	399	84,831	101
2027	84,229	94	109	399	84,831	101
2028	64,018	72	85	303	64,478	76
	\$ 316,705	354	412	1,500	318,971	379

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.50%	2.50%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.25% to 9.75%	4.25% to 9.75%
Assumed post-retirement benefit increase	0% to 2.75%	2% to 2.75%
Post-Retirement Mortality		
a) Service	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates increased by 10% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021
b) Disabled	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), with rates unadjusted for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), with rates increased by 5% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021
c) Member Contributions	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and 5% for females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 40% male and 60% female	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 75% male and 25% female
Pre-Retirement Mortality	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021	Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021

*Includes inflation at 2.50 percent plus real across-the-board salary increase of 0.25 percent plus merit and longevity increases.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2023 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40.0 %	7.1 %
Private Equity	11.0 %	10.1 %
Public Credit - High Yield	1.0 %	4.6 %
Public Credit - Leveraged Loan	1.0 %	4.1 %
Private Credit	5.0 %	6.7 %
Fixed Income - Core	12.0 %	2.0 %
Fixed Income - U.S. Treasury	4.0 %	1.3 %
Core Real Estate	6.0 %	3.9 %
Value Added Real Estate	1.5 %	6.7 %
Opportunistic Real Estate	1.5 %	8.6 %
Absolute Return	7.0 %	3.0 %
Real Assets	7.0 %	7.3 %
Liquid Real Return	2.0 %	4.4 %
Cash	1.0 %	0.6 %
Total Portfolio	100.0 %	

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County, Carmichael, Mission Oaks, Sunrise, and First 5 Commission's proportionate share of the net pension liability, calculated using the discount rate for each, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Net Pension Liability</u>	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit First 5 Commission</u>
1% Decrease (5.75%)	\$3,480,654	4,722	4,577	11,674	3,501,627	3,518
Current Discount Rate (6.75%)	1,769,356	2,400	2,326	5,934	1,780,016	1,788
1% increase (7.75%)	364,130	494	479	1,221	366,324	368

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

For the measurement date of June 30, 2024, the County is expecting a modest decrease in its NPL due to the expected favorable investment returns.

Defined Contribution Plans

The County also provides a defined contribution retirement benefit through the County's 401(a) Plan (the 401(a) Plan). The County is the Plan Administrator and the 401(a) Plan assets are held with an external trustee - Fidelity. The 401(a) Plan is offered to Eligible Employees (management union 032, attorneys union 033, and unrepresented employees only) that contribute at least 1% of their gross pay into the 457(b) Plan to receive the 3 percent County match in the 401(a) Plan. Investment decisions are made by the 401(a) Plan participants based on a variety of investment options under the plan. For the fiscal year ended June 30, 2024, the County contributed \$7,040 to the 401(a) Plan with an outstanding liability of \$260 at June 30, 2024.

The County also provides a defined contribution retirement benefit through the County's 457(b) Plan (the 457(b) Plan) for temporary employees only. The County is the Plan Administrator and the 457(b) Plan assets are held with an external trustee - Fidelity. The 457(b) Plan requires all temporary employees to contribute 7.5% of their gross pay into the 457(b) Plan, while the County provides an equal match of 7.5 percent, making the total contribution to the 457(b) Plan 15 percent. Investment decisions are made by the 457(b) Plan participants based on a variety of investment options under the Plan. For the fiscal year ended June 30, 2024, the County contributed \$785 to the 457(b) Plan with an outstanding liability of \$34 at June 30, 2024.

NOTE 15 - POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The County administers a single-employer Retiree Healthcare Plan (HC Plan), which does not issue a publicly available report. In September 2022 and August 2023, respectively, the Board approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2023 and 2024, 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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

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

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

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

The total benefits provided in FY 2023-24 totaled \$6,579 for the County and \$5 for the First 5 Commission.

At June 30, 2023, the most recent measurement date, the following current and former employees (actual counts) were covered by the benefit terms under the HC Plan:

Active employees	11,770
Inactive employees receiving benefits	6,155
Inactive employees entitled to but not yet receiving	8,357
Total	26,282

OPEB Liability:

The County’s total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023. Update procedures were used to roll forward the total OPEB liability from the valuation date to the measurement date. A summary of principal assumptions and methods used to determine the total OPEB liability is on the following pages.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumption	June 30, 2023 Measurement Date
Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.65% using the Bond Buyer 20-Bond GO Index
Inflation	2.5% annually
Mortality Rate	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076

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

	Governmental Activities					Business-Type Activities	Total Primary Government	Component Unit First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Balance at June 30, 2023	\$ 128,825	84	97	151	129,157	7,080	136,237	105
Changes recognized for the measurement period								
Service cost	7,519	8	8	24	7,559	469	8,028	7
Actual vs. expected experience	(5,735)	(33)	(21)	(38)	(5,827)	(351)	(6,178)	(5)
Interest on the total OPEB liability	4,731	3	3	6	4,743	259	259	4
Changes of assumptions	6,569	8	3	(3)	6,577	500	7,077	7
Changes in proportion	298				298	(67)	231	(4)
Benefit payments	(6,003)	(3)	(8)	(9)	(6,023)	(351)	(6,374)	(5)
Net changes	7,379	(17)	(15)	(20)	7,327	459	7,786	4
Balance at June 30, 2024	\$ 136,204	67	82	131	136,484	7,539	144,023	109

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the County and First 5 Commission if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

Total OPEB Liability	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (2.65%)	\$ 157,368	73	90	142	157,673	118
Current discount rate (3.65%)	143,743	67	82	131	144,023	109
1% increase (4.65%)	131,726	62	76	123	131,987	101

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

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (7.5% decreasing to 2.45% in 2076)	\$ 132,114	58	72	115	132,359	98
Current rate (8.5% decreasing to 3.45% in 2076)	143,743	67	82	131	144,023	109
1% increase (9.5% decreasing to 4.45% in 2076)	157,243	77	96	153	157,569	122

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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

For the fiscal year ended June 30, 2024, the County and the First 5 Commission recognized OPEB expense of \$(644) and \$(1), respectively. As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources

	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
	Difference between expected and actual experience	\$ 608						
Changes of assumptions	14,609	12	7	7	14,635	812	15,447	12
Changes in proportion	3,524				3,524	327	3,851	
Benefits provided subsequent to the measurement date	6,207	1	7	8	6,223	356	6,579	5
Total	<u>\$ 24,948</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>24,990</u>	<u>1,495</u>	<u>26,485</u>	<u>17</u>

Deferred Inflows of Resources

	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
	Difference between expected and actual experience	\$ 22,172	48	30	86			
Changes of assumptions	31,773	29	15	36	31,853	1,776	33,629	26
Changes in proportion	3,372				3,372	141	3,513	14
Total	<u>\$ 57,317</u>	<u>77</u>	<u>45</u>	<u>122</u>	<u>57,561</u>	<u>3,425</u>	<u>60,986</u>	<u>61</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

The \$6,579 and \$5 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2025	\$ (12,372)	(15)	(9)	(24)	(12,420)	(13)
2026	(12,372)	(15)	(9)	(24)	(12,420)	(13)
2027	(12,372)	(15)	(6)	(24)	(12,417)	(13)
2028	(12,372)	(8)	(4)	(14)	(12,398)	(13)
2029	(12,372)	(7)	(4)	(15)	(12,398)	(13)
2030- 2031	20,998	(5)	(6)	(14)	20,973	16
Total	<u>\$ (40,862)</u>	<u>(65)</u>	<u>(38)</u>	<u>(115)</u>	<u>(41,080)</u>	<u>(49)</u>

Defined Contribution Plans

The County also provides a defined contribution other postemployment benefit through the County Retiree Health Plan (RHP). The RHP is administered by a County delegate and assets are held by a trustee - Misson Square. The Retiree Health Plan (RHP) was established to reimburse eligible participants, their spouses and dependents for eligible medical and dental expenses. The County contributes \$25 for 24 of the 26 pay periods to all eligible active employees. The investment decisions are made by the RHP participants based on a variety of investment options under the RHP. For the fiscal year ended June 30, 2024, the County contributed \$5,688 to the RHP with an outstanding liability of \$212 at June 30, 2024.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

NOTE 16 - SELF-INSURANCE

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

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

During the past three years, there were two instances of settlements payments that exceeded insurance coverage. Both of these instances were reported in FY 2022-23 financial statements.

Reconciliation of Claims Liabilities

	Liability/Property		Workers' Compensation		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Unpaid claims and claim adjustment expenses at beginning of the fiscal year							
Current portion	\$ 16,971	16,018	27,598	28,379	441	688	45,010	45,085
Noncurrent	45,749	43,746	176,565	175,457			222,314	219,203
Total beginning balance, July 1	62,720	59,764	204,163	203,836	441	688	267,324	264,288
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	16,249	13,647	23,342	24,171	17,119	15,762	56,710	53,580
Increase (decrease) in provision for insured events of prior fiscal years	36,548	23,132	2,190	4,453			38,738	27,585
Total incurred claims and claim adjustment expenses	52,797	36,779	25,532	28,624	17,119	15,762	95,448	81,165
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	466	515	2,713	2,552	16,597	15,321	19,776	18,388
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	40,003	33,308	25,801	25,745		688	65,804	59,741
Total payments	40,469	33,823	28,514	28,297	16,597	16,009	85,580	78,129
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	\$ 75,048	62,720	201,181	204,163	522	441	276,751	267,324
Current portion of unpaid claims and claim adjustments	\$ 19,936	16,971	26,861	27,598	522	441	47,319	45,010
Noncurrent portion of unpaid claims and claim adjustments	55,112	45,749	174,320	176,565			229,432	222,314
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	\$ 75,048	62,720	201,181	204,163	522	441	276,751	267,324

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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 & Hanger keepers	\$ 500,000 *	\$ 10	Each occurrence
Property Program:			
Property Insurance (All Risk)	1,500,000 *	50	Each occurrence
Flood	900,000 *	25 (100 max if in Zone A)	Each occurrence
Earthquake (EQ)	25,000 *	2 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	13,000	15	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	20,000	25	Each occurrence
Employee Dishonesty	20,000	25	Each occurrence
Forgery/Money/Computer Fraud	20,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	50,000	None	Not applicable
Hull (Physical Damage)	7,136	None	Not applicable
Cyber Liability	16,000 *	250	Each occurrence
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	250	Each occurrence
Workers' Compensation (Excess)	Statutory *	3,000	Self-insured retention
Employer's Liability	5,000 *	3,000	Self-insured retention

* Airport Liability and Hanger keepers - Effective June 30, 2015, War Risk is included at \$500 million and Terrorism is included at \$500 million. Both are per occurrence and annual aggregate. Property - County property covered for Terrorism Coverage subject to a \$750 million occurrence and annual aggregate limit. Effective March 31, 2008, Earthquake (EQ) capped at \$25 million. Effective March 31, 2021, All Risk total is at \$1.5 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective March 31, 2021, Flood total is at \$900 million (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective July 1, 2008, Workers' Compensation (Excess) limit is statutory rather than a dollar limit. Effective July 1, 2008, Employer's Liability (Excess) is at \$5 million. Cyber - \$16 million total primary and excess policy aggregate limit for all coverages, coverage subject to sublimits.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

NOTE 17 - RESTRICTED NET POSITION

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

Net position restricted by enabling legislation are comprised of \$62,986 (FAA approved passenger facility charges), \$39,915 (Customer Facility Charges) and \$5,866 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2024.

Restricted Net Position includes:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

- *Health and sanitation programs* - health programs are comprised of the following:
 - *Water Agencies* - drainage fees and assessments used to protect the community from flood hazards.
 - *Environmental management* - provide mandated regulatory services that protect public health and the environment and funded through user fees, revenue from contracts, and other outside revenue sources.
 - *Tobacco* - proceeds from the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
 - *In-Home Support Services* - state funding for services to aged, blind and disabled persons who are unable to remain in their homes without assistance.
 - *Mental Health Services* - state funding from 1% income tax on personal income in excess of \$1 million.
 - *Alcohol and Drug programs* - state funding for alcohol and drug programs.
 - *Realignment* - state funding for realignment programs.

- *Transportation* - funds from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.

- *Lighting and landscape maintenance* - funds from special assessments used to maintain landscaped corridors, medians and natural open space.

- *Economic development* - primary programs revolve around the reuse programs and the Business Environment Resource Center (BERC) program.

- *Other* - includes programs related to recreation and culture, and education.

- *Endowments* - donor restricted funds to be used to support the Airport public art in perpetuity.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

NOTE 18 - FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2024 is as follows:

	Major	Nonmajor Governmental Funds			Total
	General Fund	Special Revenue	Debt Service	Capital Projects	
Nonspendable:					
Inventories	\$ 3,025				3,025
Long-term receivables	1,416				1,416
Prepaid items	40,033				40,033
Reserves for Taxes					
Teeter Plan delinquencies	662				662
Teeter Plan tax loss	9,331				9,331
Total nonspendable	54,467				54,467
Restricted for:					
General government:					
Stormwater utility		19,438			19,438
Public protection:					
Law Enforcement	68,865	14,481			83,346
Clerk Recorder	28,234				28,234
Community Development		2,419			2,419
Protection and Inspection	66,358	18,356			84,714
Fire Protection		68			68
Health and sanitation:					
Mental Health Services	81,090				81,090
Realignment	17,255				17,255
Solid Waste Authority		8,724			8,724
Tobacco Securitization Authority		456			456
Water Agencies		51,759			51,759
In-Home Support Services		1,066			1,066
Environmental management		12,781			12,781
Public assistance	113,476				113,476
Public ways and facilities		235,212		5,294	240,506
Recreation and culture		22,828			22,828
Education		94			94
Capital projects		2		224,148	224,150
Economic development		44,969			44,969
Lighting and landscape		5,866			5,866
Debt service	115		59,997		60,112
Total restricted	375,393	438,519	59,997	229,442	1,103,351
Assigned for:					
Technology upgrades	26,387				26,387
Projected budgetary deficit	110,017				110,017
Other purposes	24,878				24,878
Total assigned	161,282				161,282
Unassigned	165,025				165,025
Total	\$ 756,167	438,519	59,997	229,442	1,484,125

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

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.

Lorenzo Mays, et al. v. County of Sacramento

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

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

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

Subsequent to the issuance of that report and two County-retained mental health expert reports that were also critical of the County, the County entered into a tolling agreement with DRC and PLO. The County and the advocates continued negotiations, though no agreement was achieved. Litigation was ultimately filed in the U.S. District Court, Eastern District. Negotiations on these matters continued throughout the remainder of 2018 and into the spring of 2019. The negotiations culminated in the parties reaching agreement on all outstanding issues. The Board of Supervisors approved this settlement. The consent decree was approved in January 2020. The financial exposure to the County will include increases in operating costs due to staffing increases for the Sheriff's department which could exceed \$40 million annually, as well as increases in capital costs, which may include the construction of a new jail facility which could cost \$925 million.

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

On October 2021, the County received correspondence from the law firm Kuzyk Law LLP on behalf of Leonardo and Samantha Galdamez demanding the County refund the Sacramento County Transportation Development Fee (SCDTF). Following the receipt of the demand letter, the County entered into a tolling agreement due to one-year statute of limitations, this allowed sufficient time for the County to analyze the claim. That tolling agreement expired on June 2, 2022.

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

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

County Jail Contracts

In the Spring of 2023, Sacramento County, along with nine other defendant counties were used by individual plaintiffs challenging the commission and fees generated by telephone rates and commissary sales in each county jail. Plaintiffs allege that jail commission and fees are an unlawful tax under Article XIII C of the California Constitution.

The Article XIII C cases were consolidated by the Judicial Council as a putative class action, with the venue in Los Angeles County. Defendant Counties filed a join

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

demurrer on various ground, including that Plaintiffs lacked standing to sue, pursuant to County Inmate Telephone Service Cases (2020) 48 Cal.App.5th 354 (County Inmate). The Trial Court denied the defendant counties demurrer because it could not square the standing analysis in County Inmate and certified its order for immediate appellate review, finding that the demurrer (1) involves a controlling question of law, (2) as to which there are substantial grounds for difference of opinion, and (3) appellate resolution of this question may materially advance the conclusion of the litigation.

In October 2024, defendant counties filed a joint petition for writ of mandamus to the Second District Court of Appeal challenging the denial of the demurrer.

NOTE 20 - TAX ABATEMENTS

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

Local Conservation Act Program

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

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

Mills Act Program

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is an important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past. A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

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

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Urban Agriculture Program

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

Tax Abatement Program	Amount of Taxes Abated During FY 2023-24
Land Conservation Act (Williamson Act)	\$ 1,128
Mills Act	50

NOTE 21 - FUTURE GASB PRONOUNCEMENTS

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The County has not determined the effect, if any, on the financial statements.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide user of government financial statement with essential information about risk related to government's vulnerabilities due to certain concentration or constraints. The County has not determined the effect, if any, on the financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The County has not determined the effect, if any, on the financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide user of government financial statements with essential information about certain types of capital assets. The County has not determined the effect, if any, on the financial statements.

NOTE 22 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the RASA. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board which has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former RDA's redevelopment project areas. Once the ROPS is approved by the State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller's Office distributes property taxes to the RASA from the County's Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule.

In July 2013, the County received notification of a "Finding of Completion" from the State Department of Finance, which allows for: 1) loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was made for legitimate redevelopment purposes per Health and Sanitation Code (HSC) Section 34191.4(b)(1); and 2) utilizing derived proceeds from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC Section 34191.5(b), within six months from the date of the letter. The County Redevelopment Successor Agency Long Range Property Management Plan was approved by the oversight board on October 21, 2013.

During the fiscal year ended June 30, 2015, the County became aware that the RASA has a joint ownership position for a property located at 801 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, 2024, the RASA owes the Sacramento County Public Financing Authority \$49,119, with payments made semi-annually on June and December first of each fiscal year.

NOTE 23 - SUBSEQUENT EVENTS

Dry Period Financing

Article 16, Section 6, of the State Constitution, permits dry period financing. It states that the County Treasurer (Director of Finance) may make temporary transfers of funds as necessary to meet the obligations incurred by district and political subdivisions whose funds are "...in custody and are paid out solely through the treasurer's office."

In 1980, the Board adopted a resolution (80-1434) to permit entities that collected the 1 percent ad valorem tax to obtain temporary cash transfers. Later, constitutional changes and associated County resolutions expanded this to include "all anticipated revenues". In accordance with the State Constitution, borrowing is permitted until the last Monday in April of each fiscal year in amounts that do not exceed 85 percent of all anticipated revenues.

As such, in FY 2024-25 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the 'dry period' to meet any obligations incurred. The money is essentially loaned by the County Treasurer's Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund's \$2.169 billion in estimated revenues approved in the County's FY 2024-25 Preliminary Budget. The County's final FY 2024-25 Budget was approved in September 2024 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.187 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

Sacramento Area Sewer District Separation

On January 1, 2024 the Sacramento Area Sewer District and the Sacramento Regional County Sanitation District merged into one legal entity now called The Sacramento Area Sewer District (District). Under this merger the District is separating from the County of Sacramento with an effective date of December 15, 2024. From this separation the District will have its own employees, rather than contracting with the County. Also, with the separation, the District will be withdrawing its funds held in the Treasury Pool over an agreed upon schedule. As of June 30, 2024, the District's book value in the Pool is approximately \$339.7 million.

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

Page 1 of 2

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

<u>County</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021^C</u>	<u>2020</u>
Proportion of the net pension liability	88.663 %	89.089 %	95.587 %	87.480 %	88.319 %
Proportionate share of the net pension liability	\$ 1,769,356	\$ 1,557,835	\$ 402,784	\$ 2,374,448	\$ 1,831,576
Covered payroll ^A	\$ 1,015,886	\$ 931,320	\$ 916,618	\$ 908,171	\$ 874,552
Proportionate share of the net pension liability as a percentage of its covered payroll	189.07 %	167.27 %	43.94 %	261.45 %	209.43 %
Plan fiduciary net position as a percentage of the total pension liability	86.10 %	87.12 %	96.76 %	78.62 %	82.57 %
<u>Carmichael</u>					
Proportion of the net pension liability	0.120 %	0.118 %	0.047 %	0.140 %	0.135 %
Proportionate share of the net pension liability	\$ 2,400	\$ 2,062	\$ 199	\$ 3,790	\$ 2,807
Covered payroll ^A	\$ 1,360	\$ 1,228	\$ 1,156	\$ 1,250	\$ 1,239
Proportionate share of the net pension liability as a percentage of its covered payroll	176.49 %	167.84 %	17.21 %	303.20 %	226.55 %
Plan fiduciary net position as a percentage of the total pension liability	86.10 %	87.12 %	96.76 %	78.62 %	82.57 %
<u>Mission Oaks</u>					
Proportion of the net pension liability	0.117 %	0.116 %	0.040 %	0.131 %	0.127 %
Proportionate share of the net pension liability	\$ 2,326	\$ 2,024	\$ 170	\$ 3,560	\$ 2,635
Covered payroll ^A	\$ 1,329	\$ 1,219	\$ 974	\$ 1,120	\$ 1,101
Proportionate share of the net pension liability as a percentage of its covered payroll	175.09 %	165.96 %	17.45 %	317.86 %	239.33 %
Plan fiduciary net position as a percentage of the total pension liability	86.10 %	87.12 %	96.76 %	78.62 %	82.57 %
<u>Sunrise</u>					
Proportion of the net pension liability	0.297 %	0.247 %	0.089 %	0.294 %	0.305 %
Proportionate share of the net pension liability	\$ 5,934	\$ 4,325	\$ 377	\$ 7,982	\$ 6,315
Covered payroll ^A	\$ 3,587	\$ 2,690	\$ 2,299	\$ 2,754	\$ 2,839
Proportionate share of the net pension liability as a percentage of its covered payroll	165.46 %	160.82 %	16.39 %	289.83 %	222.44 %
Plan fiduciary net position as a percentage of the total pension liability	86.10 %	87.12 %	96.76 %	78.62 %	82.57 %
<u>Component Unit First 5 Commission</u>					
Proportion of the net pension liability	0.090 %	0.090 %	0.034 %	0.093 %	0.083 %
Proportionate share of the net pension liability	\$ 1,788	\$ 1,576	\$ 145	\$ 2,532	\$ 1,725
Covered payroll ^A	\$ 1,396	\$ 1,427	\$ 1,375	\$ 1,352	\$ 1,245
Proportionate share of the net pension liability as a percentage of its covered payroll	128.13 %	110.39 %	10.54 %	187.28 %	138.55 %
Plan fiduciary net position as a percentage of the total pension liability	86.10 %	87.12 %	96.76 %	78.62 %	82.57 %
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019

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

Page 2 of 2

County	2019	2018 ^B	2017	2016	2015
Proportion of the net pension liability	87.788 %	86.316 %	86.792 %	89.005 %	89.000 %
Proportionate share of the net pension liability	\$ 1,721,818	\$ 1,838,027	\$ 1,538,375	\$ 1,023,390	\$ 692,793
Covered payroll ^A	\$ 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 %	94.00 %
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 ^A	\$ 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 ^A	\$ 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 %	95.79 %
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 ^A	\$ 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 %	0.10 %
Proportionate share of the net pension liability	\$ 1,821	\$ 2,226	\$ 1,846	\$ 1,059	\$ 693
Covered payroll ^A	\$ 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) Covered payroll represents pensionable compensation for the fiscal year of the measurement period.
- B) In FY 2017-18, there was a reduction in the discount rate from 7.5% to 7.0%.
- C) In FY 2020-21, there was a reduction in the discount rate from 7.0% to 6.75%.

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

Page 1 of 2

Retirement Plan - Schedule of Contributions

County	2024	2023	2022	2021	2020
Contractually required contribution	\$ 335,784	\$ 317,400	\$ 285,039	\$ 264,487	\$ 238,546
Contributions in relation to the contractually required contribution	\$ (335,784)	\$ (317,400)	\$ (285,039)	\$ (264,487)	\$ (238,546)
Covered payroll ^A	\$ 1,107,226	\$ 1,015,886	\$ 931,320	\$ 916,618	\$ 908,171
Contributions as a percentage of covered payroll	30.33 %	31.24 %	30.61 %	28.85 %	26.27 %
Carmichael					
Contractually required contribution	\$ 516	\$ 487	\$ 430	\$ 390	\$ 396
Contributions in relation to the contractually required contribution	\$ (516)	\$ (487)	\$ (430)	\$ (390)	\$ (396)
Covered payroll ^A	\$ 1,514	\$ 1,360	\$ 1,228	\$ 1,156	\$ 1,250
Contributions as a percentage of covered payroll	34.08 %	35.81 %	35.02 %	33.74 %	31.68 %
Mission Oaks					
Contractually required contribution	\$ 466	\$ 472	\$ 421	\$ 333	\$ 372
Contributions in relation to the contractually required contribution	\$ (466)	\$ (472)	\$ (421)	\$ (333)	\$ (372)
Covered payroll ^A	\$ 1,375	\$ 1,329	\$ 1,219	\$ 974	\$ 1,120
Contributions as a percentage of covered payroll	33.89 %	35.52 %	34.54 %	34.19 %	33.21 %
Sunrise					
Contractually required contribution	\$ 1,161	\$ 1,204	\$ 902	\$ 740	\$ 834
Contributions in relation to the contractually required contribution	\$ (1,161)	\$ (1,204)	\$ (902)	\$ (740)	\$ (834)
Covered payroll ^A	\$ 3,586	\$ 3,587	\$ 2,690	\$ 2,299	\$ 2,754
Contributions as a percentage of covered payroll	32.38 %	33.57 %	33.53 %	32.19 %	30.28 %
Component Unit First 5 Commission					
Contractually required contribution	\$ 366	\$ 366	\$ 330	\$ 294	\$ 264
Contributions in relation to the contractually required contribution	\$ (366)	\$ (366)	\$ (330)	\$ (294)	\$ (264)
Covered payroll ^A	\$ 1,582	\$ 1,396	\$ 1,427	\$ 1,375	\$ 1,352
Contributions as a percentage of covered payroll	23.14 %	26.22 %	23.13 %	21.38 %	19.53 %

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

Page 2 of 2

Retirement Plan - Schedule of Contributions

County	2019	2018	2017	2016	2015
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 ^A	\$ 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 %
Carmichael					
Contractually required contribution	\$ 360	\$ 296	\$ 274	\$ 309	\$ 325
Contributions in relation to the contractually required contribution	\$ (360)	\$ (296)	\$ (274)	\$ (309)	\$ (325)
Covered payroll ^A	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Contributions as a percentage of covered payroll	29.06 %	25.90 %	23.26 %	27.15 %	29.00 %
Mission Oaks					
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 ^A	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Contributions as a percentage of covered payroll	30.70 %	27.44 %	97.11 %	28.26 %	30.00 %
Sunrise					
Contractually required contribution	\$ 810	\$ 655	\$ 597	\$ 419	\$ 459
Contributions in relation to the contractually required contribution	\$ (810)	\$ (655)	\$ (597)	\$ (419)	\$ (459)
Covered payroll ^A	\$ 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 %	30.00 %
Component Unit First 5 Commission					
Contractually required contribution	\$ 222	\$ 198	\$ 228	\$ 233	\$ 251
Contributions in relation to the contractually required contribution	\$ (222)	\$ (198)	\$ (228)	\$ (233)	\$ (251)
Covered payroll ^A	\$ 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 %	21.00 %

Notes to Schedule:

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

10 year schedules of annual money-weighted rate of return on pension plan investments can be found in the Schedule of Annual Money-Weighted Rate of Return tables in SCERS separately issued Annual Comprehensive Financial Report (ACFR).

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

Page 1 of 2

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

County	2024 ^C	2023	2022	2021	2020	2019	2018 ^A
Service cost	\$ 7,988	9,833	12,090	9,431	11,949	12,187	12,977
Actual vs. expected experience	(6,086)		(25,182)		(6,957)		
Interest on the total OPEB liability	4,990	3,324	3,784	4,957	7,183	6,378	5,122
Changes in assumptions	7,069	(18,427)	132	18,062	(47,435)	(4,510)	(13,042)
Changes in proportion	231	166	181	(47)	104	263	
Benefit payments	(6,354)	(5,861)	(6,085)	(5,395)	(6,883)	(6,050)	(6,051)
Net change in total OPEB liability	7,838	(10,965)	(15,080)	27,008	(42,039)	8,268	(994)
Total OPEB liability - beginning	135,905	146,870	161,950	134,942	176,981	168,713	169,707
Total OPEB liability - ending	<u>\$ 143,743</u>	<u>135,905</u>	<u>146,870</u>	<u>161,950</u>	<u>134,942</u>	<u>176,981</u>	<u>168,713</u>
Covered-employee payroll	\$ 1,089,417	914,895	893,647	883,579	845,535	765,327	818,852
Total OPEB liability as a percentage of covered-employee payroll	13 %	15 %	16 %	18 %	16 %	23 %	21 %

Carmichael	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 8	10	11	9	10	11	12
Actual vs. expected experience	(33)		(12)		(29)		
Interest on the total OPEB liability	3	2	2	4	7	6	4
Changes in assumptions	8	(15)	(1)	8	(39)	(3)	(8)
Benefit payments	(3)	(10)	(12)	(14)	(10)	(7)	(5)
Net change in total OPEB liability	(17)	(13)	(12)	7	(61)	7	3
Total OPEB liability - beginning	84	97	109	102	163	156	153
Total OPEB liability - ending	<u>\$ 67</u>	<u>84</u>	<u>97</u>	<u>109</u>	<u>102</u>	<u>163</u>	<u>156</u>
Covered-employee payroll	\$ 1,367	993	1,009	1,017	923	1,050	1,039
Total OPEB liability as a percentage of covered-employee payroll	5 %	8 %	10 %	11 %	11 %	16 %	15 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.

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

Page 2 of 2

Mission Oaks	2024	2023	2022	2021	2020	2019	2018 ^A
Service cost	\$ 8	10	13	12	11	11	12
Actual vs. expected experience	(21)		(7)		(20)		
Interest on the total OPEB liability	3	2	2	3	4	4	3
Changes in assumptions	3	(9)	3	6	(25)	(1)	(6)
Benefit payments	(8)	(6)	(4)	(2)	(3)	(9)	(7)
Net change in total OPEB liability	(15)	(3)	7	19	(33)	5	2
Total OPEB liability - beginning	97	100	93	74	107	102	100
Total OPEB liability - ending	<u>\$ 82</u>	<u>97</u>	<u>100</u>	<u>93</u>	<u>74</u>	<u>107</u>	<u>102</u>
Covered-employee payroll	\$ 1,216	1,052	827	949	871	845	1,116
Total OPEB liability as a percentage of covered-employee payroll	7 %	9 %	12 %	10 %	8 %	13 %	9 %
Sunrise	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 24	27	42	36	28	28	29
Actual vs. expected experience	(38)		(58)		(42)		
Interest on the total OPEB liability	6	4	4	6	8	6	4
Changes in assumptions	(3)		(15)	13	(38)	(3)	(2)
Benefit payments	(9)	(6)	(6)	(2)	(8)	(3)	(7)
Net change in total OPEB liability	(20)	25	(33)	53	(52)	28	24
Total OPEB liability - beginning	151	139	172	119	171	143	119
Total OPEB liability - ending	<u>\$ 131</u>	<u>164</u>	<u>139</u>	<u>172</u>	<u>119</u>	<u>171</u>	<u>143</u>
Covered-employee payroll	\$ 1,906	1,460	1,274	1,409	1,720	1,580	2,278
Total OPEB liability as a percentage of covered-employee payroll	7 %	10 %	11 %	12 %	7 %	11 %	6 %
Component Unit First 5 Commission	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 7	8	\$ 13	\$ 10	\$ 14	\$ 13	\$ 15
Actual vs. expected experience	(5)		(29)		7		
Interest on the total OPEB liability	4	3	3	4	(7)	7	5
Changes in assumptions	7	(11)		13	(52)	(4)	(12)
Change in proportion	(4)	(12)	(3)	1	(15)	(5)	
Benefit payments	(5)	(5)	(6)	(5)	(8)	(7)	(6)
Net change in total OPEB liability	4	(17)	(22)	23	(61)	4	2
Total OPEB liability - beginning	105	122	144	121	182	178	176
Total OPEB liability - ending	<u>\$ 109</u>	<u>105</u>	<u>122</u>	<u>144</u>	<u>121</u>	<u>182</u>	<u>178</u>
Covered-employee payroll	\$ 1,047	911	987	998	948	933	1,284
	10 %	12 %	12 %	14 %	13 %	20 %	14 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

C) FY 2023-24 there was a change in methodology for determining the amounts reported on the Covered-employee payroll line.

This page intentionally left blank

ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets:				
Cash and investments	\$ 437,321	31,348	230,401	699,070
Receivables, net of allowance for uncollectibles:				
Billed	14,190		195	14,385
Interest	9,237	635	4,837	14,709
Intergovernmental	27,882		1,515	29,397
Leases	1,430			1,430
Loan receivable from County Successor Agency		49,119		49,119
Loan receivable from City Successor Agency		3,623		3,623
Long-term receivables, other	8,252	28,035	2,965	39,252
Long-term receivable, leases	16,619			16,619
Total assets	<u>\$ 514,931</u>	<u>112,760</u>	<u>239,913</u>	<u>867,604</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Warrants payable	\$ 3,771		286	4,057
Accrued liabilities	24,857	21	3,164	28,042
Intergovernmental payable	17,116		4,056	21,172
Unearned revenues	1,990			1,990
Total liabilities	<u>47,734</u>	<u>21</u>	<u>7,506</u>	<u>55,261</u>
Deferred inflows of resources:				
Deferred inflows relating to unavailable revenues	11,420	52,742	2,965	67,127
Deferred inflows related to leases	17,258			17,258
Total deferred inflows of resources	<u>28,678</u>	<u>52,742</u>	<u>2,965</u>	<u>84,385</u>
Fund balances:				
Restricted	438,519	59,997	229,442	727,958
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 514,931</u>	<u>112,760</u>	<u>239,913</u>	<u>867,604</u>

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ 64,895		3,637	68,532
Use of money and property	24,463	2,894	11,206	38,563
Licenses and permits	71,318			71,318
Intergovernmental	110,129	18,543	19,784	148,456
Charges for sales and services	181,560		40,320	221,880
Fines, forfeitures and penalties	457	14,157	1,995	16,609
Pledged tobacco settlement	13,790			13,790
Miscellaneous	9,810	6	184	10,000
Total revenues	<u>476,422</u>	<u>35,600</u>	<u>77,126</u>	<u>589,148</u>
Expenditures:				
Current:				
General government	66,673			66,673
Public protection	103,589			103,589
Health and sanitation	37,820			37,820
Public ways and facilities	184,720		4,760	189,480
Recreation and culture	25,986			25,986
Education	1,311			1,311
Capital outlay	275		63,773	64,048
Debt service:				
Principal	1,321	164,920		166,241
Interest and fiscal charges	301	48,304		48,605
Total expenditures	<u>421,996</u>	<u>213,224</u>	<u>68,533</u>	<u>703,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,426</u>	<u>(177,624)</u>	<u>8,593</u>	<u>(114,605)</u>
Other financing sources (uses):				
Transfers in	17,920	165,026	6,757	189,703
Transfers out	(26,809)	(13,041)	(356)	(40,206)
Issuance of long-term debt	132	29,876		30,008
Total other financing sources (uses)	<u>(8,757)</u>	<u>181,861</u>	<u>6,401</u>	<u>179,505</u>
Changes in fund balances	45,669	4,237	14,994	64,900
Fund balances - beginning	392,850	55,760	214,448	663,058
Fund balances - ending	<u>\$ 438,519</u>	<u>59,997</u>	<u>229,442</u>	<u>727,958</u>

ANNUAL COMPREHENSIVE 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.

Solid Waste Commercial Program - Accounts for the regulation of commercial solid waste and recycling collection by franchised haulers within the incorporated areas of the County of Sacramento based on ordinances approved by the County Board of Supervisors and funded by commercial franchise fees.

County Library - Accounts for capital maintenance and related costs at Sacramento County-owned Sacramento Public Library branches.

Transportation Sales Tax - Accounts for the public road improvements in the unincorporated area of the County that are funded from Measure A Transportation Sales Tax.

Building Inspection - Accounts for building inspection and code enforcement services to the unincorporated area of the County and is subject to Proposition 218 requirements. Proposition 218 prohibits property related fees from exceeding costs of services provided and the fees from the revenues shall not be used for any purpose other than that for which the fee was imposed.

Fixed Asset Revolving - Provides funding for payment of fixed asset debt service in accordance with the requirements of the financing documents.

Lighting and Landscape Maintenance Districts - As a blended component unit of the County, provides funding to plan, design, construct and maintain street and highway safety lighting facilities along streets and intersections in the unincorporated area of the County and provides funding for the maintenance of approximately 2 million square feet of landscaped corridors, medians and open spaces that exist throughout the County and is financed by service charges through direct levy subject to Proposition 218 requirements.

Park Districts and Park Service Areas - As a blended component unit of the County, accounts for the operation of three Board of Supervisors-governed park districts and for administrative and program assistance provided by the Department of Parks and Recreation to County Service Area Four and County Service Area No. 10.

Water Agencies - As a blended component unit of the County, consists of various zones created to provide specialized services within specific geographic areas and is subject to Proposition 218 requirements.

Stormwater Utility Program - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region subject to Proposition 218 requirements.

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

SPECIAL REVENUE FUNDS

Economic Development - Oversees and is responsible for economic development matters within the County including the operation of the County's Business Environmental Resource Center (BERC), activities related to the redevelopment of the former McClellan and Mather air force bases and marketing efforts of the County. The department also engages in more general economic development and job creation programs.

Roadways - Provides financing for public road improvements within several geographical districts in response to land use decisions, population growth and anticipated future development. Development fees provide the funding for the improvements and are charged when commercial and residential building permits are approved.

Tobacco Securitization Authority of Northern California - As a blended component unit of the County, accounts for revenues and expenditures associated with the Authority, including activities such as the collection of tobacco settlement revenues, administration of bond debt and proceeds and the transferring of funds to the Tobacco Litigation Settlement debt service fund necessary to make required debt service payments.

Environmental Management - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials funded through permits, licenses, registration, fees and penalties.

Jail Industry - Used for the operation or expansion of the jail industry program or to cover operating of county detention facilities.

Sacramento County Groundwater Sustainability Agency (SCGSA) - Fee revenues from SCGSA are used to support the JPA Groundwater Sustainability Agency's (GSA) groundwater sustainability program, administration costs, implementation of Groundwater Sustainability Plan, projects and management actions.

Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (Metro Airpark EIFD) - As a blended component unit of the County, accounts for revenues and expenditures with the EIFD to facilitate economic growth throughout the Metro Air Park region and to support the growth of economic activity within the Metro Airpark EIFD.

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

Fish and Game Propagation - Accounts for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Recreation and Park Commission makes annual recommendations to the Board of Supervisors regarding expenditures within this fund.

In-Home Support Services Authority - Established via Sacramento County Code 2.97 in accordance with the state mandate established in WIC 12301.6 which requires assistance to recipients in finding in-home supportive services personnel through the establishment of a registry, investigation of potential personnel, establishes a referral system, provides training for providers and recipients and performs any other functions related to the delivery of in-home supportive services, funded by State Realignment and Federal reimbursements.

Mather Landscape Maintenance Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Mather Public Facilities Financing Plan (PFFP) - Provides portions of the major public infrastructure roadway facilities for the Mather area, funded by development impact fees.

Gold River Station #7 Landscape Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Natomas Fire District - Funds the provision of fire protection services in the Natomas area from property taxes.

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 1 of 4

	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
Assets:					
Cash and investments	\$ 149,439	8,604	89	8,987	19,866
Receivables, net of allowance for uncollectibles:					
Billed	5,003				2,381
Interest	3,266	216	5	177	494
Intergovernmental	16,331			4,801	13
Leases					
Long-term receivables, other					
Long-term receivable, leases					
Total assets	\$ 174,039	8,820	94	13,965	22,754
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$ 1,532	44		626	122
Accrued liabilities	10,945	44		601	1,530
Intergovernmental payable	465	8		6,596	2,308
Unearned revenues	963				417
Total liabilities	13,905	96		7,823	4,377
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	2,490			190	21
Deferred inflows related to leases					
Total deferred inflows of resources	2,490			190	21
Fund balances:					
Restricted	157,644	8,724	94	5,406	18,356
Total liabilities, deferred inflows of resources, and fund balances	\$ 174,039	8,820	94	13,419	22,754

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 2 of 4

	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Assets:					
Cash and investments	\$	5,047	26,859	50,930	18,586
Receivables, net of allowance for uncollectibles:					
Billed		27	724		2,417
Interest		105	321	1,189	399
Intergovernmental			397		15
Leases			1,402		
Long-term receivables, other			89	139	
Long-term receivable, leases			16,619		
Total assets	\$	5,179	46,411	52,258	21,417
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$	17	313	103	166
Accrued liabilities		17	586	257	1,762
Intergovernmental payable			4,663		51
Unearned revenues			610		
Total liabilities		34	6,172	360	1,979
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues			198	139	
Deferred inflows related to leases			17,230		
Total deferred inflows of resources			17,428	139	
Fund balances:					
Restricted		5,145	22,811	51,759	19,438
Total liabilities, deferred inflows of resources, and fund balances	\$	5,179	46,411	52,258	21,417

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 3 of 4

	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Assets:					
Cash and investments	\$ 16,796	46,565	65,265	500	12,187
Receivables, net of allowance for uncollectibles:					
Billed	273	1,787	132		1,445
Interest	415	698	1,517		265
Intergovernmental		23	5,232		512
Leases		28			
Long-term receivables, other			1,129	6,895	
Long-term receivable, leases					
Total assets	\$ 17,484	49,101	73,275	7,395	14,409
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$ 16	201			379
Accrued liabilities	1,171	3,245	1,538	44	787
Intergovernmental payable	2,154	658			104
Unearned revenues					
Total liabilities	3,341	4,104	1,538	44	1,270
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues			1,129	6,895	358
Deferred inflows related to leases		28			
Total deferred inflows of resources		28	1,129	6,895	
Fund balances:					
Restricted	14,143	44,969	70,608	456	12,781
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,484	49,101	73,275	7,395	14,409

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Metro Air Park EIFD	Other	Total
Assets:					
Cash and investments	\$ 369	21	1,856	5,355	437,321
Receivables, net of allowance for uncollectibles:					
Billed				1	14,190
Interest	8		17	145	9,237
Intergovernmental				558	27,882
Leases					1,430
Long-term receivables, other					8,252
Long-term receivable, leases					16,619
Total assets	\$ 377	21	1,873	6,059	514,931
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$ 24	19		209	3,771
Accrued liabilities	15		1,700	615	24,857
Intergovernmental payable				109	17,116
Unearned revenues					1,990
Total liabilities	39	19	1,700	933	47,734
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues					11,420
Deferred inflows related to leases					17,258
Total deferred inflows of resources					28,678
Fund balances:					
Restricted	338	2	173	5,126	437,973
Total liabilities, deferred inflows of resources, and fund balances	\$ 377	21	1,873	6,059	514,385

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, 2024
(amounts expressed in thousands)

Page 1 of 4

	Road	Solid Waste Commercial Program	County Library	Transportation Sales Tax	Building Inspection
Revenues:					
Taxes	\$ 1,398			33,795	
Use of money and property	6,585	421	6	443	477
Licenses and permits	1,568	4,757			22,220
Intergovernmental	80,877		1,285	3,714	53
Charges for sales and services	65,694				59,971
Fines, forfeitures and penalties	166	187			91
Pledged tobacco settlement					
Miscellaneous	752	1,034			391
Total revenues	<u>157,040</u>	<u>6,399</u>	<u>1,291</u>	<u>37,952</u>	<u>83,203</u>
Expenditures:					
Current:					
General government					
Public protection					82,792
Health and sanitation		4,210			
Public ways and facilities	138,173			39,172	
Recreation and culture					
Education			1,311		
Capital outlay					
Debt service:					
Principal		45			262
Interest and fiscal charges		1			
Total expenditures	<u>138,173</u>	<u>4,256</u>	<u>1,311</u>	<u>39,172</u>	<u>83,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,867</u>	<u>2,143</u>	<u>(20)</u>	<u>(1,220)</u>	<u>149</u>
Other financing sources (uses):					
Transfers in	15,815				197
Transfers out	(2,498)	(526)			(2,170)
Issuance of long-term debt					
Total other financing sources (uses)	<u>13,317</u>	<u>(526)</u>			<u>(1,973)</u>
Changes in fund balances	32,184	1,617	(20)	(1,220)	(1,824)
Fund balances - beginning	125,460	7,107	114	7,172	20,180
Fund balances - ending	<u>\$ 157,644</u>	<u>8,724</u>	<u>94</u>	<u>5,952</u>	<u>18,356</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, 2024
(amounts expressed in thousands)

Page 2 of 4

	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Revenues:					
Taxes	\$	795	14,032		8,693
Use of money and property		213	5,535	2,418	865
Licenses and permits				6,670	
Intergovernmental		6	2,789	269	1,650
Charges for sales and services	3,831	2,780	2,535	4,535	26,895
Fines, forfeitures and penalties			1		2
Pledged tobacco settlement					
Miscellaneous		5	2,015		25
Total revenues	<u>3,831</u>	<u>3,799</u>	<u>26,907</u>	<u>13,892</u>	<u>38,130</u>
Expenditures:					
Current:					
General government		3,987			39,821
Public protection					
Health and sanitation				9,374	
Public ways and facilities					
Recreation and culture			25,976		
Education					
Capital outlay					
Debt service:					
Principal			311		
Interest and fiscal charges			156		
Total expenditures		<u>3,987</u>	<u>26,443</u>	<u>9,374</u>	<u>39,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,831</u>	<u>(188)</u>	<u>464</u>	<u>4,518</u>	<u>(1,691)</u>
Other financing sources (uses):					
Transfers in		554		355	300
Transfers out	(3,831)				(1,325)
Issuance of long-term debt			132		
Total other financing sources (uses)	<u>(3,831)</u>	<u>554</u>	<u>132</u>	<u>355</u>	<u>(1,025)</u>
Changes in fund balances		366	596	4,873	(2,716)
Fund balances - beginning		4,779	22,215	46,886	22,154
Fund balances - ending	<u>\$</u>	<u>5,145</u>	<u>22,811</u>	<u>51,759</u>	<u>19,438</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, 2024
(amounts expressed in thousands)

Page 3 of 4

	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Revenues:					
Taxes	\$				
Use of money and property	1,616	1,947	3,037	31	539
Licenses and permits		164	15,978		14,200
Intergovernmental		12,291	3		4,825
Charges for sales and services	8,919	4,936			966
Fines, forfeitures and penalties					
Pledged tobacco settlement				13,790	
Miscellaneous	179	595	1,102		2,771
Total revenues	<u>10,714</u>	<u>19,933</u>	<u>20,120</u>	<u>13,821</u>	<u>23,301</u>
Expenditures:					
Current:					
General government		22,628			
Public protection	12,623				
Health and sanitation				221	20,788
Public ways and facilities			7,366		
Recreation and culture					
Education					
Capital outlay					
Debt service:					
Principal		20			683
Interest and fiscal charges					144
Total expenditures	<u>12,623</u>	<u>22,648</u>	<u>7,366</u>	<u>221</u>	<u>21,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,909)</u>	<u>(2,715)</u>	<u>12,754</u>	<u>13,600</u>	<u>1,686</u>
Other financing sources (uses):					
Transfers in		383			316
Transfers out		(358)		(13,678)	(935)
Issuance of long-term debt					
Total other financing sources (uses)		<u>25</u>		<u>(13,678)</u>	<u>(619)</u>
Changes in fund balances	(1,909)	(2,690)	12,754	(78)	1,067
Fund balances - beginning	16,052	47,659	57,854	534	11,714
Fund balances - ending	<u>\$ 14,143</u>	<u>44,969</u>	<u>70,608</u>	<u>456</u>	<u>12,781</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, 2024
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Metro Air Park EIFD	Other	Total
Revenues:					
Taxes	\$ 16		1,847	4,319	64,895
Use of money and property	16	1	24	289	24,463
Licenses and permits				5,761	71,318
Intergovernmental			5	2,362	110,129
Charges for sales and services	225	55		218	181,560
Fines, forfeitures and penalties				10	457
Pledged tobacco settlement					13,790
Miscellaneous				941	9,810
Total revenues	257	56	1,876	13,900	476,422
Expenditures:					
Current:					
General government				237	66,673
Public protection	248			7,926	103,589
Health and sanitation				3,227	37,820
Public ways and facilities				9	184,720
Recreation and culture				10	25,986
Education					1,311
Capital outlay		60	215		275
Debt service:					
Principal					1,321
Interest and fiscal charges					301
Total expenditures	248	60	215	11,409	421,996
Excess (deficiency) of revenues over (under) expenditures	9	(4)	1,661	2,491	54,426
Other financing sources (uses):					
Transfers in					17,920
Transfers out			(1,488)		(26,809)
Issuance of long-term debt					132
Total other financing sources (uses)					(8,757)
Changes in fund balances	9	(4)	173	2,491	45,669
Fund balances - beginning	329	6		2,635	392,850
Fund balances - ending	\$ 338	2	173	5,126	438,519

**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, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 1,195	1,357	1,398	41
Use of money and property	616	616	6,585	5,969
Licenses and permits	1,637	1,637	1,568	(69)
Intergovernmental	97,485	97,520	80,877	(16,643)
Charges for sales and services	67,408	64,920	65,694	774
Fines, forfeitures and penalties	12	12	166	154
Miscellaneous	663	878	752	(126)
Total revenues	<u>169,016</u>	<u>166,940</u>	<u>157,040</u>	<u>(9,900)</u>
Expenditures:				
Current:				
Public ways and facilities	265,888	293,455	138,173	155,282
Excess (deficiency) of revenues over (under) expenditures	<u>(96,872)</u>	<u>(126,515)</u>	<u>18,867</u>	<u>145,382</u>
Other financing sources (uses):				
Transfers in	15,815	15,815	15,815	
Transfers out	(2,498)	(2,498)	(2,498)	
Total other financing sources (uses)	<u>13,317</u>	<u>13,317</u>	<u>13,317</u>	
Changes in fund balance	(83,555)	(113,198)	32,184	145,382
Fund balance - beginning	125,460	125,460	125,460	
Fund balance - ending	<u>\$ 41,905</u>	<u>12,262</u>	<u>157,644</u>	<u>145,382</u>

COUNTY OF SACRAMENTO
SOLID WASTE COMMERCIAL PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		421	421
Licenses and permits	4,600	4,600	4,757	157
Fines, forfeitures and penalties	41	41	187	146
Miscellaneous	<u>175</u>	<u>175</u>	<u>1,034</u>	<u>859</u>
Total revenues	<u>4,816</u>	<u>4,816</u>	<u>6,399</u>	<u>1,583</u>
Expenditures:				
Current:				
Health and sanitation	5,313	5,313	4,210	1,103
Debt service				
Principal	45	45	45	
Interest and fiscal charges	<u>1</u>	<u>1</u>	<u>1</u>	
Total expenditures	<u>5,359</u>	<u>5,359</u>	<u>4,256</u>	<u>1,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(543)</u>	<u>(543)</u>	<u>2,143</u>	<u>2,686</u>
Other financing uses:				
Transfers out	<u>(526)</u>	<u>(526)</u>	<u>(526)</u>	
Changes in fund balance	(1,069)	(1,069)	1,617	2,686
Fund balance - beginning	<u>7,107</u>	<u>7,107</u>	<u>7,107</u>	
Fund balance - ending	<u>\$ 6,038</u>	<u>6,038</u>	<u>8,724</u>	<u>2,686</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, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 2	2	6	4
Intergovernmental	<u>1,285</u>	<u>1,285</u>	<u>1,285</u>	
Total revenues	<u>1,287</u>	<u>1,287</u>	<u>1,291</u>	<u>4</u>
Expenditures:				
Current:				
Education	<u>1,338</u>	<u>1,399</u>	<u>1,311</u>	<u>88</u>
Changes in fund balance	(51)	(112)	(20)	92
Fund balance - beginning	<u>114</u>	<u>114</u>	<u>114</u>	
Fund balance - ending	<u>\$ 63</u>	<u>2</u>	<u>94</u>	<u>92</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 39,859	39,978	33,795	(6,183)
Use of money and property	53	799	443	(356)
Intergovernmental	<u>10,716</u>	<u>12,068</u>	<u>3,714</u>	<u>(8,354)</u>
Total revenues	<u>50,628</u>	<u>52,845</u>	<u>37,952</u>	<u>(14,893)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>52,392</u>	<u>54,951</u>	<u>39,172</u>	<u>15,779</u>
Changes in fund balance	(1,764)	(2,106)	(1,220)	886
Fund balance - beginning	<u>7,172</u>	<u>7,172</u>	<u>7,172</u>	<u>7,172</u>
Fund balance - ending	<u>\$ 5,408</u>	<u>5,066</u>	<u>5,952</u>	<u>886</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 31	31	477	446
Licenses and permits	20,188	21,144	22,220	1,076
Intergovernmental	50	50	53	3
Charges for sales and services	72,757	72,580	59,971	(12,609)
Fines, forfeitures and penalties	53	53	91	38
Miscellaneous	396	396	391	(5)
Total revenues	<u>93,475</u>	<u>94,254</u>	<u>83,203</u>	<u>(11,051)</u>
Expenditures:				
Current:				
Public protection	98,707	99,080	82,792	16,288
Debt service:				
Principal	262	262	262	
Total expenditures	<u>98,969</u>	<u>99,342</u>	<u>83,054</u>	<u>16,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,494)</u>	<u>(5,088)</u>	<u>149</u>	<u>5,237</u>
Other financing sources (uses):				
Transfers in	197	197	197	
Transfers out	(2,170)	(2,170)	(2,170)	
Total other financing sources (uses)	<u>(1,973)</u>	<u>(1,973)</u>	<u>(1,973)</u>	
Changes in fund balance	(7,467)	(7,061)	(1,824)	5,237
Fund balance - beginning	20,180	20,180	20,180	
Fund balance - ending	<u>\$ 12,713</u>	<u>13,119</u>	<u>18,356</u>	<u>5,237</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for sales and services	\$ 3,831	3,831	3,831	
Expenditures:				
Excess of revenues over expenditures	3,831	3,831	3,831	
Other financing uses:				
Transfers out	(3,831)	(3,831)	(3,831)	
Changes in fund balance				
Fund balance - beginning				
Fund balance - ending	\$			

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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 607	607	795	188
Use of money and property	22	22	213	191
Intergovernmental	5	5	6	1
Charges for sales and services	2,743	2,743	2,780	37
Miscellaneous	<u>2</u>	<u>2</u>	<u>5</u>	<u>3</u>
Total revenues	<u>3,379</u>	<u>3,379</u>	<u>3,799</u>	<u>420</u>
Expenditures:				
Current:				
General government	<u>4,565</u>	<u>4,694</u>	<u>3,987</u>	<u>707</u>
Deficiency of revenues under expenditures	<u>(1,186)</u>	<u>(1,315)</u>	<u>(188)</u>	<u>1,127</u>
Other financing sources:				
Transfers in	<u>554</u>	<u>554</u>	<u>554</u>	
Changes in fund balance	(632)	(761)	366	1,127
Fund balance - beginning	<u>4,779</u>	<u>4,779</u>	<u>4,779</u>	
Fund balance - ending	<u>\$ 4,147</u>	<u>4,018</u>	<u>5,145</u>	<u>1,127</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 13,721	13,802	14,032	230
Use of money and property	2,355	2,448	5,535	3,087
Intergovernmental	2,456	4,139	2,789	(1,350)
Charges for sales and services	5,852	5,714	2,535	(3,179)
Fines, forfeitures and penalties	1	1	1	
Miscellaneous	1,178	1,329	2,015	686
Total revenues	<u>25,563</u>	<u>27,433</u>	<u>26,907</u>	<u>(526)</u>
Expenditures:				
Current:				
Recreation and culture	39,279	43,697	25,976	17,721
Debt Service:				
Principal	311	311	311	
Interest and fiscal charges	156	156	156	
Total expenditures	<u>39,746</u>	<u>44,164</u>	<u>26,443</u>	<u>17,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,183)</u>	<u>(16,731)</u>	<u>464</u>	<u>17,195</u>
Other financing sources:				
Issuance of long-term debt	<u>132</u>	<u>132</u>	<u>132</u>	
Changes in fund balance	(14,051)	(16,599)	596	17,195
Fund balance - beginning	<u>22,215</u>	<u>22,215</u>	<u>22,215</u>	
Fund balance - ending	<u>\$ 8,164</u>	<u>5,616</u>	<u>22,811</u>	<u>17,195</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 263	263	2,418	2,155
Licenses and permits	4,889	4,889	6,670	1,781
Intergovernmental	344	227	269	42
Charges for sales and services	8,888	11,301	4,535	(6,766)
Total revenues	<u>14,384</u>	<u>16,680</u>	<u>13,892</u>	<u>(2,788)</u>
Expenditures:				
Current:				
Health and sanitation	<u>22,866</u>	<u>28,614</u>	<u>9,374</u>	<u>19,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,482)</u>	<u>(11,934)</u>	<u>4,518</u>	<u>16,452</u>
Other financing sources:				
Transfers in	<u>355</u>	<u>355</u>	<u>355</u>	<u></u>
Changes in fund balance	(8,127)	(11,579)	4,873	16,452
Fund balance - beginning	<u>46,886</u>	<u>46,886</u>	<u>46,886</u>	<u></u>
Fund balance - ending	<u>\$ 38,759</u>	<u>35,307</u>	<u>51,759</u>	<u>16,452</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 7,973	7,973	8,693	720
Use of money and property	80	80	865	785
Intergovernmental	2,532	2,099	1,650	(449)
Charges for sales and services	27,914	27,814	26,895	(919)
Fines, forfeitures and penalties	2	2	2	
Miscellaneous	5	5	25	20
Total revenues	<u>38,506</u>	<u>37,973</u>	<u>38,130</u>	<u>157</u>
Expenditures:				
Current:				
General government	<u>45,295</u>	<u>49,415</u>	<u>39,821</u>	<u>9,594</u>
Deficiency of revenues under expenditures	<u>(6,789)</u>	<u>(11,442)</u>	<u>(1,691)</u>	<u>9,751</u>
Other financing sources (uses):				
Transfers in	300	300	300	
Transfers out	<u>(1,325)</u>	<u>(1,325)</u>	<u>(1,325)</u>	
Total other financing sources (uses)	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>	
Changes in fund balance	(7,814)	(12,467)	(2,716)	9,751
Fund balance - beginning	<u>22,154</u>	<u>22,154</u>	<u>22,154</u>	
Fund balance - ending	<u>\$ 14,340</u>	<u>9,687</u>	<u>19,438</u>	<u>9,751</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 715	715	1,947	1,232
Licenses and permits	33	33	164	131
Intergovernmental	12,188	20,934	12,291	(8,643)
Charges for sales and services	3,985	3,985	4,936	951
Miscellaneous	700	700	595	(105)
Total revenues	<u>17,621</u>	<u>26,367</u>	<u>19,933</u>	<u>(6,434)</u>
Expenditures:				
Current:				
General government	58,542	68,442	22,628	45,814
Debt service:				
Principal	20	20	20	
Total expenditures	<u>58,562</u>	<u>68,462</u>	<u>22,648</u>	<u>45,814</u>
Deficiency of revenues under expenditures	<u>(40,941)</u>	<u>(42,095)</u>	<u>(2,715)</u>	<u>39,380</u>
Other financing sources (uses):				
Transfers in	383	383	383	
Transfers out	(358)	(358)	(358)	
Total other financing sources (uses)	<u>25</u>	<u>25</u>	<u>25</u>	
Changes in fund balance	(40,916)	(42,070)	(2,690)	39,380
Fund balance - beginning	47,659	47,659	47,659	
Fund balance - ending	<u>\$ 6,743</u>	<u>5,589</u>	<u>44,969</u>	<u>39,380</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 277	277	3,037	2,760
Licenses and permits	13,341	13,341	15,978	2,637
Intergovernmental	49	49	3	(46)
Miscellaneous	400	400	1,102	702
Total revenues	<u>14,067</u>	<u>14,067</u>	<u>20,120</u>	<u>6,053</u>
Expenditures:				
Current:				
Public ways and facilities	14,873	14,931	7,366	7,565
Changes in fund balance	(806)	(864)	12,754	13,618
Fund balance - beginning	57,854	57,854	57,854	
Fund balance - ending	<u>\$ 57,048</u>	<u>56,990</u>	<u>70,608</u>	<u>13,618</u>

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY OF NORTHERN CALIFORNIA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		31	31
Pledged tobacco settlement			13,790	13,790
Total revenues			<u>13,821</u>	<u>13,821</u>
Expenditures:				
Current:				
Health and sanitation	228	228	221	7
Excess (deficiency) of revenues over (under) expenditures	<u>(228)</u>	<u>(228)</u>	<u>13,600</u>	<u>13,828</u>
Other financing uses:				
Transfers out			(13,678)	(13,678)
Changes in fund balance	(228)	(228)	(78)	150
Fund balance - beginning	534	534	534	
Fund balance - ending	<u>\$ 306</u>	<u>306</u>	<u>456</u>	<u>150</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 44	44	539	495
Licenses and permits	13,294	13,294	14,200	906
Intergovernmental	5,579	5,580	4,825	(755)
Charges for sales and services	785	785	966	181
Miscellaneous	<u>1,077</u>	<u>1,077</u>	<u>2,771</u>	<u>1,694</u>
Total revenues	<u>20,779</u>	<u>20,780</u>	<u>23,301</u>	<u>2,521</u>
Expenditures:				
Current:				
Health and sanitation	22,440	22,451	20,788	1,663
Debt service:				
Principal	683	683	683	
Interest and fiscal charges	<u>144</u>	<u>144</u>	<u>144</u>	
Total expenditures	<u>23,267</u>	<u>23,278</u>	<u>21,615</u>	<u>1,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,488)</u>	<u>(2,498)</u>	<u>1,686</u>	<u>4,184</u>
Other financing sources (uses):				
Transfers in	316	316	316	
Transfers out	<u>(935)</u>	<u>(935)</u>	<u>(935)</u>	
Total other financing sources (uses)	<u>(619)</u>	<u>(619)</u>	<u>(619)</u>	
Changes in fund balance	(3,107)	(3,117)	1,067	4,184
Fund balance - beginning	<u>11,714</u>	<u>11,714</u>	<u>11,714</u>	
Fund balance - ending	<u>\$ 8,607</u>	<u>8,597</u>	<u>12,781</u>	<u>4,184</u>

COUNTY OF SACRAMENTO
JAIL INDUSTRY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 4	4	16	12
Use of money and property	1	1	16	15
Charges for sales and services	<u>428</u>	<u>214</u>	<u>225</u>	<u>11</u>
Total revenues	<u>433</u>	<u>219</u>	<u>257</u>	<u>38</u>
Expenditures:				
Current:				
Public protection	<u>300</u>	<u>312</u>	<u>248</u>	<u>64</u>
Changes in fund balance	133	(93)	9	102
Fund balance - beginning	<u>329</u>	<u>329</u>	<u>329</u>	<u></u>
Fund balance - ending	<u>\$ 462</u>	<u>236</u>	<u>338</u>	<u>102</u>

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY GROUNDWATER SUSTAINABILITY AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		1	1
Charges for sales and services	<u>69</u>	<u>64</u>	<u>55</u>	<u>(9)</u>
Total revenues	<u>69</u>	<u>64</u>	<u>56</u>	<u>(8)</u>
Expenditures:				
Capital outlay	<u>70</u>	<u>70</u>	<u>60</u>	<u>10</u>
Changes in fund balance	(1)	(6)	(4)	2
Fund balance - beginning	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Fund balance - ending	<u>\$ 5</u>	<u>6</u>	<u>2</u>	<u>2</u>

**COUNTY OF SACRAMENTO
METRO AIR PARK ENHANCED INFRASTRUCTURE
FINANCING DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$	1,800	1,847	47
Use of money and property			24	24
Intergovernmental			5	5
Total revenues		<u>1,800</u>	<u>1,876</u>	<u>76</u>
Expenditures:				
Capital outlay		<u>312</u>	<u>215</u>	<u>97</u>
Excess of revenues over expenditures		<u>1,488</u>	<u>1,661</u>	<u>173</u>
Other financing uses:				
Transfers out		<u>(1,488)</u>	<u>(1,488)</u>	
Net change in fund balances			173	173
Fund balance - beginning				
Fund balance - ending	\$		<u>173</u>	<u>173</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, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 3,919	3,919	4,319	400
Use of money and property	15	15	289	274
Licenses and permits	3,500	3,422	5,761	2,339
Intergovernmental	2,291	2,492	2,362	(130)
Charges for sales and services	62	62	218	156
Fines, forfeitures and penalties	9	9	10	1
Miscellaneous	875	1,100	941	(159)
Total revenues	<u>10,671</u>	<u>11,019</u>	<u>13,900</u>	<u>2,881</u>
Expenditures:				
Current:				
General government	588	594	237	357
Public protection	7,499	7,954	7,926	28
Health and sanitation	3,346	3,715	3,227	488
Public ways and facilities	772	806	9	797
Recreation and culture	9	15	10	5
Total expenditures	<u>12,214</u>	<u>13,084</u>	<u>11,409</u>	<u>1,675</u>
Changes in fund balance	(1,543)	(2,065)	2,491	4,556
Fund balance - beginning	<u>2,635</u>	<u>2,635</u>	<u>2,635</u>	
Fund balance - ending	<u>\$ 1,092</u>	<u>570</u>	<u>5,126</u>	<u>4,556</u>

ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Public Facilities Financing Corporation - Services the debt associated with the Public Facilities Financing Corporation's Juvenile Courthouse, the 2018 and 2020 Public Facilities Financing funds.

Pension Obligation Bonds - Services the debt related to Pension Obligation Bonds issued to pay off the unfunded pension liability the County owed the Sacramento County Employees' Retirement System.

Teeter Plan - Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the "Teeter Plan."

Tobacco Securitization Authority of Northern California - Established in FY 2001-02 to account for the principal and interest payments on the Authority's Tobacco Settlement Revenue Bonds and the receipt of funds from the General Fund necessary to meet annual debt service requirements.

Sacramento County Public Financing Authority - Established in FY 2003-04 to service debt associated with housing and redevelopment projects throughout Sacramento County.

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Public Facilities Financing Corporation</u>					Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
	Juvenile Courthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds	Teeter Plan			
Assets:								
Cash and investments	\$ 2,566	483	3,053	2,268	3,537	12,896	6,545	31,348
Receivables:								
Interest	85	65	25	445	15			635
Loan receivable from County Successor Agency							49,119	49,119
Loan receivable from City Successor Agency							3,623	3,623
Long-term receivables, other					28,035			28,035
Total assets	<u>\$ 2,651</u>	<u>548</u>	<u>3,078</u>	<u>2,713</u>	<u>31,587</u>	<u>12,896</u>	<u>59,287</u>	<u>112,760</u>
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accrued liabilities				21				21
Deferred inflows of resources:								
Deferred inflows relating to unavailable revenues							52,742	52,742
Fund balances:								
Restricted	2,651	548	3,078	2,692	31,587	12,896	6,545	59,997
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,651</u>	<u>548</u>	<u>3,078</u>	<u>2,713</u>	<u>31,587</u>	<u>12,896</u>	<u>59,287</u>	<u>112,760</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, 2024
(amounts expressed in thousands)

	<u>Public Facilities Financing Corporations</u>				Pension Obligation Bonds	Teeter Plan	Tobacco	Sacramento	Total
	Juvenile Courthouse	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Public Pension			Securitization Authority of Northern California	County Public Financing Authority	
Revenues:									
Use of money and property	\$ 180	164	197	1,620	47	686			2,894
Intergovernmental				12,280			6,263		18,543
Fines, forfeitures and penalties					14,157				14,157
Miscellaneous				6					6
Total revenues	180	164	197	13,906	14,204	686	6,263		35,600
Expenditures:									
Debt service:									
Principal	1,295	6,725	2,700	117,785	24,115	8,975	3,325		164,920
Interest and fiscal charges	1,022	3,164	1,279	33,233	1,085	5,564	2,957		48,304
Total expenditures	2,317	9,889	3,979	151,018	25,200	14,539	6,282		213,224
Deficiency of revenues under expenditures	(2,137)	(9,725)	(3,782)	(137,112)	(10,996)	(13,853)	(19)		(177,624)
Other financing sources (uses):									
Transfers in	2,250	9,802	3,831	135,465		13,678			165,026
Transfers out					(13,041)				(13,041)
Issuance of long-term debt					29,876				29,876
Total other financing sources (uses)	2,250	9,802	3,831	135,465	16,835	13,678			181,861
Changes in fund balances	113	77	49	(1,647)	5,839	(175)	(19)		4,237
Fund balances - beginning	2,538	471	3,029	4,339	25,748	13,071	6,564		55,760
Fund balances - ending	\$ 2,651	548	3,078	2,692	31,587	12,896	6,545		59,997

**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, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		180	180
Expenditures:				
Debt service:				
Principal	1,295	1,295	1,295	
Interest and fiscal charges	1,171	1,235	1,022	213
Total expenditures	<u>2,466</u>	<u>2,530</u>	<u>2,317</u>	<u>213</u>
Deficiency of revenues under expenditures	<u>(2,466)</u>	<u>(2,530)</u>	<u>(2,137)</u>	<u>393</u>
Other financing sources:				
Transfers in	<u>2,250</u>	<u>2,250</u>	<u>2,250</u>	
Changes in fund balance	(216)	(280)	113	393
Fund balance - beginning	<u>2,538</u>	<u>2,538</u>	<u>2,538</u>	
Fund balance - ending	<u>\$ 2,322</u>	<u>2,258</u>	<u>2,651</u>	<u>393</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, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		164	164
Expenditures:				
Debt service:				
Principal	6,725	6,725	6,725	
Interest and fiscal charges	3,433	3,548	3,164	384
Total expenditures	<u>10,158</u>	<u>10,273</u>	<u>9,889</u>	<u>384</u>
Deficiency of revenues under expenditures	<u>(10,158)</u>	<u>(10,273)</u>	<u>(9,725)</u>	<u>548</u>
Other financing sources:				
Transfers in	<u>9,802</u>	<u>9,802</u>	<u>9,802</u>	
Changes in fund balance	(356)	(471)	77	548
Fund balance - beginning	<u>471</u>	<u>471</u>	<u>471</u>	
Fund balance - ending	<u>\$ 115</u>	<u></u>	<u>548</u>	<u>548</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2020 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ _____	_____	_____ 197	_____ 197
Expenditures:				
Debt Service				
Principal	2,700	2,700	2,700	
Interest and fiscal charges	<u>1,345</u>	<u>1,453</u>	<u>1,279</u>	<u>174</u>
Total expenditures	<u>4,045</u>	<u>4,153</u>	<u>3,979</u>	<u>174</u>
Deficiency of revenues under expenditures	<u>(4,045)</u>	<u>(4,153)</u>	<u>(3,782)</u>	<u>371</u>
Other financing sources:				
Transfers in	<u>3,831</u>	<u>3,831</u>	<u>3,831</u>	_____
Changes in fund balance	(214)	(322)	49	371
Fund balance - beginning	<u>3,029</u>	<u>3,029</u>	<u>3,029</u>	_____
Fund balance - ending	<u>\$ 2,815</u>	<u>2,707</u>	<u>3,078</u>	<u>371</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 16,340	13,675	1,620	(12,055)
Intergovernmental			12,280	12,280
Miscellaneous			6	6
Total revenues	<u>16,340</u>	<u>13,675</u>	<u>13,906</u>	<u>231</u>
Expenditures:				
Debt service:				
Principal	117,380	117,785	117,785	
Interest and fiscal charges	<u>36,693</u>	<u>35,694</u>	<u>33,233</u>	<u>2,461</u>
Total expenditures	<u>154,073</u>	<u>153,479</u>	<u>151,018</u>	<u>2,461</u>
Deficiency of revenues under expenditures	<u>(137,733)</u>	<u>(139,804)</u>	<u>(137,112)</u>	<u>2,692</u>
Other financing sources:				
Transfers in	<u>135,465</u>	<u>135,465</u>	<u>135,465</u>	
Changes in fund balance	(2,268)	(4,339)	(1,647)	2,692
Fund balance - beginning	<u>4,339</u>	<u>4,339</u>	<u>4,339</u>	
Fund balance - ending	<u>\$ 2,071</u>	<u></u>	<u>2,692</u>	<u>2,692</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, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		47	47
Fines, forfeitures and penalties			14,157	14,157
Miscellaneous	<u>34,525</u>	<u>40,116</u>		<u>(40,116)</u>
Total revenues	<u>34,525</u>	<u>40,116</u>	<u>14,204</u>	<u>(25,912)</u>
Expenditures:				
Debt service:				
Principal	24,117	29,156	24,115	5,041
Interest and fiscal charges	<u>1,341</u>	<u>1,408</u>	<u>1,085</u>	<u>323</u>
Total expenditures	<u>25,458</u>	<u>30,564</u>	<u>25,200</u>	<u>5,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,067</u>	<u>9,552</u>	<u>(10,996)</u>	<u>(20,548)</u>
Other financing sources (uses):				
Transfers out	(13,041)	(13,041)	(13,041)	
Issuance of long-term debt			<u>29,876</u>	<u>29,876</u>
Total other financing sources (uses)	<u>(13,041)</u>	<u>(13,041)</u>	<u>16,835</u>	<u>29,876</u>
Changes in fund balance	(3,974)	(3,489)	5,839	9,328
Fund balance - beginning	<u>25,748</u>	<u>25,748</u>	<u>25,748</u>	
Fund balance - ending	<u>\$ 21,774</u>	<u>22,259</u>	<u>31,587</u>	<u>9,328</u>

ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

CAPITAL PROJECTS FUNDS

Improvement Bond Act of 1911 - Accounts for construction activity in various special assessment districts where monies have been received under the 1911 Improvement Bond Act from special assessment district property owners.

Improvement Bond Act of 1915 - Accounts for construction activity in various special assessment districts where monies have been received under the 1915 Improvement Bond Act from special assessment district property owners.

Metro Air Park Community Facilities District (CFD) - Accounts for construction activity in the Metro Air Park CFD.

Laguna Stonelake Community Facilities District (CFD) - Accounts for construction activity in the Laguna Stonelake CFD.

Park Meadows Community Facilities District (CFD) - Accounts for construction activity in the Park Meadows CFD.

Laguna Community Facilities District (CFD) - Accounts for construction activity in the Laguna CFD.

Laguna Creek Ranch/Elliott Ranch Community Facilities District (CFD) - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch CFD.

Accumulated Capital Outlay - Accounts for general capital outlay expenditures of the County.

Community Fee Districts - Established by property owners to account for construction of public projects financed by various developer fees and other miscellaneous revenues.

McClellan Park Community Facilities District (CFD) No. 2004-1 - Accounts for infrastructure construction activity in the McClellan CFD.

Sacramento County Landscape Maintenance Community Facilities District (CFD) No. 2004-2 - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance CFD.

Metro Air Park Services Tax - Accounts for landscape maintenance activity within the Metro Air Park CFD.

CAPITAL PROJECTS FUNDS

Florin Vineyard Community Facilities District (CFD) No. 1 - Accounts for public road improvements in the Florin Vineyard area of the County that are funded by development impact fees.

North Vineyard Station Community Facilities District (CFD) - Accounts for public road improvements in the North Vineyard area of the County that are funded by development impact fees.

County Parks Community Facilities District (CFD) No. 2006-1 - Accounts for construction and maintenance of parks, trails, and open space in the Southeast County area.

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 1 of 3

	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
Assets:							
Cash and investments	\$ 250	3,545	37,755	264	131	289	5,749
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	7	86	262	7	5	8	213
Intergovernmental			1,494				
Long-term receivables, other							
Total assets	<u>\$ 257</u>	<u>3,631</u>	<u>39,511</u>	<u>271</u>	<u>136</u>	<u>297</u>	<u>5,962</u>
Liabilities, deferred inflows of resources, and fund balances:							
Liabilities:							
Warrants payable							
Accrued liabilities			6				965
Intergovernmental payable	51	17	8				
Total liabilities	<u>51</u>	<u>17</u>	<u>14</u>				<u>965</u>
Deferred inflows of resources:							
Deferred inflows relating to unavailable revenues							
Fund balances:							
Restricted	206	3,614	39,497	271	136	297	4,997
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 257</u>	<u>3,631</u>	<u>39,511</u>	<u>271</u>	<u>136</u>	<u>297</u>	<u>5,962</u>

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 3

	Accumulated Capital Outlay	Community Fee Districts	McClellan Park CFD No. 2004-1	Sacramento County Landscape Maintenance CFD No. 2004-2
Assets:				
Cash and investments	\$ 95,469	34,431	701	476
Receivables, net of allowance for uncollectibles:				
Billed	189			6
Interest	2,244	766	18	9
Intergovernmental		21		
Long-term receivables, other		576		
Total assets	<u>\$ 97,902</u>	<u>35,794</u>	<u>719</u>	<u>491</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Warrants payable	\$ 280	4		2
Accrued liabilities	2,189			
Intergovernmental payable		1,559		
Total liabilities	<u>2,469</u>	<u>1,563</u>		<u>2</u>
Deferred inflows of resources:				
Deferred inflows relating to unavailable revenues		<u>576</u>		
Fund balances:				
Restricted	<u>95,433</u>	<u>33,655</u>	<u>719</u>	<u>489</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,902</u>	<u>35,794</u>	<u>719</u>	<u>491</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(amounts expressed in thousands)

Page 3 of 3

	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	\$ 39,594	666	11,027	54	230,401
Receivables, net of allowance for uncollectibles:					
Billed					195
Interest	957	16	237	2	4,837
Intergovernmental					1,515
Long-term receivables, other	2,389				2,965
Total assets	<u>\$ 42,940</u>	<u>682</u>	<u>11,264</u>	<u>56</u>	<u>239,913</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Warrants payable	\$				286
Accrued liabilities			4		3,164
Intergovernmental payable			2,410	11	4,056
Total liabilities			<u>2,414</u>	<u>11</u>	<u>7,506</u>
Deferred inflows of resources:					
Deferred inflows relating to unavailable revenues	<u>2,389</u>				<u>2,965</u>
Fund balances:					
Restricted	<u>40,551</u>	<u>682</u>	<u>8,850</u>	<u>45</u>	<u>229,442</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,940</u>	<u>682</u>	<u>11,264</u>	<u>56</u>	<u>239,913</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, 2024
(amounts expressed in thousands)

Page 1 of 3

	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
Revenues:							
Taxes	\$		2,035	126	70		
Use of money and property	7	176	2,256	14	11	16	454
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Miscellaneous							
Total revenues	<u>7</u>	<u>176</u>	<u>4,291</u>	<u>140</u>	<u>81</u>	<u>16</u>	<u>454</u>
Expenditures:							
Current:							
Public ways and facilities						24	4,721
Capital outlay		1	14,354	123	66		
Total expenditures		<u>1</u>	<u>14,354</u>	<u>123</u>	<u>66</u>	<u>24</u>	<u>4,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7</u>	<u>175</u>	<u>(10,063)</u>	<u>17</u>	<u>15</u>	<u>(8)</u>	<u>(4,267)</u>
Other financing sources (uses):							
Transfers in			1,488				
Transfers out							
Total other financing sources (uses)			<u>1,488</u>				
Changes in fund balances	7	175	(8,575)	17	15	(8)	(4,267)
Fund balances - beginning	199	3,439	48,072	254	121	305	9,264
Fund balances - ending	<u>\$ 206</u>	<u>3,614</u>	<u>39,497</u>	<u>271</u>	<u>136</u>	<u>297</u>	<u>4,997</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, 2024
(amounts expressed in thousands)**

Page 2 of 3

	Accumulated Capital Outlay	Community Fee Districts	McClellan Park CFD No. 2004-1	Sacramento County Landscape Maintenance CFD No. 2004-2
Revenues:				
Taxes	\$		158	
Use of money and property	4,535	1,556	11	19
Intergovernmental	19,784			
Charges for sales and services	25,999	10,885		410
Fines, forfeitures and penalties	1,995			
Miscellaneous	184			
Total revenues	<u>52,497</u>	<u>12,441</u>	<u>169</u>	<u>429</u>
Expenditures:				
Current:				
Public ways and facilities				
Capital outlay	45,279	1,503	113	343
Total expenditures	<u>45,279</u>	<u>1,503</u>	<u>113</u>	<u>343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,218</u>	<u>10,938</u>	<u>56</u>	<u>86</u>
Other financing sources (uses):				
Transfers in	5,269			
Transfers out	(279)			(17)
Total other financing sources (uses)	<u>4,990</u>			<u>(17)</u>
Changes in fund balances	12,208	10,938	56	69
Fund balances - beginning	83,225	22,717	663	420
Fund balances - ending	<u>\$ 95,433</u>	<u>33,655</u>	<u>719</u>	<u>489</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, 2024
(amounts expressed in thousands)

Page 3 of 3

	Metro Air Park Services Tax	Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	Total
Revenues:					
Taxes	\$ 206	78	964		3,637
Use of money and property	1,956	36	155	4	11,206
Intergovernmental					19,784
Charges for sales and services	3,005			21	40,320
Fines, forfeitures and penalties					1,995
Miscellaneous					184
Total revenues	<u>5,167</u>	<u>114</u>	<u>1,119</u>	<u>25</u>	<u>77,126</u>
Expenditures:					
Current:					
Public ways and facilities				15	4,760
Capital outlay	1,737	38	216		63,773
Total expenditures	<u>1,737</u>	<u>38</u>	<u>216</u>	<u>15</u>	<u>68,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,430</u>	<u>76</u>	<u>903</u>	<u>10</u>	<u>8,593</u>
Other financing sources (uses):					
Transfers in					6,757
Transfers out				(60)	(356)
Total other financing sources (uses)				<u>(60)</u>	<u>6,401</u>
Changes in fund balances	3,430	76	903	(50)	14,994
Fund balances - beginning	<u>37,121</u>	<u>606</u>	<u>7,947</u>	<u>95</u>	<u>214,448</u>
Fund balances - ending	<u>\$ 40,551</u>	<u>682</u>	<u>8,850</u>	<u>45</u>	<u>229,442</u>

**COUNTY OF SACRAMENTO
IMPROVEMENT BOND ACT OF 1915 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 67	65	176	111
Charges for sales and services	2,737	2,650		(2,650)
Miscellaneous	5	4		(4)
Total revenues	<u>2,809</u>	<u>2,719</u>	<u>176</u>	<u>(2,543)</u>
Expenditures:				
Capital outlay	<u>3,476</u>	<u>3,429</u>	<u>1</u>	<u>3,428</u>
Changes in fund balance	(667)	(710)	175	885
Fund balance - beginning	<u>3,439</u>	<u>3,439</u>	<u>3,439</u>	
Fund balance - ending	<u>\$ 2,772</u>	<u>2,729</u>	<u>3,614</u>	<u>885</u>

COUNTY OF SACRAMENTO
METRO AIR PARK CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 2,828	2,828	2,035	(793)
Use of money and property	50	50	2,256	2,206
Charges for sales and services	3	3		(3)
Total revenues	<u>2,881</u>	<u>2,881</u>	<u>4,291</u>	<u>1,410</u>
Expenditures:				
Capital outlay	49,506	49,747	14,354	35,393
Deficiency of revenues under expenditures	<u>(46,625)</u>	<u>(46,866)</u>	<u>(10,063)</u>	<u>36,803</u>
Other financing sources:				
Transfers in	<u>1,488</u>	<u>1,488</u>	<u>1,488</u>	
Changes in fund balance	(46,625)	(46,866)	(8,575)	36,803
Fund balance - beginning	<u>48,072</u>	<u>48,072</u>	<u>48,072</u>	
Fund balance - ending	<u>\$ 1,447</u>	<u>1,206</u>	<u>39,497</u>	<u>38,291</u>

COUNTY OF SACRAMENTO
LAGUNA STONELAKE CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 120	120	126	6
Use of money and property	<u>5</u>	<u>5</u>	<u>14</u>	<u>9</u>
Total revenues	<u>125</u>	<u>125</u>	<u>140</u>	<u>15</u>
Expenditures:				
Capital outlay	<u>372</u>	<u>373</u>	<u>123</u>	<u>250</u>
Changes in fund balance	(247)	(248)	17	265
Fund balance - beginning	<u>254</u>	<u>254</u>	<u>254</u>	<u>254</u>
Fund balance - ending	<u>\$ 7</u>	<u>6</u>	<u>271</u>	<u>265</u>

COUNTY OF SACRAMENTO
PARK MEADOWS CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 70	70	70	
Use of money and property	<u>2</u>	<u>2</u>	<u>11</u>	<u>9</u>
Total revenues	<u>72</u>	<u>72</u>	<u>81</u>	<u>9</u>
Expenditures:				
Capital outlay	<u>187</u>	<u>188</u>	<u>66</u>	<u>122</u>
Changes in fund balance	(115)	(116)	15	131
Fund balance - beginning	<u>121</u>	<u>121</u>	<u>121</u>	
Fund balance - ending	<u>\$ 6</u>	<u>5</u>	<u>136</u>	<u>131</u>

**COUNTY OF SACRAMENTO
LAGUNA CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 3	3	16	13
Expenditures:				
Current:				
Public ways and facilities	302	308	24	284
Changes in fund balance	(299)	(305)	(8)	297
Fund balance - beginning	<u>305</u>	<u>305</u>	<u>305</u>	<u>305</u>
Fund balance - ending	<u>\$ 6</u>	<u>6</u>	<u>297</u>	<u>297</u>

COUNTY OF SACRAMENTO
LAGUNA CREEK RANCH/ELLIOTT RANCH CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 18	18	454	436
Expenditures:				
Current:				
Public ways and facilities	5,612	9,115	4,721	4,394
Changes in fund balance	(5,594)	(9,097)	(4,267)	4,830
Fund balance - beginning	9,264	9,264	9,264	
Fund balance - ending	\$ 3,670	167	4,997	4,830

COUNTY OF SACRAMENTO
ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 192	192	4,535	4,343
Intergovernmental	14,612	37,706	19,784	(17,922)
Charges for sales and services	50,128	51,285	25,999	(25,286)
Fines, forfeitures and penalties	1,500	1,500	1,995	495
Miscellaneous			184	184
Total revenues	<u>66,432</u>	<u>90,683</u>	<u>52,497</u>	<u>(38,186)</u>
Expenditures:				
Capital outlay	<u>134,305</u>	<u>178,898</u>	<u>45,279</u>	<u>133,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(67,873)</u>	<u>(88,215)</u>	<u>7,218</u>	<u>95,433</u>
Other financing sources (uses):				
Transfers in	5,269	5,269	5,269	
Transfers out	<u>(279)</u>	<u>(279)</u>	<u>(279)</u>	
Total other financing sources (uses)	<u>4,990</u>	<u>4,990</u>	<u>4,990</u>	
Changes in fund balance	(62,883)	(83,225)	12,208	95,433
Fund balance - beginning	<u>83,225</u>	<u>83,225</u>	<u>83,225</u>	
Fund balance - ending	<u>\$ 20,342</u>	<u></u>	<u>95,433</u>	<u>95,433</u>

**COUNTY OF SACRAMENTO
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 138	138	1,556	1,418
Intergovernmental	5,471	5,638		(5,638)
Charges for sales and services	<u>653</u>	<u>1,423</u>	<u>10,885</u>	<u>9,462</u>
Total revenues	<u>6,262</u>	<u>7,199</u>	<u>12,441</u>	<u>5,242</u>
Expenditures:				
Capital outlay	<u>25,988</u>	<u>29,916</u>	<u>1,503</u>	<u>28,413</u>
Changes in fund balance	(19,726)	(22,717)	10,938	33,655
Fund balance - beginning	<u>22,717</u>	<u>22,717</u>	<u>22,717</u>	
Fund balance - ending	<u>\$ 2,991</u>	<u></u>	<u>33,655</u>	<u>33,655</u>

COUNTY OF SACRAMENTO
MCCLELLAN PARK CFD NO. 2004-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 148	148	158	10
Use of money and property	15	15	11	(4)
Total revenues	<u>163</u>	<u>163</u>	<u>169</u>	<u>6</u>
Expenditures:				
Capital outlay	<u>826</u>	<u>826</u>	<u>113</u>	<u>713</u>
Changes in fund balance	(663)	(663)	56	719
Fund balance - beginning	<u>663</u>	<u>663</u>	<u>663</u>	<u>663</u>
Fund balance - ending	<u>\$ <u>719</u></u>	<u><u>719</u></u>	<u><u>719</u></u>	<u><u>719</u></u>

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD NO. 2004-2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 2	2	19	17
Charges for sales and services	<u>345</u>	<u>345</u>	<u>410</u>	<u>65</u>
Total revenues	<u>347</u>	<u>347</u>	<u>429</u>	<u>82</u>
 Expenditures:				
Capital outlay	<u>438</u>	<u>438</u>	<u>343</u>	<u>95</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91)</u>	<u>(91)</u>	<u>86</u>	<u>177</u>
 Other financing uses:				
Transfers out	<u>(17)</u>	<u>(17)</u>	<u>(17)</u>	<u></u>
 Changes in fund balance	(108)	(108)	69	177
Fund balance - beginning	<u>420</u>	<u>420</u>	<u>420</u>	<u></u>
Fund balance - ending	<u>\$ 312</u>	<u>312</u>	<u>489</u>	<u>177</u>

COUNTY OF SACRAMENTO
METRO AIR PARK SERVICES TAX CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 206	182	206	24
Use of money and property	209	209	1,956	1,747
Charges for sales and services	<u>5,200</u>	<u>5,200</u>	<u>3,005</u>	<u>(2,195)</u>
Total revenues	<u>5,615</u>	<u>5,591</u>	<u>5,167</u>	<u>(424)</u>
Expenditures:				
Capital outlay	<u>36,157</u>	<u>42,712</u>	<u>1,737</u>	<u>40,975</u>
Changes in fund balance	(30,542)	(37,121)	3,430	40,551
Fund balance - beginning	<u>37,121</u>	<u>37,121</u>	<u>37,121</u>	
Fund balance - ending	<u>\$ 6,579</u>	<u></u>	<u>40,551</u>	<u>40,551</u>

COUNTY OF SACRAMENTO
FLORIN VINEYARD CFD NO. 1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 80	80	78	(2)
Use of money and property	<u>5</u>	<u>5</u>	<u>36</u>	<u>31</u>
Total revenues	<u>85</u>	<u>85</u>	<u>114</u>	<u>29</u>
Expenditures:				
Capital outlay	<u>671</u>	<u>675</u>	<u>38</u>	<u>637</u>
Changes in fund balance	(586)	(590)	76	666
Fund balance - beginning	<u>606</u>	<u>606</u>	<u>606</u>	<u>606</u>
Fund balance - ending	<u>\$ 20</u>	<u>16</u>	<u>682</u>	<u>666</u>

COUNTY OF SACRAMENTO
NORTH VINEYARD STATION CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 814	928	964	36
Use of money and property	<u>105</u>	<u>105</u>	<u>155</u>	<u>50</u>
Total revenues	<u>919</u>	<u>1,033</u>	<u>1,119</u>	<u>86</u>
Expenditures:				
Capital outlay	<u>5,463</u>	<u>5,400</u>	<u>216</u>	<u>5,184</u>
Changes in fund balance	(4,544)	(4,367)	903	5,270
Fund balance - beginning	<u>7,947</u>	<u>7,947</u>	<u>7,947</u>	
Fund balance - ending	<u>\$ 3,403</u>	<u>3,580</u>	<u>8,850</u>	<u>5,270</u>

COUNTY OF SACRAMENTO
COUNTY PARKS CFD NO. 2006-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		4	4
Charges for services	22	22	21	(1)
Total revenues	<u>22</u>	<u>22</u>	<u>25</u>	<u>3</u>
Expenditures:				
Public ways and facilities	15	15	15	
Excess of revenues over expenditures	<u>7</u>	<u>7</u>	<u>10</u>	<u>3</u>
Other financing uses:				
Transfers out		(60)	(60)	
Changes in fund balance	7	(53)	(50)	3
Fund balance - beginning	95	95	95	
Fund balance - ending	<u>\$ 102</u>	<u>42</u>	<u>45</u>	<u>3</u>

ANNUAL COMPREHENSIVE 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 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, 2024
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 7,913	2,163	10,076
Receivables, net of allowance for uncollectibles:			
Billed		369	369
Interest	192	54	246
Intergovernmental		1,403	1,403
Total current assets	<u>8,105</u>	<u>3,989</u>	<u>12,094</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299		1,299
Buildings and improvements, infrastructure, equipment and intangibles, net	492	590	1,082
Total capital assets	<u>1,791</u>	<u>590</u>	<u>2,381</u>
Total assets	<u>9,896</u>	<u>4,579</u>	<u>14,475</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	121		121
Deferred outflows related to OPEB	7		7
Total deferred outflows of resources	<u>128</u>		<u>128</u>
Total assets and deferred outflows of resources	<u>10,024</u>	<u>4,579</u>	<u>14,603</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$	450	450
Accrued liabilities	21		21
Intergovernmental payable	14	3	17
Current portion of long-term debt obligations	72		72
Total current liabilities	<u>107</u>	<u>453</u>	<u>560</u>
Noncurrent liabilities:			
Long-term debt obligations	109		109
Net pension liability	214		214
Total OPEB liability	45		45
Total noncurrent liabilities	<u>368</u>		<u>368</u>
Total liabilities	<u>475</u>	<u>453</u>	<u>928</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	69		69
Deferred inflows related to OPEB	31		31
Total deferred inflows of resources	<u>100</u>		<u>100</u>
Total liabilities and deferred inflows of resources	<u>575</u>	<u>453</u>	<u>1,028</u>
Net position:			
Net investment in capital assets	1,651	590	2,241
Restricted for:			
Capital projects		1,942	1,942
Transportation		1,594	1,594
Unrestricted	7,798		7,798
Total net position	<u>\$ 9,449</u>	<u>4,126</u>	<u>13,575</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, 2024
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,665	102	2,767
Operating expenses:			
Salaries and benefits	362		362
Services and supplies	1,729	325	2,054
Cost of sales and services		2,016	2,016
Depreciation and amortization	181	290	471
Other	206		206
Total operating expenses	2,478	2,631	5,109
Operating income (loss)	187	(2,529)	(2,342)
Nonoperating revenues (expense):			
Use of money and property	359	101	460
Intergovernmental		2,071	2,071
Interest expense	(4)		(4)
Other		1	1
Total nonoperating revenues (expense)	355	2,173	2,528
Income (loss) before transfers and contributions	542	(356)	186
Transfers out	(22)		(22)
Capital contributions		315	315
Changes in net position	520	(41)	479
Net position, beginning of year	8,929	4,167	13,096
Net position, end of year	\$ 9,449	4,126	13,575

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,665		2,665
Payments to suppliers	(1,732)	(2,447)	(4,179)
Payments to employees	(401)		(401)
Payments for other operating activities	(206)		(206)
Net cash provided by (used for) operating activities	<u>326</u>	<u>(2,447)</u>	<u>(2,121)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(22)		(22)
Intergovernmental revenue		2,814	2,814
Net cash provided by (used for) noncapital financing activities	<u>(22)</u>	<u>2,814</u>	<u>2,792</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions		320	320
Acquisition and construction of capital assets		(423)	(423)
Principal paid on long-term obligations	(67)		(67)
Interest paid on long-term obligations	(4)		(4)
Net cash used for capital and related financing activities	<u>(71)</u>	<u>(103)</u>	<u>(174)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received and fair value adjustment on cash and investments	<u>327</u>	<u>78</u>	<u>405</u>
Net increase in cash and cash equivalents	560	342	902
Cash and cash equivalents, beginning of year	<u>7,353</u>	<u>1,821</u>	<u>9,174</u>
Cash and cash equivalents, end of year	<u>\$ 7,913</u>	<u>2,163</u>	<u>10,076</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 2

	<u>Parking Enterprise</u>	<u>County Transit</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 187	(2,529)	(2,342)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	181	290	471
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Billed receivable		(352)	(352)
Warrants payable	(2)	154	152
Intergovernmental payable		(10)	(10)
Compensated Absences	3		3
Net pension liability and related deferred outflows and inflows	(31)		(31)
Total OPEB liability and related deferred outflows and inflows	(12)		(12)
Total adjustments	<u>139</u>	<u>82</u>	<u>221</u>
Net cash provided by (used for) operating activities	<u>\$ 326</u>	<u>(2,447)</u>	<u>(2,121)</u>

ANNUAL COMPREHENSIVE 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 Self-Insurance - Accounts for the County's program of self-insurance for liability claims.

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

Other Self-Insurance - Accounts for the County's self-insurance for all dental and unemployment claims.

Regional Radio Communications System - Accounts for the operations of the County's emergency response communications and other public safety activities.

Department of Technology - Accounts for central information technology and telecommunication support to County departments.

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 1 of 2

	General Services	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
		Liability	Workers' Compensation	Other			
Assets:							
Current assets:							
Cash and investments	\$ 138,647	48,447	138,376	19,794	9,394	48,198	402,856
Receivables, net of allowance for uncollectibles:							
Billed	6						6
Interest	31				243		274
Intergovernmental	72						72
Leases	136				31		167
Prepaid items					333	4,281	4,614
Inventories	2,519						2,519
Total current assets	141,411	48,447	138,376	19,794	10,001	52,479	410,508
Noncurrent assets:							
Long-term receivables, other			118				118
Long-term receivable, leases	45				227		272
Capital assets:							
Buildings and improvements, infrastructure, equipment and intangibles, net	42,904				14,250	39,517	96,671
Total noncurrent assets	42,949		118		14,477	39,517	97,061
Total assets	184,360	48,447	138,494	19,794	24,478	91,996	507,569
Deferred outflows of resources:							
Deferred outflows related to pensions	18,150				461	21,995	40,606
Deferred outflows related to OPEB	726				47	620	1,393
Total deferred outflows of resources	18,876				508	22,615	41,999
Total assets and deferred outflows of resources	203,236	48,447	138,494	19,794	24,986	114,611	549,568

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation			
Liabilities:						
Current liabilities:						
Warrants payable	\$ 4,886	735	862	16	812	7,311
Accrued liabilities	7,571	2,400	2	163	4,769	14,905
Current portion of insurance claims payable		19,936	26,861			47,319
Current portion of long-term debt obligations	728			1,157	11,266	13,151
Unearned revenues			122	1,777	8,922	10,821
Total current liabilities	13,185	23,071	27,847	3,113	25,769	93,507
Noncurrent liabilities:						
Insurance claims payable		55,112	174,320			229,432
Long-term debt obligations	3,506			160	25,921	29,587
Net pension liability	36,569			926	43,772	81,267
Total OPEB liability	4,147			82	3,802	8,031
Total noncurrent liabilities	44,222	55,112	174,320	1,168	73,495	348,317
Total liabilities	57,407	78,183	202,167	4,281	99,264	441,824
Deferred inflows of resources:						
Deferred inflows related to pensions	3,899			171	5,233	9,303
Deferred inflows related to OPEB	2,168			39	1,707	3,914
Deferred inflows related to leases	165			260		425
Total deferred inflows of resources	6,232			470	6,940	13,642
Total liabilities and deferred inflows of resources	63,639	78,183	202,167	4,751	106,204	455,466
Net position:						
Net investment in capital assets	42,904			13,096	10,163	66,163
Unrestricted	96,693	(29,736)	(63,673)	7,139	(1,756)	27,939
Total net position (deficit)	\$ 139,597	(29,736)	(63,673)	20,235	8,407	94,102

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
Operating revenues:							
Charges for sales and services	\$ 184,178	39,199	37,332	17,799	6,155	126,314	410,977
Other	2,424	4,173	118		382	1	7,098
Total operating revenues	186,602	43,372	37,450	17,799	6,537	126,315	418,075
Operating expenses:							
Salaries and benefits	54,896				1,289	59,907	116,092
Services and supplies	98,615				1,529	40,923	141,067
Cost of sales and services	3,523						3,523
Depreciation and amortization	12,915		4		2,179	14,973	30,071
Claim payments and actuarial estimates		52,797	25,532	17,119			95,448
Other	1,016	94	365	23			1,498
Total operating expenses	170,965	52,891	25,901	17,142	4,997	115,803	387,699
Operating income (loss)	15,637	(9,519)	11,549	657	1,540	10,512	30,376
Nonoperating revenues (expenses):							
Use of money and property		182	522	77	498	181	1,460
Interest expense	(1)				(13)		(14)
Other revenues	2,531					506	3,037
Total nonoperating revenues (expenses)	2,530	182	522	77	485	687	4,483
Income (loss) before transfers	18,167	(9,337)	12,071	734	2,025	11,199	34,859
Transfers out	(4,971)				(75)	(6,414)	(11,460)
Changes in net position	13,196	(9,337)	12,071	734	1,950	4,785	23,399
Net position (deficit), beginning of year	126,401	(20,399)	(75,744)	18,538	18,285	3,622	70,703
Net position (deficit), end of year	\$ 139,597	(29,736)	(63,673)	19,272	20,235	8,407	94,102

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 1 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 2,423					126,311	128,734
Receipts from interfund services provided	184,212	64,199	37,332	17,799	5,508		309,050
Receipts for other operating activities		4,173	118		1,526		5,817
Payments to suppliers	(94,383)	(62,246)	(23,406)	(16,689)	(1,173)	(39,191)	(237,088)
Payments to employees	(57,829)			(4)	(1,314)	(62,076)	(121,223)
Payments for other operating activities	(1,016)					(1,154)	(2,170)
Payments for interfund services used	(8,136)	(3,256)	(5,852)	(368)	(347)	(1,949)	(19,908)
Net cash flows provided by operating activities	<u>25,271</u>	<u>2,870</u>	<u>8,192</u>	<u>738</u>	<u>4,200</u>	<u>21,941</u>	<u>63,212</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers to other funds	(4,971)				(75)	(6,416)	(11,462)
Other nonoperating expense	(1)						(1)
Net cash used for noncapital financing activities	<u>(4,972)</u>				<u>(75)</u>	<u>(6,416)</u>	<u>(11,463)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(17,097)				(1,409)	(3,361)	(21,867)
Principal paid on long-term obligations	(212)				(1,482)	(10,260)	(11,954)
Interest paid on long-term obligations					(83)	(302)	(385)
Proceeds from the sale of capital assets	2,571					935	3,506
Net cash used for capital and related financing activities	<u>(14,738)</u>				<u>(2,974)</u>	<u>(12,988)</u>	<u>(30,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received and fair value adjustment on cash and investments	(4)	182	522	77	446	183	1,406
Net increase in cash and cash equivalents	5,557	3,052	8,714	815	1,597	2,720	22,455
Cash and cash equivalents, beginning of year	133,090	45,395	129,662	18,979	7,797	45,478	380,401
Cash and cash equivalents, end of year	<u>\$ 138,647</u>	<u>48,447</u>	<u>138,376</u>	<u>19,794</u>	<u>9,394</u>	<u>48,198</u>	<u>402,856</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total	
	General Services	Liability	Workers' Compensation				Other
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating income (loss)	\$ 15,637	(9,519)	11,549	657	1,540	10,512	30,376
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization	12,915		4		2,179	14,973	30,071
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
Receivables:							
Billed	(1)	25,000					24,999
Leases					30		30
Intergovernmental	34						34
Prepaid items	41				1,115	(885)	271
Inventories	(179)						(179)
Warrants payable	(738)	368	(380)		1	131	(618)
Accrued liabilities	396	(25,307)			37	(618)	(25,492)
Intergovernmental payable	(5)		2				(3)
Unearned revenues					(647)	(5)	(652)
Compensated absences	(375)				18	(460)	(817)
Insurance claims payable		12,328	(2,983)	81			9,426
Net pension liability and related deferred outflows and inflows	(2,211)				(55)	(1,552)	(3,818)
Net lease liability and related deferred outflows and inflows					(29)		(29)
Total OPEB liability and related deferred outflows and inflows	(243)				11	(155)	(387)
Total adjustments	9,634	12,389	(3,357)	81	2,660	11,429	32,836
Net cash provided by operating activities	\$ 25,271	2,870	8,192	738	4,200	21,941	63,212
Capital assets purchases using long-term debt						4	4

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CUSTODIAL FUNDS

CUSTODIAL FUNDS

Law Enforcement - Accounts for law enforcement revenues collected pending disbursement, reimbursement or apportionment to the appropriate external law enforcement and policing agencies.

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

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

Public Guardian used to account for monies that belong to individuals who are unable to care for themselves.

Community Facility Districts (CFD) debt service funds used to account for funds received from property owners within the CFD and pay debt service.

Park Dedication fee funds used to account for the collection of park dedication fees for independent park districts.

School District General Obligation Bond funds used to account for collection of payment of monies to fund the debt service of general obligations bond for various school districts.

Other - Various funds held in fiduciary capacity for other entities.

**COUNTY OF SACRAMENTO
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 22,216	15,336	280,778	318,330
Receivables, net of allowance for uncollectibles:				
Billed	125		1,362	1,487
Interest	188	11,667	110,121	121,976
Prepaid items			1,518	1,518
Long-term receivables, other			234	234
Total assets	<u>22,529</u>	<u>27,003</u>	<u>394,013</u>	<u>443,545</u>
Liabilities:				
Warrants payable	312	10,197	4,289	14,798
Accrued liabilities	1,194	296	5,872	7,362
Total liabilities	<u>1,506</u>	<u>10,493</u>	<u>10,161</u>	<u>22,160</u>
Net position				
Restricted for individuals, organizations and other governments	<u>\$ 21,023</u>	<u>16,510</u>	<u>383,852</u>	<u>421,385</u>

**COUNTY OF SACRAMENTO
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Additions:				
Property taxes	\$	3,263,378		3,263,378
Contributions to pooled investments	146,382		1,561,478	1,707,860
Investment income, net	421	21,527	11,788	33,736
Total additions	<u>146,803</u>	<u>3,284,905</u>	<u>1,573,266</u>	<u>5,004,974</u>
Deductions:				
Distributions to taxing entities		3,268,119		3,268,119
Distributions from pooled investments	143,911		1,391,896	1,535,807
Administrative expenses	107	9,731	5,555	15,393
Total deductions	<u>144,018</u>	<u>3,277,850</u>	<u>1,397,451</u>	<u>4,819,319</u>
Changes in net position	<u>2,785</u>	<u>7,055</u>	<u>175,815</u>	<u>185,655</u>
Net position, beginning of year	<u>18,238</u>	<u>9,455</u>	<u>208,037</u>	<u>235,730</u>
Net position, end of year	<u>\$ 21,023</u>	<u>16,510</u>	<u>383,852</u>	<u>421,385</u>

This page intentionally left blank

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the Sacramento County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the County's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being has changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue source, property and sales tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources - Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year(s).

**COUNTY OF SACRAMENTO
NET POSITION BY COMPONENT
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Governmental activities										
Net investment in capital assets	\$ 1,362,707	1,370,462	1,383,387	1,416,649	1,415,121	1,429,186	1,473,398	1,513,277	1,536,121	1,573,696
Restricted	179,628	496,622	639,813	677,982	679,546	609,131	662,416	826,031	995,823	1,057,624
Unrestricted	(1,945,922)	(2,164,382)	(2,351,925)	(2,531,677)	(2,579,412)	(2,485,842)	(2,454,016)	(1,979,787)	(1,674,686)	(1,455,093)
Total governmental activities net position	\$ (403,587)	(297,298)	(328,725)	(437,046)	(484,745)	(447,525)	(318,202)	359,521	857,258	1,176,227
Business-type activities										
Net investment in capital assets	\$ 893,262	916,597	943,226	957,979	1,001,266	1,123,159	1,149,300	1,177,876	1,220,490	1,283,253
Restricted	117,472	116,658	116,219	106,816	130,601	95,800	98,434	107,360	129,314	169,977
Unrestricted	223,719	240,042	246,510	272,450	277,200	261,720	252,374	363,159	442,275	502,528
Total business-type activities net position	\$ 1,234,453	1,273,297	1,305,955	1,337,245	1,409,067	1,480,679	1,500,108	1,648,395	1,792,079	1,955,758
Primary government										
Net investment in capital assets	\$ 2,255,969	2,287,059	2,326,613	2,374,628	2,416,387	2,552,345	2,622,698	2,691,153	2,756,611	2,856,949
Restricted	297,100	613,280	756,032	784,798	810,147	704,931	760,850	933,391	1,125,137	1,227,601
Unrestricted	(1,722,203)	(1,924,340)	(2,105,415)	(2,259,227)	(2,302,212)	(2,224,122)	(2,201,642)	(1,616,628)	(1,232,411)	(952,565)
Total primary government net position	\$ 830,866	975,999	977,230	900,199	924,322	1,033,154	1,181,906	2,007,916	2,649,337	3,131,985

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 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

Page 1 of 3

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Expenses										
Governmental activities:										
General government	\$ 169,604	179,608	161,937	174,713	201,781	193,085	195,548	174,831	255,607	226,792
Public assistance	639,831	655,225	677,572	690,787	692,159	688,348	709,042	733,858	821,921	818,072
Public protection	725,108	781,244	862,968	953,258	1,006,545	1,084,967	1,145,784	889,632	1,062,181	1,236,837
Health and sanitation	502,535	554,731	712,033	677,587	714,167	801,401	903,661	810,739	936,391	1,065,393
Public ways and facilities	152,186	172,931	161,596	165,056	173,551	171,290	137,447	176,375	197,513	209,286
Recreation and culture	34,771	38,951	37,050	45,305	41,833	49,902	41,593	42,941	52,201	63,519
Education	1,820	1,729	1,658	1,535	1,561	1,638	1,116	1,904	2,085	2,225
Interest and fiscal charges	125,603	109,019	106,431	102,065	104,203	94,672	78,271	67,058	58,808	40,809
Total governmental activities	<u>2,351,458</u>	<u>2,493,438</u>	<u>2,721,245</u>	<u>2,810,306</u>	<u>2,935,800</u>	<u>3,085,303</u>	<u>3,212,462</u>	<u>2,897,338</u>	<u>3,386,707</u>	<u>3,662,933</u>
Business-type activities:										
Airport	188,132	187,985	193,233	199,349	195,411	209,392	204,996	208,680	231,997	250,383
Solid Waste	59,774	60,357	67,078	75,770	78,402	93,532	96,778	95,808	109,285	127,890
Water Agency	55,923	55,824	60,695	61,270	62,005	59,902	64,997	61,935	67,312	75,844
Parking Enterprise	2,463	1,893	3,238	3,781	2,067	2,649	2,279	1,708	1,801	2,370
County Transit	2,204	2,124	2,406	2,212	2,425	2,677	2,545	2,808	2,885	2,631
Total business-type activities	<u>308,496</u>	<u>308,183</u>	<u>326,650</u>	<u>342,382</u>	<u>340,310</u>	<u>368,152</u>	<u>371,595</u>	<u>370,939</u>	<u>413,280</u>	<u>459,118</u>
Total primary government	<u>\$ 2,659,954</u>	<u>2,801,621</u>	<u>3,047,895</u>	<u>3,152,688</u>	<u>3,276,110</u>	<u>3,453,455</u>	<u>3,584,057</u>	<u>3,268,277</u>	<u>3,799,987</u>	<u>4,122,051</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 169,287	152,760	122,521	96,765	99,530	97,762	114,780	107,292	106,393	112,377
Public assistance		11						267	228	
Public protection	106,089	136,582	131,287	163,474	154,328	153,350	176,185	171,689	177,501	188,685
Health and sanitation	35,503	34,244	34,184	38,572	37,415	36,954	36,783	38,679	34,566	40,354
Public ways and facilities	57,397	56,088	55,997	68,807	75,339	83,813	102,909	110,482	123,014	129,546
Recreation and culture	12,808	21,799	18,169	12,114	12,080	14,178	13,727	14,246	11,799	13,246
Operating grants and contributions	1,223,283	1,214,579	1,366,484	1,402,804	1,416,772	1,531,492	1,511,575	1,601,501	1,828,897	1,877,179
Capital grants and contributions	18,210	42,248	21,461	42,584	29,327	33,580	30,828	29,901	55,303	12,879
Total governmental activities	<u>\$ 1,622,577</u>	<u>1,658,311</u>	<u>1,750,103</u>	<u>1,825,120</u>	<u>1,824,791</u>	<u>1,951,129</u>	<u>1,986,787</u>	<u>2,073,790</u>	<u>2,337,740</u>	<u>2,374,494</u>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

Page 2 of 3

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Business-type activities:										
Charges for services:										
Airport	\$ 177,244	187,829	196,086	204,638	212,783	195,773	171,773	232,166	255,834	283,112
Solid Waste	69,636	70,492	76,093	77,943	82,104	84,431	96,211	119,319	133,615	139,479
Water Agency	63,649	67,233	64,495	80,432	84,736	85,330	93,597	65,086	63,850	130,017
Parking Enterprise	3,001	2,909	3,014	2,830	3,028	2,628	2,232	2,241	2,440	2,665
County Transit	227	243	252	260	281	236	66	69	101	103
Operating grants and contributions	878	2,415	2,350	3,159	2,541	37,927	19,706	53,913	14,377	9,184
Capital grants and contributions	19,119	15,383	16,833	8,636	19,039	27,431	11,128	55,947	68,857	27,764
Total business-type activities	<u>333,754</u>	<u>346,504</u>	<u>359,123</u>	<u>377,898</u>	<u>404,512</u>	<u>433,756</u>	<u>394,713</u>	<u>528,741</u>	<u>539,074</u>	<u>592,324</u>
Total primary government	<u>\$ 1,956,331</u>	<u>2,004,815</u>	<u>2,109,226</u>	<u>2,203,018</u>	<u>2,229,303</u>	<u>2,384,885</u>	<u>2,381,500</u>	<u>2,602,531</u>	<u>2,876,814</u>	<u>2,966,818</u>
Net (expense)/revenue										
Governmental activities	\$ (728,881)	(835,127)	(971,142)	(985,186)	(1,111,009)	(1,134,174)	(1,225,675)	(823,548)	(1,048,967)	(1,288,439)
Business-type activities	25,258	38,321	32,473	35,516	64,202	65,604	23,118	157,802	125,794	133,206
Total primary government net expense	<u>\$ (703,623)</u>	<u>(796,806)</u>	<u>(938,669)</u>	<u>(949,670)</u>	<u>(1,046,807)</u>	<u>(1,068,570)</u>	<u>(1,202,557)</u>	<u>(665,746)</u>	<u>(923,173)</u>	<u>(1,155,233)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 425,477	447,437	463,975	490,856	525,232	535,799	574,282	618,235	661,728	696,152
Sales/Use taxes	74,171	82,762	82,453	86,146	96,730	114,323	121,066	180,102	171,604	170,437
Transient occupancy	4,534	4,335	5,845	6,583	6,699	5,055	5,240	6,660	5,748	6,018
Unrestricted investment earnings	13,857	18,291	17,024	10,678	30,907	28,394	15,151	(371)	64,178	103,151
Grants and contrib. not restricted to specific programs	287,041	285,041	257,252	251,839	264,231	351,657	474,453	636,048	588,307	565,076
Pledged tobacco settlement	12,368	12,229	12,577	15,016	14,555	20,931	16,650	17,690	14,672	12,954
Miscellaneous	51,966	86,600	95,586	113,475	118,482	108,527	141,114	35,640	34,301	47,563
Transfers	5,178	4,721	5,003	6,506	6,474	6,708	7,042	7,267	6,166	6,057
Total general revenues and transfers	<u>\$ 874,592</u>	<u>941,416</u>	<u>939,715</u>	<u>981,099</u>	<u>1,063,310</u>	<u>1,171,394</u>	<u>1,354,998</u>	<u>1,501,271</u>	<u>1,546,704</u>	<u>1,607,408</u>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

Page 3 of 3

	Fiscal Year									
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Business-type activities:										
Sales/Use taxes	\$ 687	1,412	561	802						
Unrestricted investment earnings			4,627	6,082	14,094	12,716	3,353	(2,248)	24,056	35,961
Grants and contrib. not restricted to specific programs	1,473	3,832								
Miscellaneous										569
Transfers	(5,178)	(4,721)	(5,003)	(6,506)	(6,474)	(6,708)	(7,042)	(7,267)	(6,166)	(6,057)
Total general revenues and transfers	<u>(3,018)</u>	<u>523</u>	<u>185</u>	<u>378</u>	<u>7,620</u>	<u>6,008</u>	<u>(3,689)</u>	<u>(9,515)</u>	<u>17,890</u>	<u>30,473</u>
Total primary government	<u>\$ 871,574</u>	<u>941,939</u>	<u>939,900</u>	<u>981,477</u>	<u>1,070,930</u>	<u>1,177,402</u>	<u>1,351,309</u>	<u>1,491,756</u>	<u>1,564,594</u>	<u>1,637,881</u>
Changes in net position										
Governmental activities	\$ 145,711	106,289	(31,427)	(4,087)	(47,699)	37,220	129,323	677,723	497,737	318,969
Business-type activities	22,240	38,844	32,658	35,894	71,822	71,612	19,429	148,287	143,684	163,679
Total primary government	<u>\$ 167,951</u>	<u>145,133</u>	<u>1,231</u>	<u>31,807</u>	<u>24,123</u>	<u>108,832</u>	<u>148,752</u>	<u>826,010</u>	<u>641,421</u>	<u>482,648</u>

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General fund										
Nonspendable	\$ 30,837	27,857	51,167	36,478	18,319	15,936	24,329	41,852	50,821	54,467
Restricted	232,455	212,353	244,324	255,118	261,069	233,500	249,171	347,262	370,465	375,393
Assigned		9,780			75,303	123,259	204,828	170,730	236,882	161,282
Unassigned	(13,462)	24,931	37,267	76,162		62,205	54,923	164,719	109,371	165,025
Total general fund	<u>\$ 249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>533,251</u>	<u>724,563</u>	<u>767,539</u>	<u>756,167</u>
All other governmental funds										
Special revenue funds										
Nonspendable	\$ 902	691								
Restricted	198,744	210,529	213,732	237,582	244,041	259,031	289,024	339,457	392,850	438,519
Debt service funds										
Restricted	101,784	89,851	87,466	87,913	70,601	67,945	57,667	54,780	55,760	59,997
Capital projects funds										
Restricted	44,207	74,799	94,291	97,369	103,835	109,602	114,542	127,045	214,448	229,442
Total all other governmental funds	<u>\$ 345,637</u>	<u>375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>	<u>436,578</u>	<u>461,233</u>	<u>521,282</u>	<u>663,058</u>	<u>727,958</u>

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues										
Taxes	\$ 504,182	534,534	552,273	583,585	628,661	655,177	700,588	804,997	839,080	872,607
Use of money and property	13,843	18,212	16,970	10,937	29,960	25,523	15,394	2,564	62,866	101,691
Licenses and permits	56,766	61,423	66,241	71,853	63,338	65,511	86,176	76,472	72,026	82,156
Intergovernmental	1,546,630	1,601,586	1,654,188	1,685,673	1,684,433	1,925,701	1,977,677	2,256,029	2,464,300	2,413,586
Charges for sales and services	244,887	269,695	257,641	269,158	274,573	288,442	313,193	327,276	346,149	363,312
Fines, forfeitures, and penalties	43,041	37,600	38,276	38,721	40,781	32,104	43,625	38,571	35,500	38,772
Pledged tobacco settlement	12,368	12,229	12,577	15,016	14,555	13,954	15,751	17,044	15,463	13,790
Contributions and donations		24,167	7,025	12,626	6,037		4,007		37,239	
Miscellaneous	86,346	81,427	95,586	113,475	115,218	108,527	140,753	35,485	35,098	47,301
Total revenues	2,508,063	2,640,873	2,700,777	2,801,044	2,857,556	3,114,939	3,297,164	3,558,438	3,907,721	3,933,215
Expenditures										
General government	151,271	165,999	151,713	154,698	190,191	176,569	180,464	190,843	265,652	226,300
Public assistance	656,873	663,373	671,766	673,167	675,857	671,279	685,610	754,437	842,654	823,922
Public protection	753,721	797,866	817,939	860,247	918,419	971,533	1,007,918	1,050,490	1,166,694	1,261,983
Health and sanitation	522,894	559,977	610,859	655,842	693,869	778,957	871,488	841,339	965,090	1,073,048
Public ways and facilities	137,724	135,948	137,106	143,330	138,291	152,750	157,358	174,714	188,000	189,480
Recreation and culture	35,368	34,869	35,641	40,990	39,132	41,667	38,617	44,216	54,014	61,725
Education	1,604	1,286	1,422	1,487	1,367	1,553	1,518	1,618	1,617	1,830
Capital outlay	35,754	59,080	36,974	51,992	37,196	55,380	53,407	47,119	58,413	64,048
Debt service:										
Principal	69,242	67,346	55,263	60,668	111,160	117,773	132,148	177,913	193,231	199,946
Bond issuance cost					275		2,692		632	
Interest and fiscal charges	137,656	135,661	138,928	141,405	93,778	86,930	74,200	68,373	60,117	52,055
Total expenditures	2,502,107	2,621,405	2,657,611	2,783,826	2,899,535	3,054,391	3,205,420	3,351,062	3,796,114	3,954,337
Excess (deficiency) of revenues over (under) expenditures	\$ 5,956	19,468	43,166	17,218	(41,979)	60,548	91,744	207,376	111,607	(21,122)

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)

Page 2 of 2

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Other financing sources (uses)										
Transfers in	\$ 184,765	174,485	169,793	186,135	181,761	182,066	199,160	230,428	245,546	204,380
Transfers out	(167,637)	(158,151)	(152,894)	(159,219)	(164,981)	(164,943)	(181,740)	(212,613)	(230,177)	(186,863)
Issuance of long-term debt	20,996	19,522	17,391	18,241	20,372	20,639	25,131	26,170	56,962	57,133
Refunding of debt issued					89,125		263,207		180,740	
Premiums on debt issued					11,659		38,224		445	
Payment to refunded bonds escrow agent					(113,411)		(312,720)		(180,371)	
Total other financing sources (uses)	<u>38,124</u>	<u>35,856</u>	<u>34,290</u>	<u>45,157</u>	<u>24,525</u>	<u>37,762</u>	<u>31,262</u>	<u>43,985</u>	<u>73,145</u>	<u>74,650</u>
Changes in fund balances	<u>\$ 44,080</u>	<u>55,324</u>	<u>77,456</u>	<u>62,375</u>	<u>(17,454)</u>	<u>98,310</u>	<u>229,820</u>	<u>251,361</u>	<u>184,752</u>	<u>53,528</u>
Debt service as a percentage of noncapital expenditures	9.16 %	8.60 %	7.63 %	7.52 %	7.26 %	6.94 %	6.75 %	7.65 %	6.92 %	6.61 %

**COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 2014-15 THROUGH 2023-24
(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>
2014-15	\$ 425,477	74,171	4,534	504,182
2015-16	447,437	82,762	4,335	534,534
2016-17	463,975	82,453	5,845	552,273
2017-18	490,856	86,146	6,583	583,585
2018-19	525,232	96,730	6,699	628,661
2019-20	535,799	114,323	5,055	655,177
2020-21	574,282	121,066	5,240	700,588
2021-22	618,235	180,102	6,660	804,997
2022-23	661,728	171,604	5,748	839,080
2023-24	696,152	170,437	6,018	872,607

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2014-15 THROUGH 2023-24
(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
2014-15	\$ 128,286,361	6,429,967	1,483,454	(5,925,469)	130,274,313	1.000
2015-16	134,494,438	6,488,685	1,527,359	(6,387,204)	136,123,278	1.000
2016-17	141,945,673	6,213,686	1,540,805	(6,331,237)	143,368,927	1.000
2017-18	151,164,155	6,450,239	1,605,246	(6,829,284)	152,390,356	1.000
2018-19	161,252,864	6,909,322	1,508,979	(7,040,350)	162,630,815	1.000
2019-20	171,771,317	7,456,729	1,544,478	(7,575,239)	173,197,285	1.000
2020-21	182,060,623	7,870,485	1,559,767	(8,083,004)	183,407,871	1.000
2021-22	191,976,450	7,783,171	1,628,844	(8,384,119)	193,004,346	1.000
2022-23	207,135,834	8,592,387	1,836,685	(8,982,942)	208,581,964	1.000
2023-24	222,439,994	9,225,840	2,042,309	(10,090,739)	223,617,404	1.000

A) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes.

B) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipment, leasehold improvements, and possessory interests.

C) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization.

D) Exemptions as provided by the State Constitution provide property tax relief to Welfare, Church, and Non-Profit Organizations.

E) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values.

Note: All dollar estimates are in current dollars (not adjusted for inflation).

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO
AVERAGE PROPERTY TAX RATES - ALL
DIRECT AND OVERLAPPING GOVERNMENTS
FISCAL YEARS 2014-15 THROUGH 2023-24
(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 Districts ^C	
2014-15	1.000	0.0019		0.0497	1.0516
2015-16	1.000	0.0018		0.0473	1.0491
2016-17	1.000	0.0010		0.0531	1.0541
2017-18	1.000			0.0552	1.0552
2018-19	1.000			0.0589	1.0589
2019-20	1.000		0.0128	0.0615	1.0743
2020-21	1.000		0.0193	0.0581	1.0774
2021-22	1.000		0.0138	0.0580	1.0718
2022-23	1.000		0.0171	0.0567	1.0738
2023-24	1.000		0.0164	0.0540	1.0704

- A) In June 1978 California voters approved Proposition 13, which restricted property taxes to a County-wide rate of 1 percent per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1 percent is based on the County's AB 8 Apportionment factors.
- B) Rate represents a weighted average of seven incorporated cities within the County.
- C) Rate represents a weighted average of the various special districts with general obligation bond rates.
- D) Rate represents a weighted average of the various school districts with general obligation bond rates.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2024 AND JUNE 30, 2015
(amounts expressed in thousands)**

Taxpayer	June 30, 2024			June 30, 2015		
	Tax Levy^A	Rank	Percentage of Total Tax Levy	Tax Levy^B	Rank	Percentage of Total Tax Levy
Pacific Gas & Electric Co.	\$ 25,387	1	1.18 %	\$ 7,292	1	0.63 %
PW Fund	9,814	2	0.46			
Intel Corporation	8,120	3	0.38	6,005	3	0.52
NP Sacramento	7,902	4	0.37			
Oakmont Properties	7,862	5	0.37			
MP Holdings LLC	7,537	6	0.35	5,395	5	0.47
AT&T Communications	6,970	7	0.32	7,247	2	0.62
BRE Delta Industrial Sacramento	6,701	8	0.31			
Conrad Ethan	5,619	9	0.26			
KB Home Sacramento	4,784	10	0.22			
Hines Interests, LP				5,837	4	0.50
Cummings Trust				4,724	6	0.41
Walmart				4,435	7	0.38
Westcore Delta, LLC				4,371	8	0.38
Donahue Schriber Realty Group				3,898	9	0.34
Surewest				2,978	10	0.26

(A) Tax levy amount provided by Tax and Licensing Division
(B) FY 2014-15 County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO
COUNTY-WIDE 1 PERCENT - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

Fiscal Year	Taxes Levied ^{A, E}	Collections Within the Fiscal Year ^{B, E}		Collections in Subsequent Years ^C	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy ^D
2014-15	\$1,233,891	\$ 1,221,411	98.99	\$ 12,452	\$ 1,233,863	100.00
2015-16	1,288,948	1,278,225	99.17	10,679	1,288,904	100.00
2016-17	1,359,759	1,349,089	99.22	10,591	1,359,680	99.99
2017-18	1,453,162	1,441,490	99.20	11,513	1,453,003	99.99
2018-19	1,550,474	1,538,104	99.20	12,047	1,550,151	99.98
2019-20	1,651,294	1,635,289	99.03	15,177	1,650,466	99.95
2020-21	1,750,891	1,736,895	99.20	12,678	1,749,573	99.92
2021-22	1,847,955	1,835,060	99.30	9,757	1,844,817	99.83
2022-23	1,996,826	1,979,782	99.15	8,403	1,988,185	99.57
2023-24	2,145,727	2,124,128	98.99		2,124,128	98.99

A) County-wide 1 percent - Secured and Unitary Tax Rolls - Adjusted levy amount as of June 30; Levied Amounts for the County General Fund, School Districts, Cities, and Special Districts.

B) Collection amounts for the fiscal year as of June 30 for the County-wide 1 percent portion of the Secured and Unitary Taxes.

C) In the 1993 fiscal year, the Board of Supervisors adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales proceeds (Teeter Plan) as provided in California Revenue and Taxation Code Section 4701. Under the Teeter Plan, the Secured property tax roll is distributed to all taxing agencies within the County of Sacramento on the basis of the adjusted tax levy, rather than on the basis of actual cash collections.

D) The County has a Teeter loan which covers the full balance of levied taxes. If collections are not made within 5 years, the property goes to public auction.

E) Columns (A) and (B) have been revised for FY 2020-21, as unitary bond debt amounts were erroneously included.

Note: All dollar estimates are in current dollars (not adjusted for inflation)

Estimates updated for FY 2023-24, include revised estimates for FY 2014-15 and FY 2020-21 (may not be consistent with prior reported figures)

Source: County's internal financial documents

COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands, except per capita amount)

Page 1 of 2

Governmental Activities									
Fiscal Year	Certificates of Participation	General Obligation Bonds ^A	Teeter Notes	Pension Obligation Bonds ^B	Revenue Bonds	Financed Purchase Obligations ^C	Lease Liability ^D	SBITA Liability ^E	Other Debt
2014-15	\$ 249,206		29,732	1,159,636	342,871	4,123			3,522
2015-16	233,261		25,494	1,114,323	332,104	3,479			4,606
2016-17	216,441		22,849	1,059,751	332,841	2,974			647
2017-18	198,681		21,618	995,112	331,024	2,227			581
2018-19	169,721		21,460	925,917	329,421	780			493
2019-20	160,992		21,131	847,507	328,401	23,652			691
2020-21	144,570		22,523	759,097	321,059	22,503			2,838
2021-22	133,097		22,151	659,798	309,805	17,600	297,937		2,393
2022-23	131,554		22,273	550,534	299,422	32,198	286,854	16,011	2,738
2023-24	108,606	10,426	28,034	432,955	289,514	24,196	278,979	10,970	2,358

Notes:

See the "Demographic and Economic Statistics" table for population figures.

A) First year reporting General Obligation Bonds beginning FY 2023-24.

B) Includes Pension Obligation Bonds - Direct Placement Bonds beginning FY 2022-23.

C) Revised header name in FY 2021-22 due to GASB 87 implementation, in prior years this was labeled Capital Leases.

D) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, Leases.

E) First year reporting SBITA Liability in FY 2022-23 due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*.

COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands, except per capita amount)

Page 2 of 2

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income ^I	Per Capita ^I
	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Lease Liability ^D	SBITA Liability ^E	Other Debt ^{F, G, H}			
2014-15	\$ 1,147,042	302,011	13,746			9,803	4,421,328	4.89 %	2,207
2015-16	1,123,317	288,848				7,310	3,132,742	4.38 %	2,094
2016-17	1,103,799	273,959				5,080	3,018,341	4.08 %	1,995
2017-18	1,068,687	259,699				6,110	2,883,739	3.75 %	1,884
2018-19	1,051,100	257,780				6,342	2,763,014	3.41 %	1,793
2019-20	976,833	251,057				4,504	2,614,768	3.05 %	1,685
2020-21	943,334	243,658				2,369	2,461,951	2.71 %	1,578
2021-22	975,582	236,035		11,460		7,461	2,673,319	2.72 %	1,682
2022-23	956,424	228,127		12,218	720	47,145	2,586,218	2.64 %	1,629
2023-24	936,736	219,919		16,224	425	63,676	2,423,018	2.35 %	1,530

Notes:

See the "Demographic and Economic Statistics" table for population figures.

D) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, Leases.

E) First year reporting SBITA Liability in FY 2022-23 due to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*.

F) Revised FY 2014-15 through FY 2015-16 to include SMUD Water Rights.

G) Usage fees for the City of Sacramento were paid in full in FY 2017-18.

H) First year reporting Loan Agreements and Revolving Line of Credit in FY 2022-23.

I) Revised estimates for FY 2014-15 through FY 2015-16 for Personal Income and Population based on the Demographic of Economic Statistics.

**COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Assessed Value of Property	\$ 130,274,313	136,123,278	143,368,927	152,390,356	162,630,815	173,197,285	183,407,871	193,004,346	208,581,964	223,617,404
Debt Limit, 1.25% of Assessed Value (Statutory Limitation) ¹	1,628,429	1,701,541	1,792,112	1,904,879	2,032,885	2,164,966	2,292,598	2,412,554	2,607,275	2,795,218
Amount of Debt Applicable to Limit: General Obligations Bonds Less: Resources Restricted to Paying Principal Total net debt applicable to limit										
Legal debt margin ²	<u>\$ 1,628,429</u>	<u>1,701,541</u>	<u>1,792,112</u>	<u>1,904,879</u>	<u>2,032,885</u>	<u>2,164,966</u>	<u>2,292,598</u>	<u>2,412,554</u>	<u>2,607,275</u>	<u>2,795,218</u>
Total net debt applicable to the limit as a percentage of the limit ³	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- Note:
- 1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.
 - 2) The legal debt margin is the County's available borrowing authority under State finance statues and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.
 - 3) Total net debt applicable to the limit as a percentage of the limit was changed from 100 to N/A for FY 2014-15 though FY 2021-22 as we do not have any debt applicable to the limit.

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO
PLEGGED-REVENUE COVERAGE
FISCAL YEARS 2014-15 THROUGH 2023-24
(amounts expressed in thousands)**

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue ^A	Less: Operating	Net Revenue	Debt Service Requirements		Coverage
		Expenses ^B		Principal	Interest	
2014-15	\$ 158,928	82,412	76,516	14,220	39,345	1.43
2015-16	171,151	88,096	83,055	14,820	38,743	1.55
2016-17	178,108	91,317	86,791	15,450	37,905	1.63
2017-18	187,410	101,128	86,282	2,865	36,338	2.20
2018-19	193,835	106,474	87,361	12,420	31,469	1.99
2019-20	209,665	121,588	88,077	15,760	31,099	1.88
2020-21	170,588	119,402	51,186		27,581	1.86
2021-22	252,524	124,908	127,616		26,621	4.79
2022-23	245,894	146,734	99,160		25,746	3.85
2023-24	264,679	165,275	99,404		25,746	3.86

Water Agency Revenue Bond Coverage ^D						
Fiscal Year	Gross Revenue ^E	Less: Operating	Net Revenue	Debt Service Requirements ^C		Coverage
		Expenses		Principal	Interest	
2014-15	\$ 63,798	23,090	40,708	8,650	15,803	1.66
2015-16	67,351	22,882	44,469	9,070	15,399	1.82
2016-17	65,159	27,813	37,346	9,505	14,960	1.53
2017-18	81,172	27,169	54,003	9,955	14,538	2.20
2018-19	86,220	27,521	58,699	10,435	14,073	2.40
2019-20	88,012	29,156	58,856	11,890	11,268	2.54
2020-21	94,068	32,456	61,612	9,870	12,225	2.79
2021-22	108,622	34,159	74,463	10,350	16,321	2.79
2022-23	108,916	38,743	70,173	10,875	15,875	2.62
2023-24	140,963	41,281	99,682	11,405	15,587	3.69

Note: Solid Waste Enterprise Fund does not have revenue bonds

A) Per bond resolution, revenues include all Airport revenues and exclude certain interest earnings and restricted revenues.

B) Total operating expenses including transfers out, but excluding depreciation and amortization.

C) Includes principal and interest of revenue bonds only.

D) Water Agency revenue bonds were issued May 9, 2007, October 31, 2019, and February 1, 2022.

E) Gross revenue reflects the adjusted annual revenues on the Water Agency Enterprise Fund pledged revenue stream. Fiscal years 2021-22 and 2022-23 have been revised to reflect that the Annual Adjusted Debt Service for the 2022A bonds is calculated based on a thirty-year amortization of the principal and interest at a rate equal to the Bond Buyer - Revenue Bond Index.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2024 AND 2015**

Employer	June 30, 2024			June 30, 2015		
	Employees^(A)	Rank	Percentage of Total County Employment	Employees^(B)	Rank	Percentage of Total County Employment
UC Davis Health System	16,075	1	2.29 %	9,905	1	1.57 %
Kaiser Permanente	11,856	2	1.69	5,421	5	0.86
Sutter / California Health Services	10,129	3	1.44	7,352	2	1.16
Dignity / Mercy Healthcare	7,353	4	1.05	6,212	3	0.98
Intel Corporation	4,300	5	0.61	6,000	4	0.95
Raley's Inc./Bel Air	2,624	6	0.37	3,289	6	0.52
Siemens Mobility Inc.	2,500	7	0.36			
Safeway	1,874	8	0.27			
Golden 1 Credit Union	1,679	9	0.24			
Pacific Gas and Electric Co.	1,370	10	0.19			
Apple Inc.				2,500	7	0.40
VSP Global				2,382	8	0.38
Health Net of California				2,299	9	0.36
Wells Fargo & Co.				2,198	10	0.35
Total	59,760		8.51 %	47,558		7.53 %

Note:

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

(B) Source: FY 2015 Sacramento County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2014-15 THROUGH 2023-24
 (amounts expressed in thousands except per capita amount)**

Fiscal Year	Population ^A	Personal Income	Per Capita Personal Income ^B	School Enrollment	Unemployment Rate ^C
2014-15	1,478	\$ 65,486,553	\$ 44,303	241	7.3 %
2015-16	1,497	70,110,138	46,845	243	6.0 %
2016-17	1,514	72,878,458	48,122	244	5.4 %
2017-18	1,531	76,832,120	50,197	246	4.6 %
2018-19	1,541	80,969,087	52,544	247	3.8 %
2019-20	1,552	85,775,621	55,266	250	3.7 %
2020-21	1,559	90,908,707	58,307	246	9.3 %
2021-22	1,589	98,241,828	61,829	243	7.0 %
2022-23	1,588	98,105,641	61,775	248	3.9 %
2023-24	1,584	103,143,749	65,104	253	4.4 %

Note:

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

Estimates updated November 16, 2023, include new estimates for FY 2021-22 and revised estimates for FY 2014-15 through FY 2020-21, which may not be consistent with prior reported figures.

A) Census Bureau mid-year population estimates. Estimates for FY 2014-15 through FY 2022-23 reflect County population estimates available as of March 2023.

B) Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for FY 2015-2023 reflect County population estimates available as of March 2024.

C) Unemployment rate reflects the March 2024 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 2014-15 THROUGH 2023-24**

Full-Time Equivalent Employees as of June 30th

Function	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Government	894	895	912	905	853	846	832	792	841	855
Public Assistance	2,179	2,239	2,259	2,224	2,103	2,018	2,005	2,026	2,114	2,112
Public Protection	3,806	3,948	3,960	3,952	4,280	4,231	4,223	4,268	4,448	4,651
Health and Sanitation	1,952	2,057	2,181	2,156	2,230	2,178	2,187	2,195	2,328	2,561
Recreation and Culture	138	154	134	157	164	140	125	130	143	175
Education	1									
Public Ways and Facilities	271	277	257	246	244	246	239	235	242	256
Non-Governmental				11	12	12	12	12	12	15
Total	9,241	9,570	9,703	9,651	9,886	9,671	9,623	9,658	10,128	10,625

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

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2014-15 THROUGH 2023-24**

Page 1 of 2

Function	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Government										
Assessor:										
Number of parcels assessed	503,717	505,436	505,076	508,941	504,653	509,959	514,745	517,407	522,902	529,271
Gross total of secured roll (in thousands)	128,067,747	134,202,599	141,838,766	151,097,866	161,271,858	171,708,882	181,977,314	191,921,172	207,080,796	222,472,911
Gross total of unsecured roll (in thousands)	6,430,072	6,488,685	6,220,235	6,450,239	6,909,322	7,456,729	7,870,485	7,783,171	8,592,387	9,225,840
Clerk Recorder:										
Number of recorded documents	355,598	362,930	383,763	369,638	336,384	393,676	520,007	411,200	251,679	238,045
Public Assistance										
Human Assistance total caseload	293,840	330,167	328,585	318,056	314,269	333,993	361,402	411,022	432,273	444,181
Percent served of children in poverty	66	61	61	62	62	58	56	52	52	51
Housing services provided ^A	2,203	2,069	1,812	2,319	2,349	1,855	2,923	2,807	2,615	3,454
Employee non-exempt recipients CalWORKs	47	52	67	59	61	61	49	54	50	1
Public Protection										
District Attorney:										
Filed felonies	8,496	8,854	8,641	9,077	8,294	8,027	9,292	8,760	8,228	7,150
Filed misdemeanors	14,553	15,164	14,397	13,342	14,514	13,036	11,780	12,130	10,861	13,148
Filed probation violations	1,785	1,517	1,785	1,884	1,856	1,112	304	318	220	97
Probation:										
Cases supervised ^B	27,939	28,246	28,383	27,701	26,688	24,261	23,172	20,484	17,379	18,280
Institutional care for minors (days) ^C	69,696	62,776	50,237	46,760	43,535	41,023	36,616	42,992	57,372	61,995
Juvenile referrals processed	6,605	5,519	4,520	3,693	3,086	2,794	2,105	2,161	2,692	3,315
Prepared adult sentencing reports ^{B, D, E, F}	9,081	9,604	11,255	13,999	18,227	20,599	30,950	32,607	17,745	30,669
Public Defender:										
Felony Unit jury trials	159	161	199	133	141	81	56	45	102	105
Sheriff:										
Emergency calls for service:										
Priority 1	4,095	4,070	4,450	4,311	4,319	4,345	4,766	4,583	4,500	4,380
Emergency response time (minutes):										
Priority 1	12	13	12	11	11	11	12	15	15	14
Processed and booked adult offenders	20,292	20,538	15,824	21,616	19,107	10,627	8,181	6,832	5,977	5,510
Physical arrests	23,733	24,441	18,785	24,928	21,659	12,611	10,654	8,522	8,484	7,093
Total miles patrolled by Sheriffs	813	813	813	813	813	813	813	813	813	813

A) Housing services provided includes only the programs by DHA, including emergency shelters, and the data does not include the programs DHA does not administer.

B) Due to restructuring, the County now has the capacity to report on data and critical workload that previously was unable to be captured and quantified.

C) California Department of Rehabilitation Division of Juvenile Justice (DJJ) released youth back to local jurisdictions 9/30/2021, full closure 6/30/2023. Institutional care days increase due to commitments.

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

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

F) Pretrial Release Unit reports are captured beginning FY 2019-20.

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2014-15 THROUGH 2023-24**

Page 2 of 2

Function	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Health and Sanitation										
Patient treatments at Public Health clinics	20,751	19,700	23,613	29,791	30,532	43,170	35,808	59,501	49,127	55,569
Training:										
Programs in compliance (by inspection) ^{G, H, I}	95	100	100	100	100	95	Unknown	80	100	99
Public Ways and Facilities										
Number of traffic signs resent and replaced	14,909	13,910	16,129	8,635	7,099	6,914	10,204	7,810	5,665	5,175
Square feet of graffiti removed or abated	185,195	205,084	131,490	129,600	200,587	152,281	287,881	237,079	212,085	237,690
Recreation and Culture										
Number of individuals who use Parks' golf services	163,722	157,095	131,248	147,029	142,048	168,110	204,230	186,610	158,259	172,919
Education										
Library:										
Total circulation ^J	7,339,735	7,480,731	7,064,066	7,573,185	8,112,087	7,000,665	5,464,352	7,266,036	7,732,460	8,654,365
Library cards issued	66,835	63,384	60,535	100,733	142,678	69,715	22,796	69,256	102,405	177,250
Total library cards in use	656,423	651,636	692,508	706,452	771,503	766,505	692,074	699,101	720,073	858,125
Library visits	4,183,751	4,252,802	3,625,829	3,667,015	3,712,147	2,653,910	369,551	1,148,709	1,927,032	2,010,888
Airport										
Number of commercial airlines	11	10	10	11	16	16	16	17	14	14
Number of flights	46,621	48,627	50,551	55,879	60,082	57,541	43,076	58,735	62,868	56,315
Number of enplaned passengers	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732	6,444,324	6,597,093
Solid Waste										
Percent of diversion/recycled waste	74	73	70	68	63	66	68	68	70	69
Tons disposed	623,824	657,247	747,704	796,946	890,301	946,063	943,258	920,989	845,995	529,198
Water Agency										
Water supply:										
Number of water connections	52,400	53,439	54,464	55,178	56,137	57,541	58,890	60,004	61,348	63,295
Water delivered (acre feet)	35,112	31,174	35,079	39,750	39,750	43,842	48,555	43,874	43,490	41,598
Storm Water Utilities										
Drainage:										
Mainline and lateral pipes cleaned (miles)	66	119	84	107	133	84	58	47	6	48
Parking Enterprise										
Daily public parking (count)	136,440	151,629	149,112	135,932	116,094	92,848	36,714	54,755	77,313	80,362
Monthly parking passes issued to County employees (count)	17,652	17,640	18,216	21,180	20,676	17,683	17,839	16,673	16,819	17,349
Outside agency usage	8,995	7,792	4,555	4,551	4,040	3,201	746	2,185	2,588	2,788
County Transit										
Total passengers	105,587	111,016	107,217	103,992	105,479	82,582	29,622	35,807	47,989	50,328
Total days	250	252	251	251	249	249	253	254	251	252
Average daily passengers	422	441	427	414	424	332	117	141	191	200

G) Non Mandated inspections suspended due to budget/staff reductions. Program rebuilding measures are underway.

H) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

I) Three (of fifteen) ALS providers are non-compliant and on monthly check-in. Note relates to programs in compliance (by inspection) FY 2021-22.

J) Books loaned and audio visual media loaned statistics are combined.

G) Employed Non-Exempt CalWORKs Recipients number is significantly decreased in FY 2023-24 due to DHA transition from CalWIN to CalSAWs software. New software reports data differently.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2014-15 THROUGH 2023-24**

Page 1 of 2

Function	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Public Protection										
Sheriff:										
Administrations buildings	1	1	1	1	1	1	1	1	1	1
Aircrafts										
Operational	5	5	5	5	5	5	5	5	4	4
Non-Operational									1	1
Fixed Wing										
Sheriff								1	1	2
CAL-MMET	2	2	2	2	2	2	2	1	1	1
Community service centers	6	7	8	8	8	9	8	7	6	6
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	328	386	385	409	397	410	411	397	401	380
Stations	3	3	3	3	3	3	3	3	3	3
Health and Sanitation										
Clinics	1	1	1	1	1	1	1	1	1	1
Mental Health Treatment										
Clinics	1	1	1	1	1	1	1	5	5	5
Public Ways and Facilities										
Centerline miles of roads maintained	2,202	2,200	2,203	2,202	2,208	2,208	2,209	2,214	2,215	2,215
Traffic signals	461	466	473	476	505	508	511	512	515	515
Recreation and Culture										
Number of golf courses	4	4	4	4	4	4	4	4	3	3
Number of developed parks	38	38	38	38	38	38	38	38	38	38
Developed parks acreage	15,189	15,189	15,189	15,189	15,189	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 2014-15 THROUGH 2023-24**

Page 2 of 2

Function	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed vehicles:										
Cars and light trucks	168	205	201	189	182	183	188	189	190	205
Busses	32	51	42	28	33	33	31	35	41	40
Solid Waste										
Number of collection trucks	108	100	100	100	100	100	106	116	137	134
Number of landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water mains (miles)	797	805	812	829	851	880	864	889	909	940
Storage capacity (thousands of gallons)	61,900	61,900	61,900	61,600	61,600	61,600	61,700	61,700	61,700	61,700
Drainage:										
Drainage inlets	38,841	38,651	38,425	37,262	37,145	37,947	38,155	37,957	38,184	36,773
Drainage manholes	23,544	23,573	23,589	23,127	23,302	23,808	24,173	24,189	24,353	24,649
Drainage pipes (miles)	1,359	1,353	1,341	1,293	1,293	1,313	1,326	1,308	1,327	1,324
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2
County Transit										
Number of buses	16	17	18	18	18	18	19	19	19	19

Source: County of Sacramento Department Records

ANNUAL COMPREHENSIVE 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, 2024

This is the County of Sacramento Annual Continuing Disclosure filing for December 31, 2024, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of the issuance date of this Annual Comprehensive Financial Report and is subject to change without notice, and shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

This Section contains three separate Annual Continuing Disclosure filings for the following:

1. Certificates of Participation; Pension Obligation Bonds; and River City Regional Stadium Financing Authority Lease Revenue Bonds
2. Airport System Revenue Bonds
3. Water Financing Authority Revenue Bonds

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURES FOR:
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

REQUIRED TABLES

**Sacramento County Investment Pool
(Quarter Ended on September 30, 2024)**

Average Daily Balance	\$6,930,848,333
Period-End Balance	\$6,938,683,319
Yield	4.624%
Weighted Average Maturity	353 Days
Duration in Years	0.893 Years
Historical Cost	\$6,939,441,480
Fair Value	\$6,978,284,238
Percent of Fair Value to Cost	100.56%

**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 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 ²
APPROPRIATIONS				
Reserve Increase	\$ 150,510	221,174	126,553	22,424
General Government	502,890	129,348	91,082	208,919
Public Protection	1,371,438	1,528,718	1,612,710	1,215,788
Health and Sanitation	664,813	746,909	934,215	1,442,704
Public Assistance	620,587	1,003,141	1,037,167	938,746
Education, Cultural and Recreation	32,448	40,336	43,306	31,182
Contingencies	17,146	42,499	52,903	14,492
TOTAL APPROPRIATIONS	<u>\$ 3,359,832</u>	<u>3,712,125</u>	<u>3,897,936</u>	<u>3,874,255</u>
AVAILABLE FUNDS				
Beginning Appropriated Fund Balance/Carryover	\$ 365,134	394,256	316,664	127,195
Equity Transfer In	100	377	50	204
Reserve Cancellation	5,050	3,374	45,840	5,246
Taxes	698,594	778,899	821,867	842,435
Licenses and Permits	11,315	11,632	11,081	11,968
Fines, Forfeitures and Penalties	21,406	20,746	19,461	17,424
Realignment 1991	699,206	794,979	781,493	411,629
Realignment 2011				441,346
Other Interfund Reimbursements				104,063
Proposition 172	146,537	174,267	177,199	173,062
Patient Care Revenue				278,001
Mental Health Services	87,944	115,768	207,264	146,348
Clerk/Recorder Fees	3,009	3,009	2,564	
Use of Money and Property	6,744	7,647	16,821	15,718
Aid from Other Government Agencies (state and federal)	1,135,788	1,223,724	1,319,925	1,126,357
Charges for Current Services	123,072	138,198	140,776	142,581
Other Revenues	55,933	45,249	36,931	30,678
TOTAL AVAILABLE FUNDS	<u>\$ 3,359,832</u>	<u>3,712,125</u>	<u>3,897,936</u>	<u>3,874,255</u>

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

⁽²⁾ Fiscal Year 2024-25 prior years incorporated some appropriations and revenues that were not part of 001A. FY 2024-25 and on will be reflective of appropriations and revenues for Fund 001A as presented in prior official statements. Clerk/Recorder fees are now included in charges for current services.

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

Fiscal Year	Total Gross Assessed Valuation	Secured/Unsecured Roll Growth
2015-16	\$ 140,691,284	4.60 %
2016-17	148,052,405	5.23 %
2017-18	157,548,105	6.41 %
2018-19	168,181,180	6.75 %
2019-20	179,165,611	6.53 %
2020-21	189,847,799	5.96 %
2021-22	199,704,342	5.19 %
2022-23	215,673,183	8.00 %
2023-24	231,698,751	7.43 %
2024-25	243,701,475	5.18 %

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

Fiscal Year	Secured Tax Levies	Current Levy Delinquent June 30	Percent Current Levy Delinquent June 30	Total Collections June 30 ¹	Total Collection Current Levy
2015-16	\$ 1,273,652	10,723	0.84 %	1,262,929	99.16 %
2016-17	1,344,330	10,670	0.79 %	1,333,660	99.21 %
2017-18	1,437,087	11,672	0.80 %	1,425,415	99.20 %
2018-19	1,535,361	12,370	0.80 %	1,522,911	99.20 %
2019-20	1,651,294	16,005	0.97 %	1,635,289	99.03 %
2020-21	1,750,891	13,996	0.80 %	1,736,895	99.20 %
2021-22	1,847,955	12,894	0.69 %	1,835,060	99.31 %
2022-23	1,996,826	17,044	0.86 %	1,929,782	99.15 %
2023-24	2,145,727	21,599	1.01 %	2,124,128	98.99 %

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

COUNTY OF SACRAMENTO
Largest Secured Taxpayers FY 2024-25
(includes levies for bond debt service and special assessments)

Taxpayer	Amount
Pacific Gas & Electric Co.	\$ 25,387,002
PW Fund	9,814,127
Intel Corporation	8,199,816
NP Sacramento	7,902,299
Oakmont Properties	7,861,655
MP Holdings, LLC	7,537,482
AT&T Communications	6,969,784
BRE Delta Industrial Sacramento	6,701,184
Conrad Ethan	5,618,652
KB Home Sacramento	4,783,578
Total (represents 3.01 percent secured tax roll levy):	\$ 90,775,579

COUNTY OF SACRAMENTO
Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2019-20 through FY 2023-24
(amounts expressed in thousands)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Beginning Fund Balance	\$ 354,691	434,900	533,251	724,563	767,539
Revenues					
Taxes	611,245	657,123	744,507	770,676	804,075
Use of money and property	10,470	9,959	2,178	34,419	63,128
Licenses and permits	11,161	11,529	12,630	11,849	10,838
Intergovernmental	1,817,146	1,862,804	2,108,837	2,297,752	2,265,130
Charges for sales and services	131,450	151,125	133,171	131,897	141,432
Fines, forfeitures and penalties	21,999	26,119	21,829	21,699	22,163
Miscellaneous	55,170	92,439	29,282	28,257	37,301
Total Revenues	<u>2,658,641</u>	<u>2,811,098</u>	<u>3,052,434</u>	<u>3,296,549</u>	<u>3,344,067</u>
Transfers in	9,432	16,257	19,269	12,748	14,677
Issuance of long-term debt			3,203	23,504	27,125
Total Revenues and Transfers	<u>2,668,073</u>	<u>2,827,355</u>	<u>3,074,906</u>	<u>3,332,801</u>	<u>3,385,869</u>
Expenditures					
General government	126,161	132,413	137,717	195,979	159,627
Public assistance	671,279	668,157	754,437	842,654	823,922
Public protection	899,142	935,849	971,907	1,068,499	1,158,394
Health and sanitation	743,011	829,250	797,834	924,451	1,035,228
Recreation and culture	22,671	22,619	25,105	29,755	35,739
Education	422	433	436	451	519
Debt Service:					
Principal			30,008	33,811	33,705
Interest and fiscal charges			3,623	3,318	3,450
Total Expenditures	<u>2,462,686</u>	<u>2,588,721</u>	<u>2,721,067</u>	<u>3,098,918</u>	<u>3,250,584</u>
Transfers out	125,178	132,532	162,527	190,907	146,657
Total Expenditures and Transfers	<u>2,587,864</u>	<u>2,721,253</u>	<u>2,883,594</u>	<u>3,289,825</u>	<u>3,397,241</u>
Net change in fund balance	<u>80,209</u>	<u>106,102</u>	<u>191,312</u>	<u>42,976</u>	<u>(11,372)</u>
Ending Fund Balance	<u>\$ 434,900</u>	<u>541,002</u>	<u>724,563</u>	<u>767,539</u>	<u>756,167</u>

**COUNTY OF SACRAMENTO
Financing Obligations**

As of July 1, 2024

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	County Liability
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	\$ 36,150,000	\$ 18,870,000	2035	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	16,590,000	2030	66% (if ticket receipts insufficient)
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	55,375,000	2034	100%
2020 COP Refunding	Rio Cosumnes Correctional Center	27,080,000	19,370,000	2030	100%
2015 Motorola Radio System Lease	Motorola Systems Equipment Lease	13,662,797	3,041,306	2026	100%
2020 Motorola Microwave	Motorola Systems Equipment Lease	3,463,701	1,154,332	2025	100%
2023 DTECH Cisco	CoSwan Network	21,999,968	17,102,434	2028	100%

**COUNTY OF SACRAMENTO
Pension Obligation Bonds**

As of July 1, 2024

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	\$ 359,165,000	\$ 67,125,000	2027	75%
County of Sacramento Taxable Pension Bonds, Series 2011B	Refund Series 2009	73,875,000	73,875,000	2025	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	111,960,000	2026	75%
County of Sacramento Taxable Pension Bonds - Direct Placement, Series 2023	Refund Series 2008 (2030 Maturity Only)	180,740,000	180,335,000	2031	75%

COUNTY OF SACRAMENTO

Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and resets quarterly. There are no pre-payment penalties, thereby providing the County with the flexibility to opt-in at a later date into an alternative form of Teeter Plan financing.

As of June 30, 2024
(amounts expressed in thousands)

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 20,639	960	08/01/2024
Sacramento County (Teeter Plan)	25,131	1,781	08/01/2025
Sacramento County (Teeter Plan)	22,967	2,985	08/01/2026
Sacramento County (Teeter Plan)	23,416	6,349	08/01/2027
Sacramento County (Teeter Plan)	29,876	15,959	08/01/2028

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Certificates of Participation Only
(includes principal and interest)
As of July 1, 2024

Period Ending June 30	Series 2003 Juvenile Court COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	Series 2020 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds ⁽¹⁾	Fiscal Year Total
2025	\$ 2,214,281	4,871,000	4,791,000	3,737,500	2,337,278	17,951,059
2026	2,215,419	4,871,250	4,793,125	3,732,000	2,334,002	17,945,796
2027	2,214,006	4,870,750	4,787,500	3,734,125	2,327,147	17,933,528
2028	2,214,938	4,873,875	4,793,625	3,738,250	2,322,568	17,943,256
2029	2,213,106		4,791,000	3,739,000	2,315,989	13,059,095
2030	2,212,000		4,789,375	3,736,125	2,309,799	13,047,299
2031	2,215,750		4,788,250			7,004,000
2032	2,215,000		4,796,875			7,011,875
2033	2,214,625		4,789,875			7,004,500
2034	2,214,375		4,791,875			7,006,250
2035	2,214,000					2,214,000
Total	\$ 24,357,500	19,486,875	47,912,500	22,417,000	13,946,783	128,120,658

⁽¹⁾ County required to pay **only** if ticket receipts are insufficient. The County has never been required to make any debt service payments.

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation
(includes principal and interest)
As of July 1, 2024

Period Ending June 30	Series 2008 Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs	Series 2023 Refunding POBs - Direct Placement ⁽¹⁾	FY POBs Total	FY COPs Total	FY Financed Purchase Obligations Total ⁽²⁾	FY POBs, COPs, & Financing Obligations Combined
2025	\$26,128,662	76,322,109	34,437,113	11,849,099	148,736,983	17,951,059	7,767,721	174,455,763
2026	28,106,049		87,718,563	11,845,124	127,669,736	17,945,796	6,584,530	152,200,062
2027	17,755,915			24,024,107	41,780,022	17,933,528	4,999,992	64,713,542
2028				43,045,531	43,045,531	17,943,256	4,999,992	65,988,779
2029				45,088,189	45,088,189	13,059,095		58,147,284
2030				46,874,763	46,874,763	13,047,299		59,922,062
2031				47,942,334	47,942,334	7,004,000		54,946,334
2032						7,011,875		7,011,875
2033						7,004,500		7,004,500
2034						7,006,250		7,006,250
2035						2,214,000		2,214,000
Total	\$71,990,626	76,322,109	122,155,676	230,669,147	501,137,558	128,120,658	24,352,235	653,610,451

⁽¹⁾ Assumed swap rate of 5.901% for the 2026 Term Bond; 6.375% for \$166,950,000 of the 2030 Term Bond; 4.122% for \$13,385,000 of the 2030 Term Bond. True interest rates will be based on the Secured Overnight Financing Rate (SOFR) plus 0.11% for the Index Adjustment, plus 0.45% for the Credit Spread.

⁽²⁾ Does not include leases with a pledge of net revenues of an enterprise fund

COUNTY OF SACRAMENTO
Variable Rate Debt/Interest Rate Swaps

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo USD-LIBOR-BBA*
Bond Amount Outstanding as of July 1, 2024	\$67,125,000
Insurer	FSA
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$67,125,000
Payment Terms	County pays 5.901% fixed; Counterparty pays 1-month fallback LIBOR provision rate: 5.45292%
Est. Valuation (includes accrued interest)	Negative (\$646,798)
County Credit Rating Risk (threshold for termination event for swap agreement)	County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P) or BBB (Fitch)
Footnote	*This swap will follow the federal guidance fallback provisions in Fiscal Year 2024 to transition from LIBOR to SOFR.
Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR +0.56448%
Bond Amount Outstanding as of July 1, 2024	\$166,950,000
Insurer	N/A
Swap Counterparty	Bank of America, N/A
Swap Notional Amount	\$166,950,000
Payment Terms	County pays 6.375% fixed; Counterparty pays SOFR+ 0.56448%; 5.88948%
Est. Valuation (includes accrued interest)	Negative (\$11,556,113)

COUNTY OF SACRAMENTO
Variable Rate Debt/Interest Rate Swaps

Issue	2023 Refunding POB (portion of)
County Credit Rating Risk (threshold for termination event for swap agreement)	The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&P/Fitch: Tier I = 0.45% (A2/A/A and above) Tier II = 0.55 % (A3/A-/A-) Tier III = 0.70% (Baa1/BBB+/BBB+) Tier IV = 0.90% (Baa2/BBB/BBB) The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).
Issue	2023 Refunding POB (portion of)
Type of Underlying Obligation	Floating Rate Notes - USD SOFR + 0.56448%
Bond Amount Outstanding as of July 1, 2024	\$13,385,000
Insurer	N/A
Swap Counterparty	Bank of America, N.A.
Swap Notional Amount	\$13,385,000
Payment Terms	County pays 4.122% fixed; Counterparty pays SOFR+ 0.56448%: 5.88948%
Est. Valuation (includes accrued interest)	Positive \$289,093
County Credit Rating Risk (threshold for termination event for swap agreement)	The interest rate is dependent upon the County's credit ratings and is calculated as the Daily SOFR Index Rate + applicable spread. The applicable spread is set as follows based on ratings by Moody's/S&P/Fitch: Tier I = 0.45% (A2/A/A and above) Tier II = 0.55 % (A3/A-/A-)

COUNTY OF SACRAMENTO
Variable Rate Debt/Interest Rate Swaps

Issue	2023 Refunding POB (portion of)
	<p>Tier III = 0.70% (Baa1/BBB+/BBB+)</p> <p>Tier IV = 0.90% (Baa2/BBB/BBB)</p> <p>The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P), or BBB (Fitch). Should the County not maintain these ratings, the interest rate on the Bonds shall increase to the Trigger Rate, which represents a rate of interest per annum equal to the highest of (a) the Prime Rate plus one percent (1.00%), (b) the Federal Funds Rate plus two percent (2.00%), or (c) seven percent (7.00%).</p>

COUNTY OF SACRAMENTO

Department of Airports Annual Report (Airport Enterprise Fund)

In accordance with the requirements of the Continuing Disclosure Certificates for the County of Sacramento Airport System Senior Revenue Bonds, Series 2008 and 2009, the Airport System Senior Revenue Refunding Bonds, Series 2016A, 2018A, 2018B, 2018C, and 2020, the Airport System Subordinate and PFC/Grant Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B, 2018D, 2018E, and 2018F, (collectively, the "Certificate"), the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2007-2008, and each ACFR thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The ACFR is filed with each National and State Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Department of Airports for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- (B) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
 - 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

In connection with the issuance of the County's not to exceed \$50,000,000 County of Sacramento Airport System Subordinate Revenue Notes, Series 2022 Subseries A (AMT) and Subseries B (Taxable) (the "2022 Notes"), the County entered into a Revolving Credit Agreement, dated as of December 8, 2022 (the "Revolving Credit Agreement"), with Wells Fargo Bank, National Association, as lender.

The above events were disclosed as material events when announced. No additional material events, as identified in Section 5 of the Certificate, have occurred for any of the outstanding bonds issued by Sacramento County and there is no knowledge on the part of the County of any impending material events that would require disclosure under the provisions of the Certificate.

COUNTY OF SACRAMENTO
Historical Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 1

Enplanements	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Major and other airlines ¹	4,306,807	4,483,792	4,713,231	5,175,936	5,701,245	4,496,776	3,003,922	5,324,255	6,002,584	6,086,875
Regional airlines	321,790	459,393	484,953	585,650	597,202	444,264	206,242	469,477	441,740	510,218
Total	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732	6,444,324	6,597,093
Percent change from prior year	5.77 %	6.80 %	5.16 %	10.84 %	9.32 %	(21.55)%	(35.03)%	80.48 %	11.23 %	2.37 %

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.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Passenger airlines										
Major and other airlines ¹	4,782,686	4,890,000	5,182,816	5,731,091	6,243,996	5,503,729	4,097,086	5,999,400	6,837,816	6,766,924
Regional airlines	350,506	508,376	570,233	674,706	689,413	576,404	332,231	573,402	518,627	614,154
Subtotal	<u>5,133,192</u>	<u>5,398,376</u>	<u>5,753,049</u>	<u>6,405,797</u>	<u>6,933,409</u>	<u>6,080,133</u>	<u>4,429,317</u>	<u>6,572,802</u>	<u>7,356,443</u>	<u>7,381,078</u>
All cargo airlines	651,887	687,612	728,575	1,038,232	1,276,124	1,286,887	1,434,370	1,252,780	1,080,048	1,061,482
Total	<u>5,785,079</u>	<u>6,085,988</u>	<u>6,481,624</u>	<u>7,444,029</u>	<u>8,209,533</u>	<u>7,367,020</u>	<u>5,863,687</u>	<u>7,825,582</u>	<u>8,436,491</u>	<u>8,442,560</u>
Percent change from prior year	(3.78)%	5.20 %	6.50 %	14.85 %	10.28 %	(10.26)%	(20.41)%	33.46 %	7.81 %	0.07 %

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.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Percentage of Total Enplanements										
Major Airlines ¹										
Southwest Airlines	53.1 %	51.8 %	51.5 %	53.2 %	53.3 %	51.8 %	49.9 %	51.5 %	56.1 %	55.3 %
United Airlines	7.6	10.1	9.9	9.9	10.7	9.1	9.8	10.4	9.0	9.4
Delta Air Lines	6.3	11.1	10.6	10.6	10.2	10.7	11.6	10.5	9.8	9.8
Alaska Airlines	6.2	8.4	8.1	8.1	7.9	6.3	3.8	6.0	5.4	3.8
US Airways	5.8									
American Airlines	5.3	12.2	13.0	12.0	10.7	10.1	11.9	9.4	8.6	9.7
Jet Blue Airlines	2.9	2.8	2.9	2.8	2.4	2.2	0.5	1.0	1.2	1.1
Horizon Airlines	2.3					1.8	3.0	1.6	0.9	1.6
Hawaiian Airlines	1.8	1.7	1.7	1.5	1.5	1.8	1.9	2.4	2.3	2.2
Frontier Airlines					0.8	1.2	2.3	1.9	0.9	0.5
Aeromexico	1.0	1.1	1.3	1.0	0.9	0.9	1.2	0.9	0.7	1.2
Air Canada					0.3	0.3			0.3	0.5
Spirit					0.1	2.0	2.1	2.8	3.1	3.1
Sun Country					0.1	0.3				
Contour					0.1	0.3				
Volaris Airlines	0.8	0.8	1.0	0.9	1.0	1.2	2.0	1.6	1.7	1.8
Regional Airlines ²										
Skywest	6.1									
Mesa/Delta Connection	0.80									
Subtotal	100.0 %	100.0 %	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 Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Years Ended June 30
Exhibit 3

Page 2 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ranking										
Major Airlines ¹										
Southwest Airlines	1	1	1	1	1	1	1	1	1	1
American Airlines	7	2	2	2	2	3	2	4	4	3
Delta Air Lines	3	3	3	3	4	2	3	2	2	2
United Airlines	2	4	4	4	3	4	4	3	3	4
Alaska Airlines	4	5	5	5	5	5	5	5	5	5
US Airways	6									
Jet Blue Airlines	8	6	6	6	6	6	12	11	9	11
Horizon Airlines	9					8	6	9	11	9
Hawaiian Airlines	10	7	7	7	7	9	10	7	7	7
Frontier Airlines					10	10	7	8	10	12
Aeromexico	11	8	8	8	9	12	11	12	12	10
Air Canada					11	14		13	13	13
Spirit					12	7	8	6	6	6
Sun Country					13	13	13			14
Contour					14	15				
Boutique					15	16	14	14		
Volaris Airlines	12	9	9	9	8	11	9	10	8	8
Swift Air							15	15		
Seaport	13									
Regional Airlines ²										
Skywest					5					
Mesa/Delta Connection					12					

Source: Department of Airports statistics reports.

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

² Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16

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

Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenue:										
Concessions	\$ 73,880,574	78,775,227	82,409,252	90,323,536	99,038,728	80,277,417	56,012,009	93,641,280	106,392,621	108,109,309
Building rents	61,887,092	65,012,503	66,066,673	60,059,320	58,504,461	69,725,164	57,906,467	64,390,549	71,732,556	79,825,987
Airfield charges	19,102,672	21,043,860	23,671,438	27,172,330	27,879,071	25,519,182	31,005,490	31,170,310	31,555,006	39,260,032
Ground leases	1,910,052	2,034,604	2,107,408	3,046,387	3,524,845	3,951,171	4,209,371	10,692,383	9,834,059	9,974,543
Sale of fuel	664,423	604,640	461,300	554,321	747,844	418,914	544,327	464,859	922,763	1,094,736
Airport services	798,098	1,000,679	949,129	498,253	380,200	617,198	403,387	919,883	427,692	680,886
Other	196,451	72,246	84,267	6,391	(4,148,559)	3,414	24,029	14,553	3,633	6,409
Total operating revenue	<u>158,439,362</u>	<u>168,543,759</u>	<u>175,749,467</u>	<u>181,660,538</u>	<u>185,926,590</u>	<u>180,512,460</u>	<u>150,105,080</u>	<u>201,293,817</u>	<u>220,868,330</u>	<u>238,951,902</u>
Operating expense:										
Salaries and benefits	27,021,772	26,842,856	30,372,684	33,422,424	34,463,798	40,599,630	44,608,558	35,393,935	39,869,392	47,439,430
Services and supplies	51,885,789	58,110,395	57,602,169	64,470,461	68,725,697	77,594,078	71,175,541	85,264,445	102,617,535	113,675,772
Cost of sales and services	509,938	431,554	361,608	499,671	680,942	558,780	493,926	861,995	860,635	1,019,957
Depreciation and amortization	53,531,817	50,565,547	52,011,580	52,013,372	52,647,894	52,842,238	54,892,487	55,649,935	57,091,392	57,626,332
Other	229,703	480,259	574,703	218,429	51,266	10,984,101	310,098	484,516	433,684	211,356
Total operating expense	<u>133,179,019</u>	<u>136,430,611</u>	<u>140,922,744</u>	<u>150,624,357</u>	<u>156,569,597</u>	<u>182,578,827</u>	<u>171,480,610</u>	<u>177,654,826</u>	<u>200,872,638</u>	<u>219,972,847</u>
Operating income (loss):	<u>25,260,343</u>	<u>32,113,148</u>	<u>34,826,723</u>	<u>31,036,181</u>	<u>29,356,993</u>	<u>(2,066,367)</u>	<u>(21,375,530)</u>	<u>23,638,991</u>	<u>19,995,692</u>	<u>18,979,055</u>
Nonoperating revenue (expense):										
Investment income (loss)	(54,853)	2,000,910	1,915,111	3,222,805	8,479,767	5,981,289	936,698	(2,474,652)	13,297,492	19,377,899
Passenger facility charges revenue	18,514,213	19,285,187	20,544,539	22,782,880	25,587,275	19,191,446	13,680,710	22,865,394	25,950,108	27,757,169
Customer facility charges revenue					1,269,420	5,840,576	3,233,524	5,066,535	9,014,790	16,403,279
Intergovernmental revenue	467,561	867,632	404,582	1,695,305	595,695	35,484,822	16,327,555	50,451,763	9,955,581	5,894,031
Gain (loss) on disposal of assets	141,167	(29,493)	260,372	369,892	(212,510)	(893,634)	67,175	105,558	(1,450,990)	107,066
Other nonoperating revenue (expense)	208,536	299,019	149,481	139,045	153,682	1,843,812	4,710,955	2,857,024	280,400	484,620
Amortization of bond issuance cost ^{1,3}	(405,146)	(405,146)	(388,175)	(313,653)	(25,902)	(25,902)	(24,220)	(23,337)	(22,100)	(22,100)
Interest expense	<u>(57,381,887)</u>	<u>(56,140,352)</u>	<u>(53,042,527)</u>	<u>(49,551,243)</u>	<u>(39,402,511)</u>	<u>(38,910,448)</u>	<u>(34,480,405)</u>	<u>(33,427,662)</u>	<u>(32,137,012)</u>	<u>(31,902,021)</u>
Net nonoperating revenue (expense)	<u>(38,510,409)</u>	<u>(34,122,243)</u>	<u>(30,156,617)</u>	<u>(21,654,969)</u>	<u>(3,555,084)</u>	<u>28,511,961</u>	<u>4,451,992</u>	<u>45,420,623</u>	<u>24,888,269</u>	<u>38,099,943</u>

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

Page 2 of 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Income (loss) before capital contributions and transfers	(13,250,066)	(2,009,095)	4,670,106	9,381,212	25,801,909	26,445,594	(16,923,538)	69,059,614	44,883,961	57,078,998
Capital contributions	11,456,573	11,368,943	15,534,748	3,279,101	11,421,118	20,520,520	5,668,571	7,552,491	16,343,566	12,077,993
Transfer out	<u>(2,765,151)</u>	<u>(2,231,084)</u>	<u>(2,406,265)</u>	<u>(2,484,035)</u>	<u>(2,552,322)</u>	<u>(2,546,362)</u>	<u>(2,814,183)</u>	<u>(2,902,410)</u>	<u>(2,953,104)</u>	<u>(2,928,828)</u>
Changes in net position	(4,558,644)	7,128,764	17,798,589	10,176,278	34,670,705	44,419,752	(14,069,150)	73,709,695	58,274,423	66,228,163
Total net position, beginning of year ²	<u>553,291,895</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>571,733,735</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>	<u>720,641,015</u>	<u>778,915,438</u>
Total net position, end of year	<u>\$ 548,733,251</u>	<u>555,862,015</u>	<u>573,660,604</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>	<u>720,641,015</u>	<u>778,915,438</u>	<u>845,143,601</u>

¹ The amortization of bond issuance cost includes only the amortized bond prepaid insurance.

² 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.

³ Amortization of bond issuance cost includes a rounding adjustment for FY 2022 as the Total Net Position at end of the year was misstated.

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

Page 1 of 2

	2018 ²	2019 ²	2020	2021	2022	2023	2024
Airline Revenue							
Terminal building rents and fees	\$ 44,431,455	52,452,234	60,813,934	46,698,567	52,804,244	58,695,698	63,805,854
Aircraft parking fees	2,479,673	2,374,015	2,767,919	3,476,740	4,558,768	5,051,747	5,475,727
Loading bridge fees	1,673,891	1,580,825	1,595,724	1,394,900	2,105,216	2,182,908	4,568,096
Landing fees	26,790,520	26,843,659	27,388,248	30,911,283	31,069,803	31,440,323	39,137,964
Airlines revenue sharing	(4,163,064)	(10,660,522)					
Total Airline Revenue	<u>71,212,475</u>	<u>72,590,211</u>	<u>92,565,825</u>	<u>82,481,490</u>	<u>90,538,031</u>	<u>97,370,676</u>	<u>112,987,641</u>
Less cargo revenues	<u>4,321,249</u>	<u>5,263,448</u>	<u>6,123,700</u>	<u>9,031,621</u>	<u>5,821,439</u>	<u>5,087,026</u>	<u>5,692,240</u>
Passenger airline operating revenues	<u>\$ 66,891,226</u>	<u>67,326,763</u>	<u>86,442,125</u>	<u>73,449,869</u>	<u>84,716,592</u>	<u>92,283,650</u>	<u>107,295,401</u>
Enplaned passengers	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732	6,444,324	6,597,093
Cost per Enplaned Passenger (CPE)	\$ 11.61	10.69	17.49	22.88	14.62	14.32	16.26
Nonairline Revenue							
Airfield area							
Fuel sales	<u>1,060,702</u>	<u>1,489,918</u>	<u>1,475,151</u>	<u>1,552,406</u>	<u>1,898,107</u>	<u>1,694,531</u>	<u>1,773,653</u>
Subtotal	<u>1,060,702</u>	<u>1,489,918</u>	<u>1,475,151</u>	<u>1,552,406</u>	<u>1,898,107</u>	<u>1,694,531</u>	<u>1,773,653</u>
Terminal building							
Food/beverage	4,873,267	5,655,423	4,842,511	3,430,125	3,878,105	5,992,690	3,858,818
Merchandise	2,372,005	2,483,578	2,317,653	2,182,660	1,755,446	2,202,142	473,979
Advertising	724,537	724,409	767,367	705,914	166,701	380,474	549,785
Telephones	409,439	404,196	428,162	439,319	30,251	29,703	30,425
Vending	434,162	327,444	377,124	375,411	291,434	328,256	210,012
Other terminal rents	<u>2,016,294</u>	<u>1,759,039</u>	<u>1,798,162</u>	<u>1,590,343</u>	<u>1,796,290</u>	<u>2,148,745</u>	<u>2,401,503</u>
Subtotal	<u>10,829,704</u>	<u>11,354,089</u>	<u>10,530,979</u>	<u>8,723,772</u>	<u>7,918,227</u>	<u>11,082,010</u>	<u>7,524,522</u>
Parking	<u>61,446,320</u>	<u>66,700,985</u>	<u>51,510,237</u>	<u>32,638,657</u>	<u>65,445,614</u>	<u>73,446,876</u>	<u>77,553,149</u>

Source: Airports financial statements.

¹ As defined in the Bond Indenture.

² Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

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

Page 2 of 2

	<u>2018²</u>	<u>2019²</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Other areas							
Autorentals	\$ 12,882,207	14,161,083	11,927,386	9,760,797	15,052,041	14,945,707	15,262,199
Autorental shuttle bus fees	4,420,013	4,667,613	4,990,880	5,166,015	4,413,678	5,465,795	5,733,878
Taxi/TNC	2,364,656	3,491,081	2,797,975	1,072,975	2,191,504	3,024,296	3,798,904
Tiedown and hangars	716,462	746,577	737,232	729,161	754,699	764,095	789,528
FBO rentals	92,334	92,334	95,860	75,988	94,486	94,557	108,130
Aviation ground leases	2,540,006	2,782,772	3,093,218	3,201,291	2,442,127	2,025,972	2,111,213
Other rentals/miscellaneous	3,931,754	4,186,758	4,259,218	4,216,467	10,001,953	10,446,722	10,547,484
Subtotal	<u>26,947,432</u>	<u>30,128,218</u>	<u>27,901,769</u>	<u>24,222,694</u>	<u>34,950,488</u>	<u>36,767,144</u>	<u>38,351,336</u>
Other revenue							
Service fees	498,253	380,200	418,914	403,387	464,859	427,692	680,886
Miscellaneous revenue	1,728,539	829,399	36,087,202	20,975,539	50,730,646	7,984,426	6,459,367
Subtotal	<u>2,226,792</u>	<u>1,209,599</u>	<u>36,506,116</u>	<u>21,378,926</u>	<u>51,195,505</u>	<u>8,412,118</u>	<u>7,140,253</u>
Total Non Airline Revenue	102,510,950	110,882,809	127,924,252	88,516,455	161,407,941	131,402,679	132,342,913
Interest income ¹	3,882,123	7,159,293	3,823,472	(555,647)	469,389	14,789,822	19,348,711
Total Non Airline Revenue	<u>\$ 106,393,073</u>	<u>118,042,102</u>	<u>131,747,724</u>	<u>87,960,808</u>	<u>161,877,330</u>	<u>146,192,501</u>	<u>151,691,624</u>

Source: Airports financial statements.

¹ As defined in the Bond Indenture.

² Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Covenant per Section 6.04 (b)(i)										
Revenues ¹	\$ 158,928,261	171,150,791	178,108,554	187,410,070	193,835,260	209,664,618	170,587,943	252,523,996	245,894,132	264,679,265
Operating expenses ²	(82,412,353)	(88,096,148)	(91,317,429)	(101,128,080)	(106,474,025)	(121,588,396)	(119,402,306)	(124,907,302)	(146,734,349)	(165,275,343)
Net revenues	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694	99,159,783	99,403,922
Transfer (limited to 25%)	13,391,226	13,390,638	13,338,831	9,800,819	10,972,283	11,714,793	6,895,236	6,655,225	6,436,413	6,436,413
Net revenues + Transfers	\$ 89,907,134	96,445,281	100,129,956	96,082,809	98,333,518	99,791,015	58,080,873	134,271,919	105,596,196	105,840,335
Accrued debt service on senior obligations ³	\$ 53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650	25,745,650
Debt service coverage (>1.25)	1.68	1.80	1.88	2.45	2.24	2.13	2.11	5.04	4.10	4.11
Rate Covenant per Section 6.04 (b)(ii)										
Net revenues	\$ 76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694	99,159,783	99,403,922
Transfer (limited to 10%)	5,356,490	5,356,255	5,335,533	3,920,328	4,388,913	4,685,917	2,758,095	2,662,090	2,574,565	2,574,565
Net revenues + Transfers	\$ 81,872,398	88,410,898	92,126,658	90,202,318	91,750,148	92,762,139	53,943,732	130,278,784	101,734,348	101,978,487
Accrued debt service on senior obligations	\$ 53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650	25,745,650
Debt service on subordinate obligations	30,271,621	21,944,846	20,832,404	13,494,431	16,145,064	16,703,950	16,709,750	16,709,750	16,710,000	16,705,500
Less: PFC Revenues	(21,942,737)	(21,944,846)	(20,832,404)	(13,494,431)	(16,145,064)	(16,703,950)	(16,709,750)	(16,709,750)	(16,710,000)	(16,705,500)
Less: Available Grant Revenues	(8,328,884)									
Accrued debt service on senior & subordinate obligations	\$ 53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900	25,745,650	25,745,650
Debt Service Coverage (>1.10)	1.53	1.65	1.73	2.30	2.09	1.98	1.96	4.89	3.95	3.96

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 and interest due on July 1st of the following fiscal year.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

On April 8, 2003, the Sacramento County Water Agency (Agency) entered into a Joint Exercise of Powers Agreement with Sacramento County to form the Sacramento County Water Agency Financing Authority (the Authority) for the purpose of facilitating the financing of acquisition and/or construction of real and personal property in and for the Agency. The Board of Directors of the Agency serves as the Authority's governing board. For financial reporting purposes, the Master Installment Purchase Contract between the Agency and the Authority has been eliminated.

The Authority is a blended component unit of the Sacramento County Water Agency. The Sacramento County Water Agency includes the Agency's Enterprise Fund, however, it includes more than one fund. All balances and transactions of the Authority are presented in the financial statements of the Agency Enterprise Fund.

This section is provided in accordance with the requirements of the Continuing Disclosure Certificate (the Certificate) for the Sacramento County Water Financing Authority Revenue Bonds Series 2007A and Series 2007B, the Sacramento County Water Financing Authority Revenue Bonds Series 2019, and the Sacramento County Water Financing Authority Revenue Bonds Series 2022A. The material provided under the Certificate is intended to meet or exceed the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The data tables provided herein apply to the 2007B, 2019, and 2022A issues.

This Bond Disclosure Section included within the Sacramento County's Annual Comprehensive Financial Report (ACFR) provides the information required by the Continuing Disclosure Certificate. The ACFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided, that if the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (B) The Annual Report shall include an annual updating, to reflect results of the most recently completed fiscal year, of information of the type contained in the following tables contained in the Official Statement for the Series 2007B, Series 2019, and Series 2022A Bonds dated April 26, 2007, October 16, 2019, and February 1, 2022 respectively (the "Official Statement"). Projections do not have to be updated.
 - 1. Approximate number of connections to which the Agency delivered water - Exhibit 1
 - 2. Historical and Projected Monthly Service Fees - Exhibit 2
 - 3. Historical and Projected Impact & Connection Fees - Exhibit 3
 - 4. Annual Water Production Summary - Exhibit 4
 - 5. Water Service Accounts by Service Areas - Exhibit 5
 - 6. Zone 40 and 41 Service Areas Top Ten Customers - Exhibit 6
 - 7. Historical Operating Results - Exhibit 7

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

REPORTING OF SIGNIFICANT EVENTS

As of June 30, 2024, 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.

ADDITIONAL INFORMATION

The Certificate requires that the following information be updated annually:

Exhibit 1 - A table indicating the approximate number of connections to which the Agency delivered water.

Fiscal Year:	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Number of connections	57,541	58,890	60,004	61,348	63,295
Annual Percent Increase	2.5 %	2.3 %	1.9 %	2.2 %	3.2 %

**Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 40 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Monthly Rate:	\$ 28.80	28.80	28.80	28.80	28.80

**Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 41 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Monthly Rate:	\$ 47.90	49.57	49.57	49.57	49.57

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

**Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 40 Impact Fees.**

Effective Date (Month-Yr)	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 17,601	17,985	19,535	20,857	21,399
Annual increase	4 %	2 %	9 %	7 %	3 %
Commercial Service (per acre)	\$ 10,027	10,245	11,128	11,881	11,881
Annual increase	4 %	2 %	9 %	7 %	0 %
Other Service (per acre)	\$ 1,942	1,984	2,155	2,301	2,301
Annual increase	4 %	2 %	9 %	7 %	0 %

**Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 41 Connection Fees.**

Effective Date (Month-Yr)	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Connection Fee (per EDU)	\$ 376	376	376	376	376

Exhibit 4 - Annual Water Production Summary

Water Supply Production (In Acre Feet)	2020	2021	2022	2023	2024
Ground Water	22,299	29,212	24,649	26,974	16,259
Surface Water	20,119	17,832	18,116	15,580	24,423
Recycled Water	977	987	686	585	555
Total Production	43,395	48,031	43,451	43,139	41,237
Percentage Breakdown					
Ground Water	52 %	61 %	57 %	63 %	40 %
Surface Water	46 %	37 %	41 %	36 %	59 %
Recycled Water	2 %	2 %	2 %	1 %	1 %

Exhibit 5 - Water Service Accounts by Service Area

	2020	2021	2022	2023	2024
Zone 40 and Zone 41	53,933	55,262	56,364	57,675	59,597
Zone 40 but not within Zone 41	4,772	4,913	4,927	4,970	5,064
Zone 41 but not within Zone 40	3,608	3,628	3,640	3,673	3,638
Total	62,313	63,803	64,931	66,318	68,299

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

Exhibit 6 - Zone 40 and 41 Service Areas Top Ten Customers

Customer	Annual Water use Acre Feet (AF)	% of Total Water use
Elk Grove Unified School District	265	0.6 %
Sacramento Regional County Sanitation District	201	0.5 %
Aramark Uniform Services Inc.	134	0.3 %
Bre Delta Industrial Sacramento Ltd Partnership	106	0.3 %
Federal Government	103	0.2 %
USA in Trust for Wilton Rancheria	98	0.2 %
Cosumnes Community Services District	72	0.2 %
DS Properties 18 LP	41	0.1 %
Hester State Limited Partnership	32	0.1 %
Three Oaks Properties L (QQ Operating Holding Co)	31	0.1 %
Total	1,083	2.6 %

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

Exhibit 7 - Historical Operating Results

Table continues on page 282.

(amounts expressed in thousands)

	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues:					
Operating revenues					
Water service charges	\$ 54,570	58,126	58,647	56,803	57,467
Charges for services	2,325	2,179	2,486	3,292	3,162
Capacity fees (1)	26,141	30,840	42,890	38,396	65,695
Connection fees	507	483	633	456	1,182
Other	1,787	1,969	3,314	3,241	2,386
Total net operating revenues	<u>85,330</u>	<u>93,597</u>	<u>107,970</u>	<u>102,188</u>	<u>129,892</u>
Nonoperating revenues					
Total interest income	3,873	1,669	1,864	7,927	12,270
Less: interest earnings on reserves	<u>(1,191)</u>	<u>(1,198)</u>	<u>(1,212)</u>	<u>(1,199)</u>	<u>(1,201)</u>
Net interest income	2,682	471	652	6,728	11,069
Gain on Sale of Fixed Asset					2
Total nonoperating revenues	<u>2,682</u>	<u>471</u>	<u>652</u>	<u>6,728</u>	<u>11,071</u>
Total revenues	<u>88,012</u>	<u>94,068</u>	<u>108,622</u>	<u>108,916</u>	<u>140,963</u>
Adjusted annual revenues (2)	88,012	94,068	108,622	108,916	140,963

(1) For FYs 2021-22 and 2022-23, Zone 40 Development fees have been reclassified from nonoperating revenues to operating revenues, which are now called Capacity fees.

(2) Calculated in accordance with the Master Installment Purchase Contract, including the calculation of the 2022A Bonds as equal payments over 30 years with interest calculated at the RBI-based rate.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Years Ended June 30, 2020 through 2024**

	2019-20	2020-21	2021-22	2022-23	2023-24
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	29,156	32,456	34,159	38,743	41,281
Net revenues (2)	58,856	61,612	74,463	70,173	99,682
Impact fee credits	(2,396)	(2,467)	(1,720)	(951)	(3,408)
Net revenue less impact fee credits	56,460	59,145	72,743	69,222	96,274
Debt service					
Debt service on 2007 Bonds	9,578	9,627	9,627	11,525	11,601
Debt service on 2019 bonds	14,771	13,666	13,656	11,767	11,766
Debt service on 2022 bonds (3, 4)			4,595	4,657	4,823
Less interest earnings on reserve	(1,191)	(1,198)	(1,207)	(1,199)	(1,198)
Adjusted annual debt service	23,158	22,095	26,671	26,750	26,992
Debt service coverage (2, 4)	2.54	2.79	2.79	2.62	3.69
Pay-as-you-go capital	20,742	25,542	29,296	35,879	27,502
Net cash flow of year's operations (5)	<u>\$ 12,560</u>	<u>11,508</u>	<u>16,776</u>	<u>6,593</u>	<u>41,780</u>
Reserves end of year	<u>\$ 64,986</u>	<u>71,318</u>	<u>52,506</u>	<u>134,040</u>	<u>178,909</u>
Bond reserve account end of year	<u>\$ 22,892</u>	<u>22,892</u>	<u>22,892</u>	<u>22,892</u>	<u>22,892</u>

- (2) Calculated in accordance with the Master Installment Purchase Contract, including the calculation of the 2022A Bonds as equal payments over 30 years with interest calculated at the RBI-based rate.
- (3) The Annual Adjusted Debt Service for the 2022A bonds is calculated based on thirty-year amortization of the principal and interest at a rate equal to the Bond Buyer - Revenue Bond Index.
- (4) The debt service and debt service coverage related to the 2022A bonds has been revised from FY2022 and FY2023.
- (5) The net cash flow of year's operations has been updated for FY2022 and FY2023

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2024**

