



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**JULIE VALVERDE
DIRECTOR OF FINANCE**

**COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FISCAL YEAR 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT



COUNTY OF SACRAMENTO STATE OF CALIFORNIA

Julie Valverde, Director of Finance

For The Fiscal Year Ended June 30, 2010

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTRODUCTORY SECTION



Internal Services Agency

Department of Finance

Auditor-Controller Division

Ben Lamera,
Assistant Auditor-Controller

Steven C. Szalay, Interim County Executive
Julie Valverde, Interim Agency Administrator
Julie Valverde, Department Director

County of Sacramento

December 27, 2010

To the Citizens of Sacramento County
Sacramento, California

Dear Citizens:

The Comprehensive Annual Financial Report (CAFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2010, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the County, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a copy of the 2008-09 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, and a list of public officials. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and non-major fund financial statements to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year. This letter is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 17 of this report. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF SACRAMENTO COUNTY

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

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

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

The County has a charter form of government. It is governed by a five-member Board of Supervisors, who are elected on a non-partisan basis to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 1, District 2, and District 5 are elected in gubernatorial election years (2006, 2010, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2004, 2008, 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 and recreational activities, health and human services, human assistance, planning, tax collection, elections, airports and many others. Supporting the delivery of County-wide services are several Departments and Agencies. The financial reporting entity of the County includes all the funds of the primary government (i.e., Sacramento County as legally defined), as well as all of its component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, certain districts and agencies accounted for in the Special Revenue, Debt Service, Capital Projects, Proprietary and Trust and Agency Fund Types are reported as part of the primary government.

ECONOMIC CONDITION AND OUTLOOK

The County's largest city, the City of Sacramento, is the seat of government of the State and also serves as the County seat. The County is the major component of the Sacramento Metropolitan Statistical Area (SMSA) which includes Sacramento, El Dorado, Placer and Yolo Counties.

The County is currently experiencing financial stress due to the impacts of the general economic downturn. Counties in the State of California (the "State") are closely linked to the financial condition of the State, and on behalf of the State are responsible for delivering health and welfare services. The State is facing its own fiscal stress, and the County, in addition to dealing with significant revenue declines, increasing expense pressures and other local issues, faces the impact of adverse State budget action, as State and federal revenues make up approximately 66% of the County's General Fund budgeted revenues.

In the SMSA, as of the end of calendar year 2009, three major job categories comprised 71% of the workforce: services (33%), government (26%) and wholesale trade (12%). Total employment in 2009 had decreased by approximately 7.5% from 2008 levels, and the unemployment rate as of June 2010 was 12.4%, as compared to 11.4% in June 2009.

The housing market slowdown and related negative impact of economic conditions has continued through 2009 to date. Total assessed value in the County increased by approximately 1% in Fiscal Year 2008-09, and then declined by approximately 7.1% in Fiscal Year 2009-10, compared to Fiscal Year 2008-09. The County Assessor's Office projects that assessed values for Fiscal Year 2010-11 will decrease from Fiscal Year 2009-10 levels by approximately 2%, translating into a property tax revenue decrease for the County General Fund of approximately \$10.9 million between Fiscal Year 2009-10 and Fiscal Year 2010-11. Revenues of the County from or related to sales taxes declined in Fiscal Year 2009-10 by approximately 14% from Fiscal Year 2008-09 levels. Based on recent trends, the County is anticipating a 1% growth in local sales tax revenues for Fiscal Year 2010-11.

MAJOR INITIATIVES

Sacramento County is undertaking several major initiatives notwithstanding significant fiscal limitations:

Department of Human Assistance

Integrated Time Management System

Sacramento County Department of Human Assistance (DHA) completed development of an integrated time management system that streamlined payroll processes, improved financial reporting, and helped reduce County costs by over \$1 million annually. DHA's new time management system consolidated over 60 small stand-alone applications into a single web-based application that interfaced directly with the County's central payroll system. The new system also integrated the time study and timesheet processes, thereby enabling staff to simultaneously submit information for both processes. In addition, the new system automated all staff movement and position control functions, which previously were processed manually. Most significantly, the new time management system provides management and financial reports that identify in real-time how staff time studying to various programs. DHA now has a far richer source of data to determine spending patterns and, as a result, can better position itself to leverage more State / Federal funds.

Facility Consolidation

In efforts to reduce operating costs with minimal impact on client services, DHA developed and implemented a facility consolidation plan. In collaboration with the County Real Estate Division (RED), the County Facility Planning & Management Division (FPM), and County Counsel, DHA's General Services Division (GSD) closed three small bureaus just before Fiscal Year 2009-10 and redirected clients to other larger facilities that provided a greater complement of services onsite. In Fiscal Year 2009-10, DHA eliminated an additional 9 leases in facilities that did not provide direct client services. In the process, DHA redesigned its existing facilities to accommodate 464 staff from DHA facilities the department was vacating. By the end of Fiscal Year 2009-10, DHA eliminated 12 facilities and 172,325 square feet of leased space, resulting in \$3.2 million in annual lease payment savings with minimal impact on client services.

Medi-Cal Service Center

On June 24, 2010 DHA formally opened a Medi-Cal Service Center designed to serve the needs of all Medi-Cal continuing clients countywide. The planning process for the Service Center took into consideration the need to provide more effective, efficient service to clients, and to save County costs. Service delivery at the Service Center is telephone based, interactive, and consolidates Medi-Cal continuing staff from 9 bureaus into a single location, the Arena Bureau at 2101 Arena Blvd. Using the call center approach is a more efficient use of staff and equipment. Rather than assigning separate caseloads to individual staff, the entire Medi-Cal caseload for the County is combined and the processing of cases is broken into *tasks* and distributed among the entire Medi-Cal continuing staff. A new computer-based system allows supervisors to manage the workflow in a manner that enables staff to handle the Medi-Cal continuing workload of 69,210 cases providing efficient, timely and up-to-date services to clients in need of assistance. With this system, clients are not required to travel to a DHA office and can have their needs met via telephone or mail. The Medi-Cal Service Center reduces the need for private interviewing space, requires fewer public parking spots and provides for more efficient use of interior office space, all of which reduce the County's overall cost for leased space.

CMISP Service Delivery Redesign

In order to save County General Fund dollars, and to provide better health coverage assistance for applicants of the County Medically Indigent Services Program (CMISP), the application process for this program was changed to a *Medi-Cal first* model. Clients are now asked to complete a Medi-Cal application when applying for CMISP. As a part of this change, applying for CMISP is now a mail-in process which mirrors the Medi-Cal application process. A prospective client's eligibility determination is made for Medi-Cal prior to consideration for CMISP. This practice achieves a dual purpose in that it enables DHA to track applications for CMISP in the CalWIN system, and it more accurately allocates staff time studies to the federally funded Medi-Cal program as a primary program and to CMISP, paid for by County General funds, as a secondary program. In this way, DHA is able to capture a truer picture of caseload size, maintain statistics in the CalWIN system, and provide a General Fund cost savings. The impact on clients has been minimal. Clients are no longer required to appear for a face-to-face interview which has eased overcrowding and long wait times at the CMISP office. Approximately 22,000 clients are active on CMISP each month, with nearly 41,000 persons eligible to receive benefits during the span of a year.

CalWORKs Welfare to Work Service Delivery Model and Specialized Caseload

In April and May 2010, DHA began an innovative approach to customer service. DHA split the CalWORKs program into two separate and distinct functions, CalWORKs intake and continuing and Welfare to Work (WTW) intake and continuing. In this new service delivery model the CalWORKs intake and continuing worker is only responsible for determining eligibility for CalWORKs cash aid, Medi-Cal and Food Stamps. In the prior service delivery model the CalWORKs worker would have done both the CalWORKs eligibility and worked with the client to create a WTW plan. As a result very few WTW plans were being created at intake for CalWORKs/WTW mandatory participants. Under the new model, the WTW intake worker meets with the client after their CalWORKs interview. This WTW interview is focused on working with the client to create a WTW plan. For continuing, separating the caseload allows more time for our continuing WTW workers to follow-up on the WTW plans created during the client's WTW intake interview, accurately assess the employment needs of their clients, and improve our County's Work Participation Rate. A WTW plan spells out what activities the client must participate in to continue receiving CalWORKs benefits. The primary goal of the WTW program is moving families from dependency on welfare to becoming self sufficient. The clients WTW activities may include but are not limited to vocational training, subsidized employment, unsubsidized employment and higher education.

The splitting of the two functions resulted in a more efficient use of staff time and an increase in the number of WTW plans.

Senior Nutrition Services Program

The Senior Nutrition Services Program (SNS) has been part of DHA since 1994. Widely recognized as an integral part of the County senior services safety net, SNS, also known as Meals on Wheels, was transitioned to a community based provider in July 2010. The transition of SNS to a community provider was in response to insufficient local funds, and the desire of DHA and the community to sustain meal services for Sacramento area seniors. DHA worked with the Area 4 Agency on Aging (A4AA), the federal funder, to transition the nutrition program to the Asian Community Center (ACC), selected as the new provider in an A4AA competitive bid process. ACC began managing the "Meals on Wheels by ACC" program on July 1, 2010.

Mather Community Campus

In April 2010, DHA transferred the Mather Community Campus (MCC) Transitional Housing and Employment Services Program from DHA to Volunteers Of America (VOA), a community based program. Volunteers of America has been involved at the Mather Community Campus since the inception of the campus in 1995. Established as a collaborative with VOA and other partners, DHA administered and managed the MCC program until April of 2010, when diminishing General Fund prohibited DHA from continuing in its HUD grantee management role. The transfer of the Mather Community Campus saves DHA \$1.1 million in General Fund with no disruption in client services.

Department of Health and Human Services**Public Health**

In 2009 a new influenza virus was discovered, never seen before, and the World Health Organization declared a pandemic. The Department of Health and Human Services (DHHS) mounted an initial response in the spring of 2009 that included surveillance for the disease, testing for the virus in the Sacramento Public Health Laboratory, and distributing antiviral medications and N95 respirators to community hospitals and providers. Once a vaccine became available in late October of 2009, DHHS held 35 mass vaccination clinics where over 42,000 residents were vaccinated against H1N1. In addition, DHHS coordinated the distribution of vaccine to over 300 providers, continued to distribute N95 respirators from the national stockpile, and continued to work with the community on disease surveillance and education. This massive effort included the help of over 500 volunteers, and was mounted by dedicated County employees in the face of severe and ongoing budget cuts to the department.

Child Protective Services

In an effort to eliminate excessive handoffs, reduce duplication and respond more efficiently to the needs of families, the Child Protective Services Division (CPS) has embarked on a reorganization effort that includes the following components: Emergency Response workers carrying cases through the first court hearing or Detention hearing; one primary worker per child/family for the life of the case; four regions serving the four major school districts; and combined teams of social workers. The first phase of the reorganization involved combining Dependent Intake with Emergency Response and extending the role of the Emergency Response worker through the Detention hearing. This initial phase was put into practice on March 24, 2010. CPS is now actively planning for the roll out of the next phase which includes one worker per child/family, regionalization and combined teams. CPS is planning to put phase II into practice in March 2011.

Waste Management and Recycling Department**Kiefer Landfill Module 2 Leachate Recirculation System**

The lined units of Kiefer Landfill include collection systems at the base of the landfill for removing water that seeps through the waste (leachate). Operating permits require that collected leachate either be discharged to a wastewater treatment facility or recirculated within the same landfill unit from which it was collected. Traditionally, leachate has been transported to the Sacramento Regional Wastewater Treatment Plant. In 2009 a leachate recirculation system was installed that allows the Department of Waste Management and Recycling to return leachate to the landfill. Through avoided transportation and disposal fees this has resulted in annual savings of over \$300,000. Additionally, the reintroduction of leachate enhances the degradation and stabilization of the organic waste within the landfill.

Department of General Services / Facilities Planning & Management Division**Space Utilization Review:**

Over the past 13 months, Facilities Planning and Management has been conducting a broad scope review of the County's Space Utilization Inventory, which included approximately 93 County-owned and 108 leased facilities. A number of these facilities were physically inspected and the results revealed there was about sixteen percent (16%) vacant space, or 151,265 square feet (SF) of the 952,557 SF inspected. Just in these facilities, staff counted 464 vacant workstations (35,382 SF), 61 vacant offices (9,609 SF), and 106,274 SF of vacant/unused space.

Subsequent space relocations from excess leased space into County owned space, as well as consolidations of county programs, resulted in a net reduction of 126,288 square feet of leased space and an annual cost savings of about \$2,065,300. Facility Planning and Management continues to review and orchestrate other consolidation moves that will result in additional annual cost savings of about \$817,000.

Environmental Management Department

On June 17, 2009, the Environmental Compliance Division in the Environmental Management Department (EMD) began implementing a new multi-family recycling ordinance for the Sacramento Regional Solid Waste Authority (SWA). The SWA is a joint powers authority that provides commercial waste management services in the City of Sacramento and the unincorporated area of Sacramento County.

The Environmental Compliance Division has been partnering with the SWA since a business recycling ordinance was passed in 2007. This new ordinance (SWA Ordinance No. 20 Title IV) requires all multi-family complexes with five or more units and single family residential properties managed by an association or other organization to divert 30% recycling materials from their garbage.

EMD and SWA staff formed an industry working group with representatives from the rental housing community, the waste management industry, and the recycling industry in order to assist multi-family complexes in setting up recycling programs. Inspections of multi-family properties will be conducted by EMD staff with outreach and education being the primary focus. EMD staff will continue to work with multi-family property managers, the Rental Housing Association and members of the commercial solid waste hauling industry in efforts to provide continuous outreach to the multi-family community. With the adoption of the multi-family recycling ordinance, apartment complexes are now participating in recycling programs similar to single family homes and will further assist in attaining countywide solid waste diversion mandates.

In October 2009, EMD's Environmental Health Division began a pilot program to begin using computer tablets to complete inspection reports at retail food facilities. The use of computer tablets provides for a report that is easy to read and eliminates the need for inspectors to handwrite inspection reports in the field and follow-up with data entry upon return to the office. The documents are automatically imaged and stored. By late October 2009, all Environmental Health Division field staff were fully trained and equipped with computer tablets and this method was successfully implemented within the Division's Retail Food Protection Program. Over 99% of retail food inspections were completed by June 2010. In June of 2010, the Environmental Health Division also began using the computer tablets in the Recreational Health program to complete inspections of over 2200 public pools and spas in the County. The same efficiencies have been recognized in this program and over 98% of the public pools and spas in Sacramento County have been completed. The Division has now begun e-mailing pool inspection reports reducing paper costs and print time. Savings will be factored into next year's fee costs. In September 2010, the use of computer tablets for storm water inspections within the Retail Food Protection program has begun.

In October 2009, Assembly Bill 1020 was passed which requires public pools and spas in California to have approved anti-entrapment drain covers installed to prevent drowning. This California law was modeled after federal legislation (Virginia Graeme-Baker Pool and Safety Act 2007) and allows for local enforcement agencies to now require the installation of anti-entrapment drain covers. To educate and notify permitted public pool and spa facility operators, letters were mailed to over 2200 operators in March 2010. From May-July 2010, the Environmental Health Division staff also presented ten educational workshops for Certified Pool Operators, public pool owners/managers, and inspectors. Compliance verification with the new AB 1020 legislation has become part of the recreational health/pool inspection program.

DEPARTMENT FOCUS

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. This year, we have selected the following activities:

Airports

On July 28, 2009 the Sacramento County Airport System closed \$480,050,000 in tax exempt revenue bonds to finance a significant portion of the Big Build Project (Terminal Modernization Program).

In fall 2009, the Airport Properties Division entered into four new cellular agreements expected to generate \$145,000 in additional annual revenues.

During Fiscal Year 2009-10 Sacramento International Airport announced new nonstop service to Maui and Spokane.

Senate Bill 481 was signed in to law in October 2009. The bill made California State law consistent with Federal Depredation Permits that regulate the management of wildlife on airports.

During Fiscal Year 2009-10 the Aircraft Rescue Firefighting Division improved its organizational effectiveness and efficiency and achieved an annual cost reduction of \$411,000 by “right staffing” the Mather operation.

Sacramento County Airport System signed and accepted the latest Big Build Letter Of Intent grant for \$8.6 million in Spring 2010.

Department of Water Resources/Sacramento County Water Agency (SCWA)

During Fiscal Year 2009-2010, the Freeport Regional Water Authority (FRWA) completed all of its major construction milestones, as the keystone project, Freeport Regional Water Intake Facility, nears final project acceptance. The Ribbon Cutting Ceremony was held on April 2011.

The Freeport Regional Water Project (FRWP) is a model of regional cooperation between the SCWA and the East Bay Municipal Utility District (EBMUD) of Oakland to supply surface water to customers in the central Sacramento County and the East Bay Area. The joint-powers authority project represents the end to a decades-long dispute between Sacramento area water interest and EBMUD; however, recognizing some common ground in the surface water supply needs for both regions, SCWA and EBMUD agreed on a solution using water delivery from the Sacramento River.

The FRWP includes an intake/pumping plant that is capable of delivering up to 185 million gallons of water per day (mgd). SCWA will receive up to 85 mgd via the pipeline that begins at the FRWP intake facilities on the Sacramento River and extends east to SCWA’s new Vineyard Surface Water Treatment Plant currently under construction. The additional surface water supply is a key element in SCWA furthering its groundwater stabilization goals through the conjunctive use of both surface water and groundwater. EBMUD will receive up to 100 mgd from the FRWP as a supplemental water supply for use during dry years, estimated to be 3 out of every 10 years.

The estimated cost of all project elements is \$1 billion.

FINANCIAL INFORMATION

County management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government 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 Agency and Investment Trust Funds are maintained on the accrual basis of accounting.

Single Audit - As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The 2009-10 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2011.

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 August 30. The Board may, by resolution, extend on a permanent basis or for a limited time, the date from August 30 to October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures.

The 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 on the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board of Supervisors. During 2009-10, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments.

The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control and cash planning. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent-year expenditures.

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, municipal notes, and U.S. Treasury and Agency investments. The average yield on investments during 2009-10 was 0.9978 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 0.39 percent.

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

Risk Management

The County self-insures for property damage, liability, workers' compensation, 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 Vavrinek, Trine, Day & Co., LLP was selected by the County to meet this requirement. The independent auditors' report on the basic financial statements is included in the financial section of this report.

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

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

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

Respectfully submitted,



Julie Valverde
Director of Finance



Certificate of Achievement for Excellence in Financial Reporting


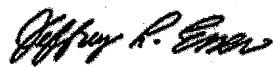
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County of Sacramento
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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President

Executive Director

THE COUNTY OF SACRAMENTO • CALIFORNIA

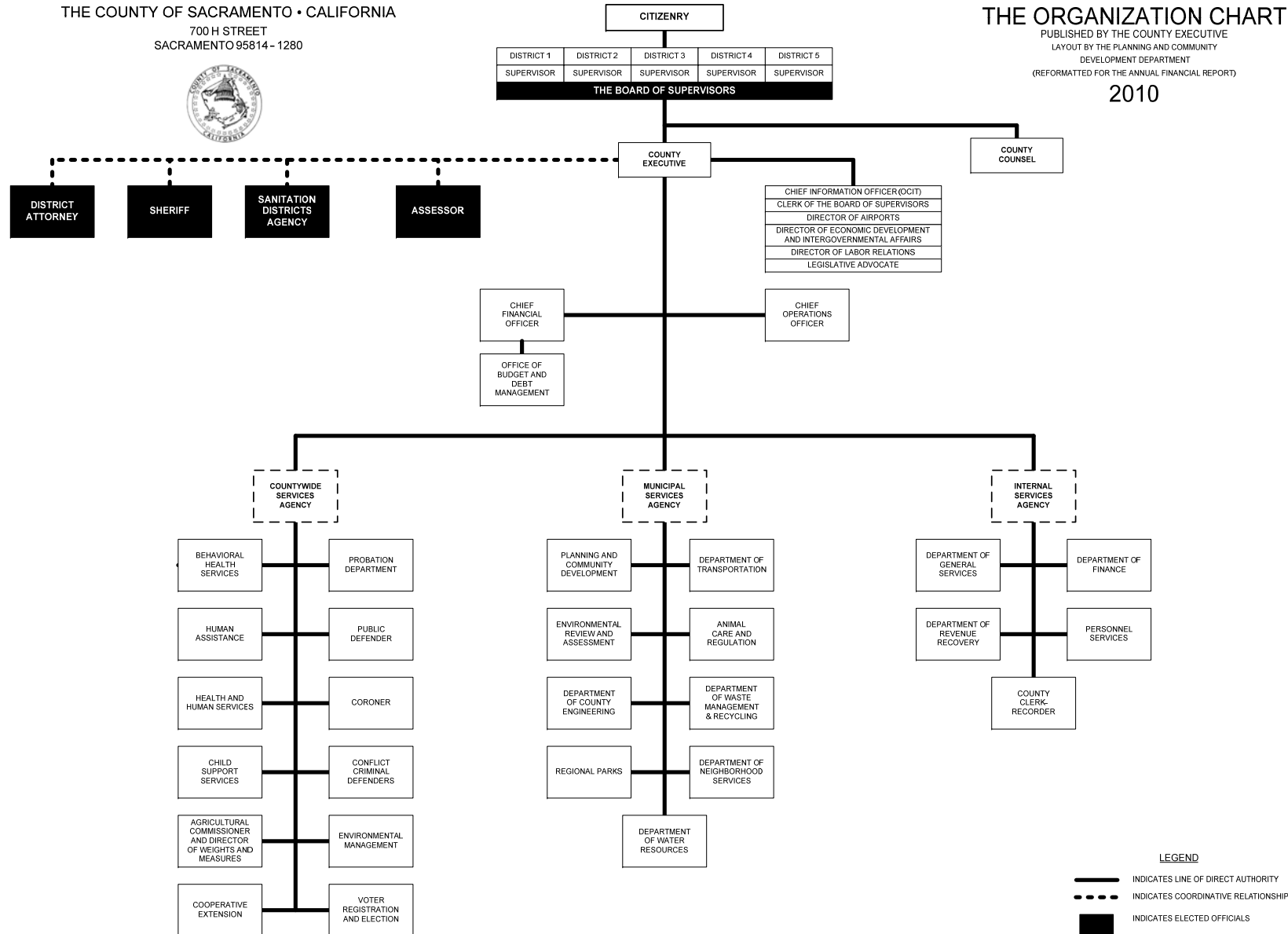
700 H STREET
SACRAMENTO 95814 - 1280



THE ORGANIZATION CHART

PUBLISHED BY THE COUNTY EXECUTIVE
LAYOUT BY THE PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT
(REFORMATTED FOR THE ANNUAL FINANCIAL REPORT)

2010



**COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2010**

ELECTED:

Board of Supervisors:

Roger Dickinson
Jimmie Yee
Susan Peters
Roberta MacGlashan
Don Nottoli

District 1
District 2
District 3
District 4
District 5

Department Heads:

Kenneth Stieger
Jan Scully
John McGinness

Assessor
District Attorney
Sheriff

APPOINTED:

Steven C. Szalay
Navdeep Gill
Mark Norris
Julie Valverde

Interim County Executive
Chief Operations Officer
Agency Administrator, Internal Services Agency
Director of Finance

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

For the fiscal year ended June 30, 2010

ACKNOWLEDGEMENT

Prepared by the County of Sacramento
Department of Finance

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Carlos Valencia, Accounting Manager
Linda MacLeod, Senior Accountant
Diana Lee, Senior Accountant
Paula Burris, Administrative Services Officer III

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
County of Sacramento, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Sacramento, California (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sacramento, California, as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 22 to the financial statements, the County is experiencing significant financial stress as evidenced by the General Fund Unreserved Fund Balance deficit of \$53.2 million at June 30, 2010.

As described in Note 1 to the financial statements, the County has adopted the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, in 2010.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 17 and the schedule of funding progress on pages 115 and 116 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 20, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Sacramento's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2010. 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. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2009-10 fiscal year by \$2,514,913 (net assets), of this amount, \$653,825 is restricted for specific purposes (restricted net assets), and \$2,093,971 is invested in capital assets, net of related debt. The County's total net assets decreased by \$41,114.
- As of June 30, 2010, the County governmental funds reported combined fund balances of \$551,190 for a decrease of \$34,984, in comparison with the prior year. Approximately 38.3 percent of the combined fund balances, \$210,996 is available to meet the County's current and future needs (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the General Fund was a negative \$53,212 or negative 2.9 percent of total general fund expenditures. This entire amount is budgeted as a decrease to general fund programs in the next fiscal year.
- The County's investment in capital assets increased by \$479,629 or 15 percent in comparison with July 1, 2009 balances.
- The County's total long-term obligations had a net increase of \$661,325 in comparison with July 1, 2009 balances. This net increase was comprised of a gross increase of \$965,623 and a gross decrease of \$304,298. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes, pension obligation bonds, and related principal retirement and partial refunding of three certificates of participation bonds. The increase resulted primarily from implementation of GASB 53 with recognition of a derivative instrument liability, the issuance of one new Teeter note, one new governmental refunding certificate of participation, new Airport revenue bonds, and an accrual for compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 Airport, Solid Waste, Water Agency, Parking Enterprise and the County Transit.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One, First Five Commission, Water Agency, Sunrise, Carmichael and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (Authority) is a public entity created by a Joint Exercise of Powers Agreement (Agreement) effective as of July 15, 2001 between the County and San Diego County. The Authority is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are any way responsible for those liabilities. The Sacramento County Public Financing Authority 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. The Authority is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and neither the County nor the Agency are in any way responsible for those liabilities.

The government-wide financial statements can be found on pages 20-22 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 50 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 non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 23-25 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 Airport, Solid Waste, Water Agency, Parking Enterprise, and the County Transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability/property self-insurance; telecommunication and information technology support; worker's compensation self-insurance; self-insurance for unemployment claims (Self-Insurance – Other); regional communications; special services provided by the Public Works Agency; Facility Planning, Architecture and Real Estate; 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. The Airport, Solid Waste and Water Agency operations are considered to be major funds of the County. The County's eight internal service funds are combined into a single, aggregated presentation in

the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 30-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 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 39-113 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise and internal service funds, and can be found on pages 117-211 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$2,514,913 at the close of the most recent fiscal year.

Statement of Net Assets For the Year Ended June 30, 2010 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Other assets	\$ 2,335,880	2,708,288	950,883	814,455	3,286,763	3,522,743
Capital assets	1,849,661	1,821,601	1,828,348	1,376,779	3,678,009	3,198,380
Total assets	<u>\$ 4,185,541</u>	<u>4,529,889</u>	<u>2,779,231</u>	<u>2,191,234</u>	<u>6,964,772</u>	<u>6,721,123</u>
Other liabilities	\$ 1,139,754	1,413,611	246,029	140,828	1,385,783	1,554,439
Long-term debt obligations	1,623,799	1,596,800	1,440,277	1,013,857	3,064,076	2,610,657
Total liabilities	<u>2,763,553</u>	<u>3,010,411</u>	<u>1,686,306</u>	<u>1,154,685</u>	<u>4,449,859</u>	<u>4,165,096</u>
Net assets:						
Invested in capital assets, net of related debt	1,374,306	1,428,639	719,665	577,905	2,093,971	2,006,544
Restricted net assets	437,559	478,468	216,266	218,839	653,825	697,307
Unrestricted net assets	<u>(389,877)</u>	<u>(387,629)</u>	<u>156,994</u>	<u>239,805</u>	<u>(232,883)</u>	<u>(147,824)</u>
Net assets, as restated	<u>1,421,988</u>	<u>1,519,478</u>	<u>1,092,925</u>	<u>1,036,549</u>	<u>2,514,913</u>	<u>2,556,027</u>
Liabilities and net assets	<u>\$ 4,185,541</u>	<u>4,529,889</u>	<u>2,779,231</u>	<u>2,191,234</u>	<u>6,964,772</u>	<u>6,721,123</u>

The largest portion of the County's net assets of \$2,093,971 (83 percent) reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), net of depreciation and less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the County's net assets of \$653,825 (26 percent) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of total net assets, negative \$232,883 is unrestricted and will result in a reduction to the County's ongoing obligations to citizens. Unrestricted net assets decreased by \$85,059 from the prior year. The decrease in unrestricted net assets is a result of reclassifying unrestricted net assets to restricted from governmental fund balances that have declined over the last several years due to financial stresses related to increasing costs combined with decreasing ongoing revenue streams.

The major restrictions on net assets are for bond reserves (8%), landfill closure (1%) debt service (39%) capital projects (7%), passenger facility charges (7%), health programs (31%) and transportation (5%). The County's restricted net assets decreased by \$43,482 from the prior year restricted net asset amount of \$697,307. The decrease in restricted net assets is due to a combination of increases in requirements for debt service and decreases in requirements for capital projects, passenger facility, health programs and transportation charges.

The County's net assets decreased by \$41,114 during the current fiscal year, which results in a decrease of 1.6% of total net assets from prior year. The decrease takes into consideration a \$8,773 restatement of prior year net assets to governmental activities. At the end of the current fiscal year the County reported an increase of 5% in net assets invested in capital assets, net of related debt. The increase in net assets invested in capital assets, net of related debt of \$87,427 represents capital purchases net of depreciation plus the retirement of related long-term debt. The County's restricted net assets decreased by 6% while unrestricted net assets increased by 58%. During the 2009-10 fiscal year, the County as a whole, reported positive balances in two out of the three categories of net assets. Governmental activities reported a negative balance in unrestricted net assets of \$389,877 which is primarily due to recognition of long term debt from a declining fund balance, a result of the economic recession.

Governmental activities. Governmental activities decreased the County's net assets by \$97,490.

The table on the next page indicates the changes in net assets for governmental and business-type activities.

Statement of Activities
For the Year Ended June 30, 2010
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 303,101	343,401	248,824	239,336	551,925	582,737
Operating grants and contributions	1,128,887	1,177,843	22,943	25,031	1,151,830	1,202,874
Capital grants and contributions	38,434	34,808	10,211	12,290	48,645	47,098
General revenues:						
Taxes:						
Property	437,634	475,629			437,634	475,629
Sales / use	58,357	69,225	573	483	58,930	69,708
Transient	4,467	5,311			4,467	5,311
Unrestricted investment earnings	15,016	49,804	2,617	6,778	17,633	56,582
Grants and contributions not restricted to specific programs	197,855	215,915			197,855	215,915
Pledged tobacco settlement proceeds	12,393	14,862			12,393	14,862
Miscellaneous	105,003	105,545			105,003	105,545
Total revenues	<u>2,301,147</u>	<u>2,492,343</u>	<u>285,168</u>	<u>283,918</u>	<u>2,586,315</u>	<u>2,776,261</u>
Expenses:						
General government	177,963	185,963			177,963	185,963
Public assistance	668,368	704,416			668,368	704,416
Public protection	650,198	744,072			650,198	744,072
Health and sanitation	595,816	724,666			595,816	724,666
Public ways and facilities	115,073	123,999			115,073	123,999
Recreation and culture	37,139	41,194			37,139	41,194
Education	21,053	24,161			21,053	24,161
Interest and fiscal charges	141,529	138,824			141,529	138,824
Airport			130,724	131,888	130,724	131,888
Solid Waste			62,567	66,991	62,567	66,991
Water Agency			24,575	29,277	24,575	29,277
Parking Enterprise			3,247	12,459	3,247	12,459
County Transit			1,677	1,955	1,677	1,955
Total expenses	<u>2,407,139</u>	<u>2,687,295</u>	<u>222,790</u>	<u>242,570</u>	<u>2,629,929</u>	<u>2,929,865</u>
Change in net assets before transfers	(105,992)	(194,952)	62,378	41,348	(43,614)	(153,604)
Transfers	8,502	7,514	(6,002)	(7,514)	2,500	
Change in net assets	<u>(97,490)</u>	<u>(187,438)</u>	<u>56,376</u>	<u>33,834</u>	<u>(41,114)</u>	<u>(153,604)</u>
Net assets, beginning of year, as restated	1,519,478	1,698,143	1,036,549	1,002,715	2,556,027	2,700,858
Net assets, end of year	<u>\$ 1,421,988</u>	<u>1,510,705</u>	<u>1,092,925</u>	<u>1,036,549</u>	<u>2,514,913</u>	<u>2,547,254</u>

Total revenues for the County's governmental activities decreased by \$191,196 from the prior year. This decrease is primarily due to reduced internal service charge allocations to County Departments and an overall reduction in intergovernmental revenue for program costs.

Total expenses for governmental activities were \$2,407,139, a decrease of \$280,156 or less than 10.4% from the prior year. As a service delivery entity the County's major cost component is salaries and benefits, which accounted for approximately 49.8 % of total County expenses. The average full time equivalent (FTE) employee count for the County (including business-type activities) decreased from 14,124 in the prior year to 12,388 as of June 30, 2010. Total salaries and benefits expense decreased by \$116,111 or 8.8% from the prior year. The total decrease in expenses is attributable to a decrease in salary and benefit costs, due to a combination of reduction in personnel due to layoffs and a reduction in work hours for some personnel.

Business-type activities. Business-type activities increased the County's net assets by \$56,376. The increase is primarily related to increased activity for Airport and Water Agency. See page 13 for additional comments on changes to net assets.

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. The general government functions are contained in the 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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2010, the County's governmental funds reported combined fund balances of \$551,190 a decrease of \$34,984 in comparison with the prior year. Approximately 38.3 percent of the combined fund balances, \$210,996 constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed: 1) to pay debt service (\$75,321); 2) to reflect amounts set aside for future construction (\$80,974); 3) to acquire capital assets (\$27,206); 4) to reflect assets that are unavailable and do not represent available resources (\$85,457); 5) to liquidate contractual commitments of the period (\$71,236).

The decrease of \$34,984 in the governmental funds combined fund balances was attributable to the economic recession. The County experienced a sharp drop in property tax, exacerbated by the devaluation of homes, loss of sales tax revenue, no opportunity to restructure debt, inability to use one-time funds and interfund transfers, and the State of California's lack of carry through on obligations to pay counties for their cost of doing business.

The General Fund is the chief operating fund of the County. At June 30, 2010, unreserved fund balance of the general fund was a negative \$53,212 while total fund balance reached \$21,695. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents a negative 2.9 percent of total fund expenditures, while total fund balance represents 1.2 percent of that same amount.

Revenues for governmental functions totaled \$2,256,786 in fiscal year 2009-10, which represents a decrease of 6.4% from fiscal year 2008-09.

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)						
Revenues by Source	FY 2010		FY 2009		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 503,091	22.29%	550,165	22.81%	(47,074)	(8.56%)
Use of money and property	14,753	0.65%	49,108	2.04%	(34,355)	(69.96%)
Licenses and permits	37,285	1.65%	41,762	1.73%	(4,477)	(10.72%)
Intergovernmental	1,366,831	60.57%	1,419,783	58.86%	(52,952)	(3.73%)
Charges for sales and services	182,714	8.10%	197,378	8.18%	(14,664)	(7.43%)
Fines, forfeitures and penalties	34,716	1.54%	33,427	1.39%	1,289	3.86%
Pledged tobacco settlement proceeds	12,393	0.55%	14,862	0.62%	(2,469)	(16.61%)
Miscellaneous	105,003	4.65%	105,545	4.37%	(542)	(0.51%)
Total	\$ 2,256,786	100.00%	2,412,030	100.00%	(155,244)	(6.44%)

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

- Taxes decreased due to continued decrease in property and sales tax revenue during 2009-10 due to the economic conditions.
- Use of money and property decreased is due to a lower pooled interest rate during 2009-10. Lower federal fund rates resulted from high unemployment rates and joblessness due to the economic recession. This directly impacted the County's Pooled Investment Fund.
- Intergovernmental decreased in 2009-10 primarily due to a reduction in Federal and State reimbursement for health program costs.
- Charges for sales and services decreased during 2009-10 due to the economic conditions that resulted in reduced demand for public services.

Expenditures for governmental functions totaled \$2,393,180 in fiscal year 2009-10, which represents a decrease of 12.1% from fiscal year 2008-09.

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

Expenditures by Function Governmental Funds (amounts expressed in thousands)						
Expenditures by Function	FY 2010		FY 2009		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 143,739	6.01%	171,945	6.32%	(28,206)	(16.40%)
Public assistance	653,640	27.30%	689,891	25.34%	(36,251)	(5.25%)
Public protection	597,467	24.97%	683,099	25.10%	(85,632)	(12.54%)
Health and sanitation	559,019	23.36%	681,774	25.05%	(122,755)	(18.01%)
Public ways and facilities	115,672	4.83%	102,254	3.76%	13,418	13.12%
Recreation and culture	34,693	1.45%	42,185	1.55%	(7,492)	(17.76%)
Education	20,229	0.85%	23,013	0.84%	(2,784)	(12.10%)
Capital outlay	77,061	3.22%	109,098	4.01%	(32,037)	(29.37%)
Debt service:						
Principal	81,356	3.40%	129,232	4.75%	(47,876)	(37.05%)
Interest and fiscal charges	109,087	4.56%	89,150	3.27%	19,937	22.36%
Bond issuance costs	1,217	0.05%	335	0.01%	882	263.28%
Total	<u>\$ 2,393,180</u>	<u>100.00%</u>	<u>2,721,976</u>	<u>100.00%</u>	<u>(328,796)</u>	<u>(12.08%)</u>

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

General Government: Decrease is primarily due to budget reductions resulting in layoffs, decrease in county provided services, and service contract cancellations. Overall impact was a decrease in general fund expenditures of \$18 million and \$12 million decrease in construction costs related to Economic Development.

Public Assistance: Decrease is primarily due to the elimination in upwards of 173 FTE resulting in program reductions in Disability Case Management and General Assistance.

Public Protection: Decrease is primarily due to budget reductions resulting in layoffs and decreased services related to District Attorney (\$6 million), Sheriff (\$46 million), Probation (\$18 million), Planning (\$4 million), Building Inspections (\$4 million) and Animal Care (\$1 million).

Health and Sanitation: Decrease is primarily due to budget reductions resulting in layoffs and program reductions for Primary Health Clinics, Mental Health Services, In-Home Supportive Services provider payments, Child Protective Services and other numerous Public Health Programs.

Capital Outlay: Decrease construction costs is primarily attributed to prior year completion the Animal Care and Youth Detention Facility (\$28 million).

Bond principal- decrease is due to refunding of Main Jail (\$4 million), Fixed Asset financing (\$4 million) and decreased pension (\$13 million) and teeter (\$24 million).

Interest and fiscal charges – Increase primarily due to \$27 million increase debt service for Pension Obligation Bonds.

Bond issuance costs – Increase is due to new 2010 COP refunding.

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

	FY 2010	FY 2009	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 180,332	174,740	5,592	3.20%
Transfers out	(155,924)	(156,475)	551	(0.35%)
Issuance of debt	64,470	80,006	(15,536)	(19.42%)
Refunding debt issued	123,950	49,760	74,190	149.10%
Premiums on debt issued	1,770		1,770	100.00%
Swap termination payment	(10,180)	(23,019)	12,839	(55.78%)
Swap premium, short term		2,950	(2,950)	(100.00%)
Swap premium, long term		20,069	(20,069)	(100.00%)
Payment to refunded bonds escrow agent	(103,008)	(49,225)	(53,783)	109.26%
Total other financing sources (uses)	<u>\$ 101,410</u>	<u>98,806</u>	<u>2,604</u>	<u>2.64%</u>

- Transfers in/out– Increase transfers in primarily due to increase transfers for Pension Obligation Bond Debt Service and increased transfers for debt service reimbursement from Departments.
- Issuance of debt – Decrease is due primarily to \$15 million less in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan).
- Refunding debt issued and Payment to refund bond escrow – Increase is due to new issuance of debt for 2010 Certificate of Participation Refunding.
- Premium on debt issued – Premium due to issuance of debt for 2010 Certificate of Participation Refunding.
- Swap – FY 2009-10 costs were related to termination of 1990 Certificate of Participation SWAP related to the issuance of the 2010 Refunding Certificate of Participation. Prior year SWAP was due to the County entering into a replacement swap and swap option with Deutsche Bank AG due to Lehmen's filing bankruptcy.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the fiscal year, the unrestricted net assets for the Airport were \$48,381, Solid Waste \$32,146, Water Agency \$51,275, and Parking Enterprise \$494. The internal service funds that are used to account for certain governmental activities had unrestricted net assets of \$733.

The Airport System's total net assets increased by \$31,592 during fiscal year ended June 30, 2010 primarily due to a combination of increases in airfield charges, building rents, and ground leases offset by decreases in services and supplies and salaries and benefits resulting in an combination operating gain of \$26,257, non-operating income of \$4,828, offset with a transfer out of \$2,026 and capital contribution of \$7,361.

Solid Waste's total net assets increased by \$3,162 during fiscal year ended June 30, 2010. This increase was attributable to a combination of an operating gain of \$6,067, non operating income of \$1,140 partially offset with a transfer out of \$4,045.

The Water Agency's total net assets increased by \$26,336 during fiscal year ended June 30, 2010. This increase was primarily attributable to the Agency's normal operations, contributions and operating income for the year.

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 Assets
Proprietary Funds
(amounts expressed in thousands)

	Major Funds			Non-Major Funds			Internal
	Airport	Solid Waste	Water Agency	Parking Enterprise	County Transit	Totals	Service Funds
Operating revenues	\$ 129,717	62,128	45,436	3,062	134	240,477	347,058
Operating expenses	(108,288)	(56,061)	(23,520)	(2,906)	(1,672)	(192,447)	(387,139)
Operating income (loss)	21,429	6,067	21,916	156	(1,538)	48,030	(40,081)
Non-operating revenues, net	4,828	1,140	1,479	625	1,646	9,718	3,494
Income before capital contributions and transfers	26,257	7,207	23,395	781	108	57,748	(36,587)
Transfers in (out)	(2,026)	(4,045)	91	(22)		(6,002)	(15,906)
Capital contributions	7,361		2,850			10,211	
Changes in net assets	\$ 31,592	3,162	26,336	759	108	61,957	(52,493)

The income before capital contributions and transfers of enterprise funds of \$57,748 resulted primarily from net increases for Airports of \$26,257, Solid Waste of \$7,207, Water Agency of \$23,395 and a net increase for other non-major enterprise funds of \$889.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the Original Budget and the Final Budget resulted in a \$33.2 million decrease in appropriations and are briefly summarized as follows:

General Government: The budget for General Government decreased by \$11.0 million. Budgets for central finance functions decreased by \$8.7 million during the fiscal year as a result of economic conditions and lower interest expense due to reduced Tax Revenue Anticipation Notes. Additionally, the Finance, County Counsel and Neighborhood Services departments were decreased due to reduced local revenues resulting from economic conditions.

Public Assistance: The budget for Public Assistance decreased \$7.3 million due to reduced local revenues resulting from economic conditions.

Public Protection: The budget for Public Protection increased by \$0.5 million. The District Attorney's budget was increased by \$3.2 million. The Emergency Operations' budget increased by \$4.7 million due to federal grant awards. Due to local economic conditions, the Sheriff's Department budget decreased by \$1.9 million, the Probation Department budget was reduced by \$2.9 million and the Planning Department was reduced by \$0.8 million. Additionally the budgets of other public protection programs were reduced by an aggregate of \$1.8 million, including the Public Defender, Conflict Criminal Defender, the Coroner, Court costs and Animal Care.

Health and Sanitation: The budget for Health and Sanitation decreased by \$14.6 million. The Department of Health and Human Services budget decreased by \$15.0 million due to reduced state and federal revenues and economic conditions. Correctional Health budget decreased by \$1.3 million due to reduced local

revenues resulting from economic conditions. The budget for the newly formed Department of Behavioral Services increased by \$5.1 million due to delayed receipt of federal revenues. In-Home Supportive Services provider payment budget decreased by \$2.5 million and the County Medically Indigent Service Program medical treatment budget decreased by \$0.5 million due to workload issues and enhanced federal revenues.

Actual revenues were \$136.7 million less than budgetary estimates. The under-collection of revenues was due to local economic conditions. Reduced health program costs resulted in reduced federal and State reimbursement revenues. Also, reduced demand for public services resulted in reduced revenue collection from charges for sales and services.

Actual expenditures were \$219.7 million less than budgetary estimates, primarily due to the accumulation of vacant positions in anticipation of reductions in the next fiscal year and reduced caseloads. Also the expenditures in Interagency Procurement (Fund 030) for actual project costs were \$63.5 million less than had been originally budgeted through the Fixed Asset Acquisition Fund. Caseload costs for health, behavioral health, human assistance and in-home supportive services were also less than budgeted.

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, 2010, amounted to \$3,678,009 net of accumulated depreciation. This investment in capital assets includes land and easements, computer software and other intangibles, water facility rights, infrastructure, structures and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was 15 percent.

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

Schedule of Capital Assets (amounts expressed in thousands)							
	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2010	2009	2010	2009	2010	2009	Percent of Change
Land	\$ 116,787	\$ 113,113	86,993	84,439	203,780	197,552	3.15%
Easement-Perm	989		13		1,002		100.00%
Other Intangible			1,904		1,904		100.00%
Buildings and improvements	418,103	354,406	555,034	561,526	973,137	915,932	6.25%
Water facility rights			21,908	20,335	21,908	20,335	7.74%
Infrastructure	1,104,265	1,088,608	91,858	88,000	1,196,123	1,176,608	1.66%
Equipment*	50,552	51,896	29,690	29,970	80,242	81,866	(1.98%)
Computer Software *	17,082	15,014			17,082	15,014	13.77%
Construction in progress	141,883	198,564	1,040,948	592,509	1,182,831	791,073	49.52%
Total	<u>\$ 1,849,661</u>	<u>1,821,601</u>	<u>1,828,348</u>	<u>1,376,779</u>	<u>3,678,009</u>	<u>3,198,380</u>	<u>15.00%</u>

*2009 balances have been adjusted for GASB 51; computer software increased by \$15,014 and equipment decreased by \$6,241, for a net restatement of \$8,773.

The following provides an explanation of significant changes in capital assets (amounts expressed in millions):

- Land - Increase is due to Waste Management (\$2.5) and Road Fund (\$3.1).
- Structures and Improvements - Increase is due to Airports SMF TMP Crossfield Taxiway (\$8.6), Thornton Youth Center (\$42.6), Juvenile Hall Phase I Expansion (\$7.3), and new Animal Care Facility (\$23.3).
- Infrastructure - Increase in Water Utilities (\$3.8) and Road Fund projects (\$22.5).
- Construction in progress- Increase due to Airport terminal modernization program wide costs (\$333), Water Project (\$115.5), Pipeline Segment 4 (\$7.0), and Governmental projects for Juvenile Hall expansion (\$16).

Additional information on the County's capital assets can be found in Note 6 on pages 61-62.

Debt Administration

At June 30, 2010 the County's governmental activities had long-term obligations, totaling \$1.942 billion. Of this amount \$340 million are Certificates of Participation, \$247 million are Revenue bonds for cash settlement of the tobacco settlement agreement, and \$95 million are revenue bonds to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. In addition, compensated absences of the County amounted to \$103 million and capital lease obligations of \$10 million.

Other significant long-term obligations include \$56 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), and \$931 million in bonds issued to eliminate the unfunded pension obligation existing between the County and the Sacramento County Employees' Retirement System, and \$156 million for derivative instrument liability, which represents the negative fair value of the County's interest rate swap derivative instruments. The remaining represents various other debt obligations.

Proprietary Funds had long-term obligations of approximately \$1.55 billion. This includes \$2 million of refunding certificates of participation for the construction of parking garages, \$1.030 billion of Airport System revenue bonds and other Airport debt, \$24 million of Solid Waste Enterprise certificates of participation and other Solid Waste debt, and Sacramento County Water Agency revenue bonds, reimbursement agreements and usage fee totaling \$496 million.

For the year ended June 30, 2010, the County's total long-term obligations had a net increase of \$661,325. The increase is primarily the result of issuance of Airport revenue, PFC and Subordinated Bonds to continue financing the Terminal Modernization Program (\$480 million) and implementation of GASB 53 with a recognition of a derivative instrument liability (\$203 million).

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

Schedule of Long Term Debt
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2010	2009	2010	2009	2010	2009	Amount	Percent
Governmental activities:								
Compensated absences	\$ 103,702	106,099	6,561	6,265	110,263	112,364	(2,101)	(1.87%)
Certificates of participation	340,285	325,175	23,205	25,005	363,490	350,180	13,310	3.80%
Teeter notes	56,419	49,800			56,419	49,800	6,619	13.29%
Pension obligation bonds	931,453	944,638			931,453	944,638	(13,185)	(1.40%)
Revenue bonds	342,722	344,462	1,097,430	910,455	1,440,152	1,254,917	185,235	14.76%
Accreted Interest	10,462	8,410			10,462	8,410	2,052	24.40%
OPEB Liability	5,900	5,334	440	406	6,340	5,740	600	10.45%
Other long-term debt	7,178	5,090	156		7,334	5,090	2,244	44.09%
Capital lease obligations	9,972	11,186			9,972	11,186	(1,214)	(10.85%)
Derivative instrument liability	155,999		47,437		203,436		203,436	100.00%
Borrowing payable	17,753	26,234			17,753	26,234	(8,481)	(32.33%)
Deferred amounts								
For issuance premiums	2,782	4,167	15,792	16,407	18,574	20,574	(2,000)	(9.72%)
For issuance discounts	(4,798)	(4,944)	(7,363)	(2,789)	(12,161)	(7,733)	(4,428)	57.26%
On refundings	(36,894)	(37,322)	(22,712)	(25,360)	(59,606)	(62,682)	3,076	(4.91%)
PFC and subordinate revenue bonds			363,330	87,940	363,330	87,940	275,390	313.16%
Reimbursement agreements			2,413	1,865	2,413	1,865	548	29.38%
Usage fee - City			7,903	8,750	7,903	8,750	(847)	(9.68%)
Water rights - SMUD assignment			4,000	4,000	4,000	4,000		0.00%
SMUD transformer			1,904		1,904		1,904	100.00%
Estimated arbitrage taxes payable				1,329		1,329	(1,329)	(100.00%)
Escrow retentions			10,038	9,542	10,038	9,542	496	5.20%
Total	<u>\$ 1,942,935</u>	<u>1,788,329</u>	<u>1,550,534</u>	<u>1,043,815</u>	<u>3,493,469</u>	<u>2,832,144</u>	<u>661,325</u>	<u>23.35%</u>

Additional information regarding the County's long-term debt can be found in Note 10 on pages 69 – 83.

Economic Factors and Next Year's Budget and Rates

- Four major sources of revenue generated from the performance of the economy are:
 - Property tax revenues decreased by \$8.4 million in the Fiscal Year 2010-11 budget, a 3.8 percent decrease. This projection is based on the Assessor's experience with the assessed property value roll and appeals to those values by homeowners.
 - Sales tax revenues increased by \$2.7 million in the Fiscal Year 2010-11 budget, a 4.8 percent increase. This projected revenue is based on actual Fiscal Year 2009-10 collections and available actual collections in the budget year.
 - Proposition 172 revenue increased by \$10.0 million in the Fiscal Year 2010-11 budget, a 12.6 percent increase. This projected revenue is based on State wide average actual collections in Fiscal year 2009-10, especially the last six months (January through June).
 - Realignment revenue decreased by \$1.8 million in the Fiscal Year 2010-11 budget, a 1.0 percent decrease. This revenue source includes a sales tax component as well as a portion of vehicle license fees. Both sources are expected to decrease slightly in the budget year.
- The Fiscal Year 2010-11 budget includes an increase in salaries of 2.0 percent for employees represented by employee organizations. Unrepresented employees received no salary increase.
- The Fiscal Year 2010-11 General Fund budget included reductions of \$139.0 million. Positions were reduced by approximately 760, resulting in 390 employee layoffs.
- An unaudited General Fund balance/carryover of \$8.1 million was included in the budget. Of this amount, the General Purpose Financing net improvement was approximately \$11.5 million. The remainder was year-end net carryover decrements in departmental operations.

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 Department of Finance, 700 H Street Room 3650, Sacramento, CA 95814.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 726,159	188,830	914,989
Restricted cash and investments		93,586	93,586
Receivables, net of allowance for uncollectibles:			
Billed	38,158	23,148	61,306
Interest	5		5
Intergovernmental	185,626	19,443	205,069
Internal balances	(21,572)	21,572	
Prepaid expenses		12,918	12,918
Inventories	2,788	218	3,006
Total current assets	<u>931,164</u>	<u>359,715</u>	<u>1,290,879</u>
Noncurrent assets:			
Restricted assets		521,741	521,741
Long-term receivables	189,902		189,902
Deferred charges	26,865	21,990	48,855
Deferred outflow of resources	155,999	47,437	203,436
Pension asset	1,031,950		1,031,950
Capital assets:			
Land and other nondepreciable assets	259,659	1,150,722	1,410,381
Facilities, infrastructure, equipment and intangibles, net of depreciation and amortization	<u>1,590,002</u>	<u>677,626</u>	<u>2,267,628</u>
Total capital assets	<u>1,849,661</u>	<u>1,828,348</u>	<u>3,678,009</u>
Total noncurrent assets	<u>3,254,377</u>	<u>2,419,516</u>	<u>5,673,893</u>
Total assets	<u>\$ 4,185,541</u>	<u>2,779,231</u>	<u>6,964,772</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

Page 2 of 2

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$ 17,788	24,015	41,803
Accrued liabilities	111,244	18,724	129,968
Intergovernmental payable	98,234	2,240	100,474
Current portion of accrued interest payable	30,276		30,276
Payable to external parties	2,068	76	2,144
Current portion of insurance claims payable	38,253		38,253
Current portion of long-term debt obligations	61,972	12,854	74,826
Current liabilities payable from restricted assets		91,483	91,483
Unearned revenue	25,953	689	26,642
Total current liabilities	385,788	150,081	535,869
Noncurrent liabilities:			
Insurance claims payable	149,508		149,508
Accreted interest	350,924		350,924
Long-term debt obligations	1,623,799	1,440,277	3,064,076
Compensated absences	94,013	5,387	99,400
Derivative instrument liability	155,999	47,437	203,436
Other post employment benefits	5,901	416	6,317
Long-term advances from other funds	(2,379)	2,379	
Landfill closure and postclosure care		16,187	16,187
Other long-term liabilities		24,142	24,142
Total noncurrent liabilities	2,377,765	1,536,225	3,913,990
Total liabilities	2,763,553	1,686,306	4,449,859
Net assets:			
Invested in capital assets, net of related debt	1,374,306	719,665	2,093,971
Restricted for:			
Bond reserves		51,742	51,742
Landfill closure		8,433	8,433
Kiefer Wetlands Preserve		871	871
Debt service	153,654	104,162	257,816
Capital projects	47,281		47,281
Passenger facility charges		45,353	45,353
Future construction		2,406	2,406
Endowments:			
Expendable		59	59
Nonexpendable		2,027	2,027
Fire protection	1,201		1,201
Health programs	200,815		200,815
Transportation	28,912	1,213	30,125
Lighting and landscape maintenance	3,109		3,109
Community facilities	2,572		2,572
Fish and game	15		15
Unrestricted	(389,877)	156,994	(232,883)
Total net assets	1,421,988	1,092,925	2,514,913
Total liabilities and net assets	\$ 4,185,541	2,779,231	6,964,772

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 177,963	100,877	1,238	131	(75,717)		(75,717)
Public assistance	668,368	8,464	586,734		(73,170)		(73,170)
Public protection	650,198	110,244	52,028	2,281	(485,645)		(485,645)
Health and sanitation	595,816	38,692	446,848	5,966	(104,310)		(104,310)
Public ways and facilities	115,073	31,912	42,039	29,672	(11,450)		(11,450)
Recreation and culture	37,139	12,735		384	(24,020)		(24,020)
Education	21,053	177			(20,876)		(20,876)
Interest and fiscal charges	141,529				(141,529)		(141,529)
Total governmental activities	2,407,139	303,101	1,128,887	38,434	(936,717)		(936,717)
Business-type activities:							
Airport	130,724	132,727	20,573	7,361		29,937	29,937
Solid Waste	62,567	65,907	161			3,501	3,501
Water Agency	24,575	46,847	429	2,850		25,551	25,551
Parking Enterprise	3,247	3,185	730			668	668
County Transit	1,677	158	1,050			(469)	(469)
Total business-type activities	222,790	248,824	22,943	10,211		59,188	59,188
Total primary government	\$ 2,629,929	551,925	1,151,830	48,645	(936,717)	59,188	(877,529)
General revenues:							
Taxes:							
Property					437,634		437,634
Sales / use					58,357	573	58,930
Transient occupancy					4,467		4,467
Unrestricted investment earnings					15,016	2,617	17,633
Grants and contributions not restricted to specific programs					197,855		197,855
Pledged tobacco settlement proceeds					12,393		12,393
Miscellaneous					105,003		105,003
Transfers					8,502	(6,002)	2,500
Total general revenues and transfers					839,227	(2,812)	836,415
Changes in net assets					(97,490)	56,376	(41,114)
Net assets, beginning of year, as restated					1,519,478	1,036,549	2,556,027
Net assets, end of year					\$ 1,421,988	1,092,925	2,514,913

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)**

	General	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 60,637	512,630	573,267
Receivables:			
Billed	20,309	13,274	33,583
Interest		5	5
Intergovernmental	170,551	12,687	183,238
Due from other funds	12,370	5,495	17,865
Inventories	909		909
Long-term advances to other funds		26,083	26,083
Long-term receivables	46,920	142,606	189,526
Total assets	\$ 311,696	712,780	1,024,476
Liabilities and fund balances:			
Liabilities:			
Warrants payable	\$ 9,993	1,750	11,743
Accrued liabilities	59,647	32,508	92,155
Intergovernmental payable	65,213	29,660	94,873
Due to other funds	22,978	13,437	36,415
Deferred revenues	72,088	105,930	178,018
Long-term advances from other funds	60,082		60,082
Total liabilities	290,001	183,285	473,286
Fund balances:			
Reserved for:			
Encumbrances	25,005	46,231	71,236
Capital asset acquisitions	27,206		27,206
Assets not available	22,696	62,761	85,457
Debt service		75,321	75,321
Future construction		80,974	80,974
Unreserved, reported in:			
Designated			
Special revenue funds		183,595	183,595
Undesignated			
General Fund	(53,212)		(53,212)
Special revenue funds		79,846	79,846
Capital project funds		767	767
Total fund balances	21,695	529,495	551,190
Total liabilities and fund balances	\$ 311,696	712,780	1,024,476

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 ASSETS
JUNE 30, 2010
(amounts expressed in thousands)

Fund balances - total governmental funds	\$	551,190
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,809,249
Pension asset of the governmental activities is not a financial resource and, therefore, is not reported in the funds.		1,031,950
Bond issuance costs of the governmental activities are not financial resources and, therefore are not reported in the funds.		23,593
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(2,149,551)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		156,491
Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications, office of communications and information technology, and facility planning architecture and real estate to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		(934)

Net assets of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">1,421,988</div>
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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 YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	General	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 424,834	78,257	503,091
Use of money and property	1,205	13,548	14,753
Licenses and permits	11,249	26,036	37,285
Intergovernmental	1,227,949	138,882	1,366,831
Charges for sales and services	114,497	68,217	182,714
Fines, forfeitures and penalties	19,739	14,977	34,716
Pledged tobacco settlement proceeds		12,393	12,393
Miscellaneous	61,673	43,330	105,003
Total revenues	<u>1,861,146</u>	<u>395,640</u>	<u>2,256,786</u>
Expenditures:			
Current:			
General government	83,291	60,448	143,739
Public assistance	622,425	31,215	653,640
Public protection	585,213	12,254	597,467
Health and sanitation	508,619	50,400	559,019
Public ways and facilities		115,672	115,672
Recreation and culture	9,651	25,042	34,693
Education	324	19,905	20,229
Capital outlay		77,061	77,061
Debt service:			
Principal		81,356	81,356
Bond issuance costs		1,217	1,217
Interest and fiscal charges		109,087	109,087
Total expenditures	<u>1,809,523</u>	<u>583,657</u>	<u>2,393,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,623</u>	<u>(188,017)</u>	<u>(136,394)</u>
Other financing sources (uses):			
Transfers in	38,637	141,695	180,332
Transfers out	(87,953)	(67,971)	(155,924)
Issuance of debt		64,470	64,470
Refunding debt issued		123,950	123,950
Premiums on debt issued		1,770	1,770
Swap termination payment		(10,180)	(10,180)
Payment to refunded bonds escrow agent		(103,008)	(103,008)
Total other financing sources (uses)	<u>(49,316)</u>	<u>150,726</u>	<u>101,410</u>
Net change in fund balances	<u>2,307</u>	<u>(37,291)</u>	<u>(34,984)</u>
Fund balances - beginning	19,388	566,786	586,174
Fund balances - ending	<u>\$ 21,695</u>	<u>529,495</u>	<u>551,190</u>

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

COUNTY OF SACRAMENTO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	(34,984)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and donated assets exceeded depreciation in the current period.		27,190
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Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities. This is the amortization during the year.		(4,685)
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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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,518
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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.		(30,680)
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Some revenues will not be collected up to twelve months after the year end, and therefore are not considered "available" and are deferred in the governmental funds. Deferred revenues decreased by this amount during the year.		(10,937)
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The net revenues of certain activities of internal service funds is reported with governmental activities.		(46,912)
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Change in net assets of governmental activities	\$	(97,490)
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The notes to the basic financial statements are an integral part of this statement.

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**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 441,072	422,435	424,834	2,399
Use of money and property	13,798	3,323	1,205	(2,118)
Licenses and permits	11,335	11,104	11,249	145
Intergovernmental	1,323,606	1,316,834	1,227,949	(88,885)
Charges for sales and services	146,125	144,693	114,497	(30,196)
Fines, forfeitures and penalties	22,086	19,771	19,739	(32)
Miscellaneous	67,922	79,681	61,673	(18,008)
Total revenues	<u>2,025,944</u>	<u>1,997,841</u>	<u>1,861,146</u>	<u>(136,695)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	73,000	71,924	8,352	63,572
Finance	57,038	48,293	36,212	12,081
Counsel	5,383	4,864	4,084	780
Human resources	13,927	14,008	13,412	596
Elections	10,002	9,656	6,385	3,271
Other	16,962	16,675	14,846	1,829
Total general government	<u>176,312</u>	<u>165,420</u>	<u>83,291</u>	<u>82,129</u>
Public assistance:				
Administration	251,117	240,038	217,361	22,677
Aid programs	384,349	388,122	374,168	13,954
Other	31,730	31,761	30,896	865
Total public assistance	<u>667,196</u>	<u>659,921</u>	<u>622,425</u>	<u>37,496</u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 2 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Public protection:				
Judicial	162,544	165,172	159,014	6,158
Police protection	177,262	175,095	175,072	23
Detention and correction	219,290	216,456	211,388	5,068
Protection and inspection	4,425	4,349	3,945	404
Other	44,273	47,183	35,794	11,389
Total public protection	607,794	608,255	585,213	23,042
Health and sanitation	599,984	585,390	508,619	76,771
Public ways and facilities	67	66		66
Recreation and culture	10,715	9,851	9,651	200
Education	370	328	324	4
Total expenditures	2,062,438	2,029,231	1,809,523	219,708
Excess (deficiency) of revenues over (under) expenditures	(36,494)	(31,390)	51,623	83,013
Other financing sources (uses):				
Transfers in	38,266	38,266	38,637	371
Transfers out	(87,953)	(87,953)	(87,953)	
Total other financing sources (uses)	(49,687)	(49,687)	(49,316)	371
Net change in fund balance	\$ (86,181)	(81,077)	2,307	83,384

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

**COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Activities-Internal Service Funds
Assets:						
Current assets:						
Cash and investments	\$ 97,101	44,067	46,573	1,089	188,830	152,892
Restricted cash and investments	91,483		2,103		93,586	
Receivables, net of allowance for uncollectibles:						
Billed	8,228	9,601	5,280	39	23,148	4,575
Intergovernmental	17,615	379	159	1,290	19,443	2,388
Due from other funds	74	98	589	60	821	28,251
Prepaid expenses	12,918				12,918	
Inventories	218				218	1,879
Total current assets	<u>227,637</u>	<u>54,145</u>	<u>54,704</u>	<u>2,478</u>	<u>338,964</u>	<u>189,985</u>
Noncurrent assets:						
Restricted assets	427,778	9,304	84,659		521,741	
Long-term advances to other funds						47,060
Long-term receivables						376
Deferred charges	17,969	571	3,450		21,990	3,272
Deferred outflow of resources			47,437		47,437	
Capital assets:						
Land and other nondepreciable assets	647,335	34,962	467,116	1,309	1,150,722	28
Facilities, infrastructure, equipment and intangibles, net of depreciation and amortization	<u>349,780</u>	<u>85,932</u>	<u>238,536</u>	<u>3,378</u>	<u>677,626</u>	<u>40,384</u>
Total capital assets	<u>997,115</u>	<u>120,894</u>	<u>705,652</u>	<u>4,687</u>	<u>1,828,348</u>	<u>40,412</u>
Total noncurrent assets	<u>1,442,862</u>	<u>130,769</u>	<u>841,198</u>	<u>4,687</u>	<u>2,419,516</u>	<u>91,120</u>
Total assets	<u>\$ 1,670,499</u>	<u>184,914</u>	<u>895,902</u>	<u>7,165</u>	<u>2,758,480</u>	<u>281,105</u>

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

**COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

Page 2 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
Liabilities:						
Current liabilities:						
Warrants payable	\$ 23,554	212	195	54	24,015	6,045
Accrued liabilities	7,206	3,077	8,269	172	18,724	19,089
Intergovernmental payable	651	75	1,514		2,240	3,361
Due to other funds	2,743	1,068	161	51	4,023	8,643
Current portion of insurance claims payable						38,253
Current portion of long-term debt obligations		1,524	10,710	620	12,854	
Current liabilities payable from restricted assets	91,483				91,483	
Unearned revenue	689				689	4,426
Total current liabilities	126,326	5,956	20,849	897	154,028	79,817
Noncurrent liabilities:						
Insurance claims payable						149,508
Long-term debt obligations	1,006,795	18,517	413,466	1,499	1,440,277	
Compensated absences	3,464	1,715	181	27	5,387	16,232
Derivative instrument liability			47,437		47,437	
Other post employment benefits	170	116	126	4	416	1,102
Long-term advances from other funds		2,000		379	2,379	10,682
Landfill closure and postclosure care		16,187			16,187	
Other long-term liabilities	75		24,067		24,142	
Total noncurrent liabilities	1,010,504	38,535	485,277	1,909	1,536,225	177,524
Total liabilities	1,136,830	44,491	506,126	2,806	1,690,253	257,341
Net assets:						
Invested in capital assets, net of related debt	308,869	98,973	309,671	2,152	719,665	23,031
Restricted for:						
Bond reserves	26,028		25,714		51,742	
Landfill closure		8,433			8,433	
Kiefer Wetlands Preserve		871			871	
Debt service	102,952		1,013	197	104,162	
Debt refundings						
Passenger facility charges	45,353				45,353	
Transportation				1,213	1,213	
Future construction			2,103	303	2,406	
Endowments:						
Expendable	59				59	
Nonexpendable	2,027				2,027	
Unrestricted	48,381	32,146	51,275	494	132,296	733
Total net assets	533,669	140,423	389,776	4,359	1,068,227	23,764
Total liabilities and net assets	\$ 1,670,499	184,914	895,902	7,165		281,105
Adjustment to reflect internal service fund activities related to enterprise funds					24,698	
Net assets of business-type activities					\$ 1,092,925	

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 ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
Operating revenues:						
Charges for sales and services	\$ 129,551	61,320	44,442	3,193	238,506	333,272
Other	166	808	994	3	1,971	13,786
Total operating revenues	<u>129,717</u>	<u>62,128</u>	<u>45,436</u>	<u>3,196</u>	<u>240,477</u>	<u>347,058</u>
Operating expenses:						
Salaries and benefits	31,059	22,476	6,521	430	60,486	151,313
Services and supplies	48,996	25,625	7,992	2,204	84,817	133,977
Cost of sales and services	431				431	4,906
Depreciation and Amortization	26,929	7,510	7,015	462	41,916	13,681
Self-insurance						81,610
Landfill closure costs		450			450	
Other	873		1,992	1,482	4,347	1,652
Total operating expenses	<u>108,288</u>	<u>56,061</u>	<u>23,520</u>	<u>4,578</u>	<u>192,447</u>	<u>387,139</u>
Operating income (loss)	<u>21,429</u>	<u>6,067</u>	<u>21,916</u>	<u>(1,382)</u>	<u>48,030</u>	<u>(40,081)</u>
Nonoperating revenues (expenses):						
Use of money and property	1,889	527	194	7	2,617	263
Intergovernmental	955	161	429	1,780	3,325	1,960
Passenger facility charges	19,618				19,618	
Sales / use tax				573	573	
Interest expense	(17,106)	(1,171)	(473)	(107)	(18,857)	(1,403)
Other	(528)	1,623	1,329	18	2,442	2,674
Total nonoperating revenues (expenses)	<u>4,828</u>	<u>1,140</u>	<u>1,479</u>	<u>2,271</u>	<u>9,718</u>	<u>3,494</u>
Income before capital contributions and transfers	<u>26,257</u>	<u>7,207</u>	<u>23,395</u>	<u>889</u>	<u>57,748</u>	<u>(36,587)</u>
Transfers in			631		631	1,533
Transfers out	(2,026)	(4,045)	(540)	(22)	(6,633)	(17,439)
Capital contributions	7,361		2,850		10,211	
Changes in net assets	<u>31,592</u>	<u>3,162</u>	<u>26,336</u>	<u>867</u>	<u>61,957</u>	<u>(52,493)</u>
Net assets, beginning of year, as restated	<u>502,077</u>	<u>137,261</u>	<u>363,440</u>	<u>3,492</u>		<u>76,257</u>
Net assets, end of year	<u>\$ 533,669</u>	<u>140,423</u>	<u>389,776</u>	<u>4,359</u>		<u>23,764</u>
Adjustment to reflect internal service fund activities related to enterprise funds.					(5,581)	
Change in net assets of business-type activities					<u>\$ 56,376</u>	

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

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**COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 132,277	54,759	42,841	3,163	233,040	60,290
Receipts from interfund services provided		(7,551)			(7,551)	336,527
Receipts from other operating activities		6,887	994		7,881	
Payments to suppliers	(63,088)	(22,628)	(13,308)	(3,538)	(102,562)	(185,682)
Payments to employees	(30,940)	(22,474)	(6,311)	(426)	(60,151)	(155,581)
Payments for interfund services used				(29)	(29)	(38,790)
Other (payments) receipts	238			(106)	132	(1,156)
Net cash provided by (used for) operating activities	<u>38,487</u>	<u>8,993</u>	<u>24,216</u>	<u>(936)</u>	<u>70,760</u>	<u>15,608</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Receipt of advances from other funds						1,947
Intergovernmental revenue	713	2,053		2,245	5,011	1,960
Other non-operating revenue						2,908
Non-operating expense						(1,112)
Payment on advance from other fund						(5,208)
Advance to other funds						(12,965)
Payment on advance to other fund				(112)	(112)	(6,970)
Interest paid on advances from other funds						(1,403)
Transfers to/from other funds	(2,026)	(4,045)	91	(22)	(6,002)	(9,614)
Net cash provided by (used for) noncapital financing activities	<u>(1,313)</u>	<u>(1,992)</u>	<u>91</u>	<u>2,111</u>	<u>(1,103)</u>	<u>(30,457)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Bond issuance costs	(4,535)				(4,535)	
Passenger facility charges	19,719				19,719	
Capital contributions	10,601				10,601	
Intergovernmental grants received				(98)	(98)	
Proceeds from sale of long-term obligations	475,242			221	475,463	
Acquisition and construction of capital assets	(304,598)	(9,503)	(96,830)	(17)	(410,948)	(14,907)
Principal paid on long-term obligations	(10,710)	(1,855)	(9,721)	(605)	(22,891)	
Interest paid on long-term obligations	(40,040)	(969)	(18,702)	(107)	(59,818)	
Proceeds from the sale of capital assets	25	443		18	486	1,600
Retentions placed in escrow account			497		497	
Net cash provided by (used for) capital and related financing activities	<u>145,704</u>	<u>(11,884)</u>	<u>(124,756)</u>	<u>(588)</u>	<u>8,476</u>	<u>(13,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments	(557,423)		(2,672)		(560,095)	
Proceeds from sales and maturities of investments	333,024		57,678		390,702	
Interest received on cash and investments	9,260	527	3,622	10	13,419	
Net cash provided by (used for) investing activities	<u>(215,139)</u>	<u>527</u>	<u>58,628</u>	<u>10</u>	<u>(155,974)</u>	
Net increase (decrease) in cash and cash equivalents	(32,261)	(4,356)	(41,821)	597	(77,841)	(28,156)
Cash and cash equivalents, beginning of year	313,344	57,727	154,116	492	525,679	181,048
Cash and cash equivalents, end of year	<u>\$ 281,083</u>	<u>53,371</u>	<u>112,295</u>	<u>1,089</u>	<u>447,838</u>	<u>152,892</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 YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 2 of 2

	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 97,101	44,067	46,573	1,089	188,830	152,892
Restricted cash and investments	91,483		2,103		93,586	
Restricted noncurrent assets (net of accrued interest)	427,778	9,304	84,659		521,741	
Less: Long-term investments included in restricted assets	(335,279)		(21,040)		(356,319)	
Cash and cash equivalents	<u>\$ 281,083</u>	<u>53,371</u>	<u>112,295</u>	<u>1,089</u>	<u>447,838</u>	<u>152,892</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 21,429	6,067	21,916	(1,382)	48,030	(40,081)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and Amortization	26,929	7,510	7,015	462	41,916	13,681
Amortization				25	25	
Provision for uncollectible accounts	27				27	
Impact fee credits applied			(3,656)		(3,656)	
Other nonoperating revenue	238	(295)			(57)	
Other nonoperating expense						(7)
Changes in assets and liabilities:						
Receivables	2,897	(177)	2,526	(30)	5,216	(808)
Due from other funds		117	(471)	(35)	(389)	26,800
Deposits with others	349				349	
Long-term receivables						6
Prepaid expenses	(71)				(71)	
Inventories	13				13	(93)
Accrued liabilities	(13,481)	229	(2,865)	13	(16,104)	623
Warrants payable	327	(80)		21	268	148
Compensated absences	113	(44)		4	73	2
Due to other funds		(4,455)		(14)	(4,469)	(11,165)
Deferred revenues	(363)				(363)	1,503
Due to other governments			(251)		(251)	(2,386)
Due from other governments		(98)			(98)	(1,059)
Insurance claims payable	75				75	28,309
Other post employment benefits	5	4	2		11	135
Landfill closure and postclosure care		215			215	
Total adjustments	<u>17,058</u>	<u>2,926</u>	<u>2,300</u>	<u>446</u>	<u>22,730</u>	<u>55,689</u>
Net cash provided by (used for) operating activities	<u>\$ 38,487</u>	<u>8,993</u>	<u>24,216</u>	<u>(936)</u>	<u>70,760</u>	<u>15,608</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets			2,851		2,851	
Amortization of bonds premium			350		350	
Increase in fair market value of investments			(599)		(599)	

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

**COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

	Agency	Investment Trust
Assets:		
Cash and investments	\$ 246,160	\$ 1,629,169
Receivables, net of allowance for uncollectibles:		
Billed	7,670	
Interest	1,821	
Intergovernmental	109	
Due from other funds	2,144	
Prepaid expenses	38	
Total assets	<u>\$ 257,942</u>	<u>\$ 1,629,169</u>
Liabilities:		
Warrants payable	\$ 9,476	
Accrued liabilities	13,851	
Intergovernmental payable	234,615	
Total liabilities	<u>\$ 257,942</u>	
Net assets held in trust for pool participants		<u>\$ 1,629,169</u>

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

COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Investment Trust</u>
Additions:	
Contributions on pooled investments	\$ 7,320,601
Use of money and property	<u>126,687</u>
Total additions	7,447,288
Deductions:	
Distributions from pooled investments	<u>7,805,555</u>
Net decrease in net assets	(358,267)
Net assets held in trust for pool participants, beginning of year	<u>1,987,436</u>
Net assets held in trust for pool participants, end of year	<u><u>\$ 1,629,169</u></u>

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

NOTES TO BASIC FINANCIAL STATEMENTS

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(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. 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 responsible).

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

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

Blended Component Units:

Lighting and Landscape Maintenance District Special Revenue Fund:	Special Revenue Fund Other:
County Service Area Number One	Natomas Fire District
Sacramento County Landscape Maintenance District	County Service Area Number Ten
	Water Agency Special Revenue Fund
	First Five Commission
Park Districts and Park Service Areas Special Revenue Fund:	
Del Norte Oaks Park Maintenance District	
Mission Oaks Recreation and Park District	Enterprise Fund:
Carmichael Recreation and Park District	Water Agency Water Supply
Sunrise Recreation and Park District	
County Service Area Number Four	

The Tobacco Securitization Authority (Authority) of Northern California is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The Authority was created by a Joint Powers Agreement effective July 15, 2001 between the County and the County of San Diego. The Authority was created for the purpose of empowering the Authority to finance the payments received by the County from the nation-wide Tobacco Settlement Agreement (Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of all Bonds secured by those Payments or the lending of money based thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such payments of the County. The debts and liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are in any way responsible for those liabilities. The Authority meets the criteria set forth in generally accepted accounting principles as a blended component unit of the County because the Authority is providing services solely to the County.

The Sacramento County Public Financing Authority (PFA) is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is considered a blended component unit of the County. The County Board of Supervisors sits as the Board of Directors of the PFA. The PFA was created for the purpose

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
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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, and neither the County nor the Agency is any way responsible for those liabilities. However, the PFA has an agreement with the Agency in which the Agency will pay back to the PFA those debt proceeds advanced to them. The PFA meets the criteria set forth in generally accepted accounting principles as a blended component unit of the County because of the financial benefit/burden relationship of their activities and the governing body is the same as the County.

The County has created the Public Facilities Financing Corporation (Corporation) for the purpose of facilitating the financing of public projects within the County. The Board of Supervisors appoints the governing board of the Corporation and is responsible for the fiscal and administrative activities of the entity. For financial reporting purposes, capitalized leases between the County and the Corporation have been eliminated and the financial data of the entity has been included within the County's reporting entity.

Excluded from the Reporting Entity: The Sacramento County Employees' Retirement System is excluded from the reporting entity, as it is fiscally independent of the County and is governed by a separate Board of Directors and not by the County Board of Supervisors.

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

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

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 District
Solid Waste Authority
Library Joint Powers Authority

PURPOSE

Regional planning (primarily transportation)
Coordination of Federal and State funding for job programs
Regional flood control issues
Administration of the franchising and licensing of cable TV services
Housing/redevelopment 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
Regulate commercial waste collection franchises and regional programs
Library operations

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Joint Powers Agencies (JPA) continued:

AGENCY

Sacramento County Regional Sanitation District
 Sacramento Area Sewer District
 Southeast Connector JPA

River City Regional Stadium Financing Authority
 Sacramento Regional Arts Facilities Financing Authority

Freeport Regional Water Authority

PURPOSE

Waste water conveyance, treatment and disposal

Sewer Service

Planning and development of the Elk Grove-Rancho Cordova-El Dorado Connector Project

Finance the acquisition and construction of River Cats Stadium

Finance acquisition, construction, improvement, renovation and equipping of certain theatre facilities located in the City of Sacramento

Guides the financing, ownership, development, construction and operation of the Freeport Regional Water Project

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. Funding, if any, for each of these agencies from the County is based on annual appropriations. The County has no continuing financial liability and does not expect any financial burden from its participation in any of these agencies. Separate financial statements of the JPAs can be obtained by contacting the individual agencies or the County Department of Finance, Auditor-Controller Division. The above agencies do not meet the criteria under GASB 14 necessary to be considered a component unit.

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

The Airport fund is used to account for the facilities of the Airport System, including the International, Executive, Franklin Airports, and Mather Airfield.

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

The Water Agency Fund is used to account for the construction of major water supply treatment, transmission and distribution as well as the retail service provider of water to 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 Public Works, General Services, Self-Insurance funds covering general liability and property damage, workers' compensation, dental and unemployment, Regional Communication for emergency communications services, Real Estate and Office of Communications and Information Technology.

Investment trust funds account for the assets of legally separate entities that deposit cash with the County treasury. These entities include school districts, other independent special districts governed by local boards, regional boards and authorities, and pass through for property tax collections for cities. These funds represent assets, primarily cash and investments, held by the County in trust for these participants.

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

Measurement Focus and Basis of Accounting

The government-wide, proprietary and investment trust fund financial statements are reported using economic resources measurement focus and accrual basis 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.

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 three hundred sixty five 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 claims and judgments are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide business-type activities and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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 other charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When restricted assets become available, for their restricted purpose, they are used first, and then unrestricted assets are used as they are needed.

Cash and Cash Equivalents

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

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for fiscal year 2009-10 is July 1 and the lien date is January 1 (unsecured property taxes are paid in one installment August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Beginning in fiscal year 1993-94, the County Board of Supervisors adopted a resolution authorizing the “Alternative Method of Property Tax Apportionment” (Teeter Plan), under which the County converted to an accrual method of apportioning secured property taxes. Under the Teeter Plan, the County purchases the annual delinquent secured property taxes from the local taxing entities and selected special assessment districts in Sacramento County. The financing of the purchase of the delinquent secured property taxes under the Teeter Plan has been accomplished by five-year legal, secured medium-term note obligations of the County which have been purchased by the Treasurer’s Pool. The terms of the notes include a variable interest rate, adjusted on a quarterly basis, equal to the rate of interest on the U.S. Treasury Note for the number of years corresponding to the remaining term of each note.

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

A description of the debt related to the Teeter Plan can be found in Note 10.

Intergovernmental Revenues

The federal government and State of California reimburse 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 substantial compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future claims or be directly recovered from the County.

Interfund Transactions

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

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

Inventories

Inventory for governmental funds consist of pharmacy supplies and jail inventory which consists of clothing for inmates and supplies for jails and jail staff. Inventories are valued at cost, using the first-in/first-out method. Inventories of proprietary funds are recorded at the lower of cost computed by the weighted average method or market value. Inventory purchases made by governmental funds are recorded as expenditures at the time of purchase.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

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 assets. These amounts are restricted as their use is limited by applicable bond covenants or other external requirements.

Capital Assets

Capital Assets, which include land, structures and improvements, machinery and equipment, infrastructure assets, and intangible assets are reported in the applicable governmental business-type activities columns in the governmental wide-financial statements. Capital assets are defined as: equipment with initial individual cost of more than \$5 and an estimated useful life in excess of four years except for computer and peripheral equipment which have an estimated useful life of three years; buildings, structures, and improvements with costs more than \$25; computer or website software with costs more than \$100 and other intangible assets with costs more than \$25; permanent easements, land and infrastructure, regardless of cost. 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 estimated fair value at the date of donation. Capital outlay is recorded as expenditures of the General, special revenue, and capital projects funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital lease is included in depreciation and amortization. Structures and improvements, infrastructure, equipment and intangible assets of the primary government, are depreciated using the straight line method over the following estimated used lives:

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

Compensated Absences

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

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. The County does not pay accumulated sick leave to employees who terminate prior to retirement. It is the policy of the County to pay certain employees a portion of their sick leave at retirement. The amount of the liability has been accrued in accordance with GASB Statement 16, *Accounting for Compensated Absences*.

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount debt issued and premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates in the Preparation of Financial Statements

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

Liability/Property, Workers Compensation and Unemployment ISF Deficit Net Assets

As of June 30, 2010 the Liability/Property, Workers Compensation and Other (Unemployment) ISF have deficit net assets of (\$9,552), (\$98,540) and (\$1,242), respectively. These deficits in net assets represent the county's unfunded liability for the liability/property, workers compensation and unemployment self insurance programs. The County is collecting additional amounts from the departments to eliminate the unfunded liability.

Golf Special Revenue Fund Deficit Fund Balance

As of June 30, 2010, the Golf Special Revenue Fund has a deficit fund balance of \$413. This deficit is a result of revenues being lower due to the economic downturn. The funds budget was greatly modified for fiscal year 2009-10 and 2010-11 to make up for the deficit from fiscal year 2008-09.

GASB Statement No. 51

Effective July 2009, the County implemented Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for periods beginning after June 15, 2009. GASB 51 establishes standard for accounting and financial reporting for intangible assets. This statement requires that an intangible asset be recognized in the Statement of Net Assets only if it is identifiable. Additionally, this Statement establishes a specific-conditions approach to recognizing intangible assets that are internally generated. This Statement also provides guidance on recognizing internally generated software as an intangible asset. This Statement also establishes guidance specific to intangible assets related to amortization. This Statement provides guidance on determining the useful life of an intangible asset when the length of their life is limited by contractual or legal provisions.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

GASB Statement No.53

Effective July 2009, The County implemented Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for periods beginning after June 15, 2009. GASB Statement No. 53 establishes standards for accounting and financial reporting for Derivative Instruments. This Statement addresses the recognition measurement and disclosure of information regarding derivative instruments entered into by state and local governments. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive are reported at fair value. Much of this Statement describes the method of evaluating effectiveness. The disclosures required by Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets*, have been incorporated into this Statement.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

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

Total fund balances of the County's governmental funds of \$551,190 differs from net assets of governmental activities of \$1,421,988, primarily from the long-term economic focus in the statement of net assets versus the current financial resources focus in the governmental fund balance sheets. The effect of the differences is illustrated below:

Balance Sheet/Statement of Net Assets

Page 1 of 2

	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Assets
Assets:					
Current assets:					
Cash and investments	\$ 573,267		152,892		726,159
Receivables, net of allowance for uncollectibles:					
Billed	33,583		4,575		38,158
Interest	5				5
Intergovernmental	183,238		2,388		185,626
Due from other funds	17,865		3,553	(42,990)	(21,572)
Inventories	909		1,879		2,788
	<u>808,867</u>		<u>165,287</u>	<u>(42,990)</u>	<u>931,164</u>
Total current assets					
Noncurrent assets:					
Long-term receivables	189,526		376		189,902
Deferred charges		23,593	3,272		26,865
Deferred outflow of resources		155,999			155,999
Long-term advances to other funds	26,083		47,060	(73,143)	
Pension asset		1,031,950			1,031,950
Capital assets:					
Land and other nondepreciable assets		259,631	28		259,659
Facilities, infrastructure, equipment and intangibles, net of depreciation and amortization		1,549,618	40,384		1,590,002
Total capital assets		<u>1,809,249</u>	<u>40,412</u>		<u>1,849,661</u>
Total noncurrent assets	215,609	3,020,791	91,120	(73,143)	3,254,377
Total assets	<u>\$ 1,024,476</u>	<u>3,020,791</u>	<u>256,407</u>	<u>(116,133)</u>	<u>4,185,541</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 2

	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Activities Statement of Net Assets
Liabilities:					
Current liabilities:					
Warrants payable	\$ 11,743		6,045		17,788
Accrued liabilities	92,155		19,089		111,244
Intergovernmental payable	94,873		3,361		98,234
Current portion of accrued interest payable		30,276			30,276
Due to other funds/payable to external parties	36,415		8,643	(42,990)	2,068
Current portion of insurance claims payable			38,253		38,253
Current portion of long-term debt obligations		61,972			61,972
Deferred / unearned revenue	178,018	(156,491)	4,426		25,953
Total current liabilities	413,204	(64,243)	79,817	(42,990)	385,788
Noncurrent liabilities:					
Insurance claims payable			149,508		149,508
Accreted interest		350,924			350,924
Long-term debt obligations		1,623,799			1,623,799
Compensated absences		77,781	16,232		94,013
Derivative instrument liability		155,999			155,999
Other post employment benefits		4,799	1,102		5,901
Long-term advances from other funds	60,082		10,682	(73,143)	(2,379)
Total noncurrent liabilities	60,082	2,213,302	177,524	(73,143)	2,377,765
Total liabilities	473,286	2,149,059	257,341	(116,133)	2,763,553
Fund balance/net assets:					
Reserved for:					
Encumbrances	71,236			(71,236)	
Capital asset acquisitions	27,206			(27,206)	
Assets not available	85,457			(85,457)	
Debt service	75,321			(75,321)	
Future construction	80,974			(80,974)	
Unreserved:					
Undesignated	210,996			(210,996)	
Invested in capital assets, net of related debt		1,351,275	23,031		1,374,306
Restricted for:					
Debt service		(329,011)		482,665	153,654
Capital projects				47,281	47,281
Fire protection				1,201	1,201
Health programs				200,815	200,815
Transportation				28,912	28,912
Lighting and landscape maintenance				3,109	3,109
Community facilities				2,572	2,572
Fish and game				15	15
Unrestricted		(150,532)	(23,965)	(215,380)	(389,877)
Total fund balance / net assets	551,190	871,732	(934)		1,421,988
Total liabilities and fund balance / net assets	\$ 1,024,476	3,020,791	256,407	(116,133)	4,185,541

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

(a) Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

- (1) When capital assets (land, infrastructure, building, and equipment) 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 assets includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 4,138,231
Accumulated depreciation	<u>(2,328,982)</u>
	<u>1,809,249</u>

Pension asset of the governmental activities is not a financial resource and, therefore, is not reported in the funds.

1,031,950

Bond issuance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net assets.

23,593

Long-term liabilities 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 and long-term, are reported in the statement of net assets.

Compensated absences	(86,218)
Other post employment benefits (OPEB)	(4,799)
Accreted interest payable	(381,200)
Bonds, loans, capital leases, and other payables	<u>(1,677,334)</u>
	<u>(2,149,551)</u>

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for certain period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	<u>156,491</u>
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Total	<u><u>\$ 871,732</u></u>
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- (2) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications and office of communications and technology to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

\$ (934)

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

The net change in fund balances for governmental funds of \$(34,984), differs from the change in net assets for governmental activities of \$(97,490) reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated below:

	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	\$ 440,267		(2,633)			437,634
Sales / use	58,357					58,357
Transient occupancy	4,467					4,467
Use of money and property	14,753			263		15,016
Licenses and permits	37,285				(37,285)	
Intergovernmental	1,366,831		(10,291)	1,960	(1,358,500)	
Charges for sales and services	182,714		777	52,904	66,706	303,101
Operating grants and contributions			1,210		1,127,677	1,128,887
Capital grants and contributions					38,434	38,434
Grants and contributions not restricted to specific programs					197,855	197,855
Fines, forfeitures and penalties	34,716				(34,716)	
Pledged tobacco settlement proceeds	12,393					12,393
Miscellaneous	105,003					105,003
Donated capital assets		171			(171)	
Total revenues	2,256,786	171	(10,937)	55,127		2,301,147
Current:						
Expenditures/expenses						
General government	143,739	19,685	842	13,697		177,963
Public assistance	653,640	389	126	14,213		668,368
Public protection	597,467	15,370	4,441	32,920		650,198
Health and sanitation	559,019	22,568	69	14,160		595,816
Public ways and facilities	115,672	(10,139)	(498)	10,038		115,073
Recreation and culture	34,693	1,686	(6)	766		37,139
Education	20,229	483	2	339		21,053
Capital outlay	77,061	(77,061)				
Debt service:						
Principal	81,356		(81,356)			
Bond issuance costs	1,217		(1,217)			
Interest and fiscal charges	109,087		32,442			141,529
Total expenditures/expenses	2,393,180	(27,019)	(45,155)	86,133		2,407,139
Excess (deficiency) of revenues over (under) expenditures	(136,394)	27,190	34,218	(31,006)		(105,992)
Other financing sources (uses):						
Transfers in	180,332			1,533	(173,363)	8,502
Transfers out	(155,924)			(17,439)	173,363	
Issuance of debt	64,470		(64,470)			
Refunding debt issued	123,950		(123,950)			
Premiums on debt issued	1,770		(1,770)			
Swap termination payment	(10,180)		10,180			
Payment to refunded bonds escrow agent	(103,008)		103,008			
Total other financing sources (uses)	101,410		(77,002)	(15,906)		8,502
Net change in fund balances/net assets	(34,984)	27,190	(42,784)	(46,912)		(97,490)
Fund balances/net assets - beginning, as restated	586,174	1,782,059	(894,733)	45,978		1,519,478
Fund balances/net assets - ending	\$ 551,190	1,809,249	(937,517)	(934)		1,421,988

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

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

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

Capital expenditures	\$ 120,210
Depreciation expense	(88,678)
Donated capital assets	171
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-in, disposals, etc.)	(4,513)
	<u>\$ 27,190</u>

- (4) Governmental funds report the effect of pension assets when first paid, whereas the amount is deferred and amortized in the statement of activities. This is the amount amortized during the year.

\$ (4,685)

Bond issuance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities. This amount is the net difference between bond issuance costs (\$1,217) incurred and amortization for the year \$1,179 .

38

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 County as a whole, however, the principal payments reduce the liabilities in the statement of net assets. 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	8,580
Teeter notes	57,851
Tobacco revenue bonds	120
Pension Obligation Bonds	13,185
Certificate of participation refundings	103,008
PFA revenue bonds	1,620
Capital leases obligations	1,214
Other long-term debt	2,170
	<u>\$ 187,748</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
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Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. Proceeds were received from:

Cetificates of Participation	(123,950)
Add premium	(1,770)
Less Swap termination Payment	10,180
Teeter notes	(64,470)
Other long term debt	(4,258)
	<u>(184,268)</u>
 Subtotal	 <u>3,518</u>

Interest expense in the statement of activities differs from the amount reported in governmental funds because accreted interest was calculated for bonds and notes payable, and additional interest expense was recognized on the amortization of bond discounts and premiums, including the swap premium, which are expended within the funds statements. (32,442)

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	2,218
Change in Other post employment benefits (OPEB)	(456)
	<u>(30,680)</u>

Some revenues will not be collected for several months after the year ends, and therefore are not considered "available" and are deferred in the governmental funds. Deferred revenues decreased by this amount during the year (10,937)

Total	<u>\$ (42,784)</u>
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- (5) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications and office of communications and 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. \$ (46,912)

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(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 fiscal year 2009-10 was adopted on October 2, 2009. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors on June 17, 2009. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

Operating budgets are adopted for the General Fund, special revenue funds, debt service funds, and capital projects funds on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the budget unit and object level, which classifies expenditures by organizational unit, and by type of goods purchased and services obtained. The statement/schedules of revenues and expenditures - budget and actual presents revenues at the source level and expenditures at the function level.

It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Department of Finance, Auditor-Controller Division, titled "Countywide Expenditure Status Report." Significant amendments, appropriation transfers between departments or funds, and transfers from contingencies must be approved by the Board of Supervisors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board of Supervisors.

During fiscal year 2009-10, the original adopted budget was amended by the Board of Supervisors. The final budget data contained in the financial statements reflects the effect of all approved budget amendments. During fiscal year 2009-10, the appropriation limit for the fiscal year 2009-10 budget year was reviewed and determined to be calculated in accordance with Article XIII B of the California Constitution.

Encumbrances, which are commitments related to the future purchase of goods or services, are recorded in the General, special revenue, debt service, and capital projects funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent-year expenditures. The County's budget for governmental funds is prepared on the modified accrual basis of accounting.

NOTE 4 – CASH, INVESTMENTS, AND RESTRICTED ASSETS

All investments are reported on the statement of net assets/balance sheet in accordance with GASB Statement No. 31, at fair value, except for the investment agreement(s) which are carried at cost. 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 assets/balance sheets as "cash and investments." The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain agency funds accrues to the benefit of the General fund. The County, acting in a fiduciary capacity, invests bond proceeds in accordance with long-term obligation covenants. The Treasurer's investment pool and funds managed in a fiduciary capacity, are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer's Pool.

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Cash, investments, and restricted assets as shown on the basic financial statements at June 30, 2010, are as follows:

Government-wide statement of net assets:	
Cash and investments	\$ 914,989
Restricted assets, included in current assets	93,586
Restricted assets, included in noncurrent assets	521,741
Fiduciary funds statement of net assets:	
Agency	246,160
Investment Trust	<u>1,629,169</u>
 Total cash, investments, and restricted assets per basic financial statements	 3,405,645
Less interest receivable included in restricted assets	<u>(6,696)</u>
 Total cash, investments, and restricted assets per summary of County cash deposits and investments	 <u><u>\$ 3,398,949</u></u>

Investments Authorized by Debt Agreement

Cash and investments held by fiscal agents are restricted as to its 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, 2010, all cash held by fiscal agents was covered by federal depository insurance or by collateral held by the County's financial institutions in the County's name.

Investments and GASB 40 Presentation

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Specific restrictions of investment are noted below:

Section 53601 lists the investments in which the Treasurer may purchase. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, treasury notes, or bonds of the State of California; bonds, notes, warrants or other forms of indebtedness of any local agency within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, the Federal Home Loan Bank Board or other instruments of, or issued by, a federal agency or United States, government sponsored enterprise; bankers acceptances (not over 180 days maturity, not to exceed 40% of the total portfolio); commercial paper of “prime quality” (the highest ranking provided by either Moody’s investor services or Standards and Poor Corporation) and these investments are further restricted as to capacity and credit rating of the company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks, not to exceed 30% 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% of the portfolio; shares of beneficial interest issued by a diversified management company subject certain limitations; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of the types listed in Government Code Section 53651; mortgage pass-through securities and other mortgage and consumer receivable backed bonds, not to exceed maturity of five years, subject to the credit rating of the issuer and not to exceed 20% of the portfolio; shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized previously.

In addition to the restrictions and guidelines cited in the Government Code, the County Board of Supervisors annually adopts an “Annual Investment Policy for the Pooled Investment Fund” (The Policy). The Policy is prepared by the Department of Finance and is based on criteria cited in the Government Code. The 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 policy, and therefore was also in compliance with the above cited Government Code sections. Accordingly, the County believes it is not at measurable risk as to the four risk areas cited above.

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, 2010, of the County’s \$3.3 billion in investments held by the Treasurer and fiscal agents, over 72.3 % of the investments have a maturity of six months or less. In addition, 93.3% of the portfolio matures within 2 years. See table on page 58.

Credit Risk – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short term rating of superior capacity and a minimum long term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers’ rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by Standard & Poor’s and Moody’s rating agencies. In addition, the County is permitted to invest in the State’s Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not-rated. See table on page 58.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. As of June 30, 2010, one hundred percent (100%) of the County’s investments in deposits are held in the County’s name and are not exposed to custodial credit risk.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. As of June 30, 2010, approximately 71.3% of total investments at year-end are in U.S. Government and Agency securities. There is no limitation on amounts invested in these types of issues: 20.1% of the portfolio is invested in commercial paper or guaranteed investment contracts. As of June 30, 2010, more than 5% of the portfolio in any one single issuer, is invested as shown below:

Issuer / Investment Type	Reported Amount
Federal Home Loan Banks/FHLB Discount notes	\$ 756,357
Federal National Mortgage Association/FNMA Discount notes	749,209
Federal Home Loan Mortgage Corporation/FHLMC Discount notes	661,325
Trinity Guaranteed Investment Contract	230,310

Investments in any one issuer that represent 5% or more of total investments by reporting unit (governmental activities, business type activities, major fund, nonmajor funds in the aggregate, etc.) are as follows:

\$230,310 of the cash and investments (including amounts held by bond trustee) reported in the Airport Fund (a major fund of the Entity) are held in the form of a guaranteed investment contract issued by Trinity Investment Group.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
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The following schedule indicates the credit and interest rate risk at June 30, 2010. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Standard and Poor's and Moody's Investor Services, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Rating	Maturity					Fair Value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Imprest cash							\$ 338
Cash in banks							881
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							12
Cash in banks							27,077
Total cash and cash deposits							27,089
Investments held by Treasurer:							
Treasury Bills	Aaa/AAA	65,000	2,989				67,989
Federal Farm Credit Bonds	Aaa/AAA	20,031	20,227	42,167	56,050		138,475
Federal Home Loan Banks	Aaa/AAA	10,006	65,828	71,233	97,991		245,058
Federal National Mortgage Association	Aaa/AAA		45,600	20,869	84,683		151,152
Federal National Mortgage Association Discount Notes	P-1/A-1+	25,009	555,354	17,695			598,058
FHLB Discount Notes	P-1/A-1+	378,998	124,830	7,472			511,300
FHLMC Discount Notes	P-1/A-1+	161,812	358,719	11,538			532,069
Federal Home Loan Mortgage Corporation	Aaa/AAA		20,266	40,694	68,297		129,257
Commercial paper	P-1/A-1+	252,966	88,972				341,938
Negotiable certificates of deposit	P-1/A-1+		25,099	20,200			45,299
Other assets held by Treasurer (primarily Teeter Plan notes)	NR		807		58,913		59,720
Local Agency Investment Fund	NR	80,000					80,000
Mutual funds	AAAm	103,364					103,364
Guaranteed investment contracts	NR				273,211	53,352	326,563
Total investments held by Treasurer		1,097,186	1,308,691	231,868	639,145	53,352	3,330,242
Total in custody of Treasurer							3,357,331
Investments held by fiscal agents:							
Mutual funds	AAA/Aaa	7,744					7,744
Mutual funds	Aaa/AAAmG	22,668					22,668
Guaranteed investment contracts	N/R					9,987	9,987
Total investments held by fiscal agents		30,412				9,987	40,399
Total investments		\$ 1,127,598	1,308,691	231,868	639,145	63,339	
Total cash, investments, and investments held by fiscal agent							\$ 3,398,949

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(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 in the accompanying financial statement 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 assets and changes in net assets for the Treasurer's Pool and Non-Pooled Funds at June 30, 2010:

Statement of net assets	Treasurer's Pool	Non-Pooled Funds	Total
Net assets held for pool participants	<u>\$ 2,491,130</u>	<u>866,201</u>	<u>3,357,331</u>
Equity of internal pool participants	\$ 1,074,289	653,873	1,728,162
Equity of external pool participants	<u>1,416,841</u>	<u>212,328</u>	<u>1,629,169</u>
Total equity	<u>\$ 2,491,130</u>	<u>866,201</u>	<u>3,357,331</u>
Statement of changes in net assets			
Net assets at July 1, 2009	\$ 3,295,125	820,762	4,115,887
Net changes in investments by pool participants	<u>(803,995)</u>	<u>45,439</u>	<u>(758,556)</u>
Net assets at June 30, 2010	<u>\$ 2,491,130</u>	<u>866,201</u>	<u>3,357,331</u>

A summary of the investments held by the Treasurer's and Non-Pooled Funds at June 30, 2010 are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Government securities	\$ 2,373,358	\$ 2,363,728	.02-6.63	7/10-5/14
Commercial paper	341,938	341,856	.15-.32	7/10-10/10
Negotiable certificates of deposit	45,299	45,299	.28-1.04	8/10-6/11
Other assets held by Treasurer (primarily Teeter Plan notes)	59,720	59,720	.93-2.66	8/10-8/14
Local Agency Investment Fund	80,000	80,000	0.56	
Mutual Funds	103,364	103,364	.01-.50	
Guaranteed investment contracts	<u>326,563</u>	<u>326,563</u>	1.44-6.88	1/12-5/39
Total investments held by Treasurer	<u>\$ 3,330,242</u>	<u>3,320,530</u>		

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

NOTE 5 - LONG-TERM RECEIVABLES

Governmental funds report deferred revenues in connection with receivables for revenues not expected to be collected within one year. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received as of year-end, but have not met the eligibility requirements.

At June 30, 2010, the various components of long-term receivables were as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Long-term receivables</u>			
Deferred revenues	\$ 42,772	86,139	128,911
Fund balances: reserved for assets not available	4,148	56,467	60,615
	<u>\$ 46,920</u>	<u>142,606</u>	<u>189,526</u>
<u>Long-term advances to other funds</u>			
Deferred revenues	\$	19,791	19,791
Fund balances: reserved for assets not available		6,292	6,292
	<u>\$</u>	<u>26,083</u>	<u>26,083</u>

Deferred revenue and unearned revenue reported were as follows:

	Unavailable	Unearned	Total
Governmental Activities:			
General Fund			
Long-term receivables	\$ 42,772		42,772
Advances		29,316	29,316
Total General Fund	<u>42,772</u>	<u>29,316</u>	<u>72,088</u>
Nonmajor Funds:			
Long-term receivables	86,139		86,139
Long-term advances to other funds	19,791		19,791
Total Nonmajor Funds	<u>105,930</u>		<u>105,930</u>
Total Governmental Funds	<u>148,702</u>	<u>29,316</u>	<u>178,018</u>
Reconciling items:			
Unavailable	(148,702)		(148,702)
Internal Service Funds		4,426	4,426
Total Governmental Activities - unearned revenue		<u>33,742</u>	<u>33,742</u>
Business-type activities:			
Airport		689	689
Total Business-type activities - unearned revenue		<u>689</u>	<u>689</u>
Total Entity Wide - unearned revenue		<u>\$ 34,431</u>	<u>34,431</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2010, is as follows:

	Restated Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 113,113	6,580	(2,906)	\$ 116,787
Permanent Easement		989		989
Construction in progress	198,564	29,301	(85,982)	141,883
Total capital assets, not being depreciated	311,677	36,870	(88,888)	259,659
Capital assets, being depreciated:				
Buildings and improvements	666,310	85,688	(37)	751,961
Infrastructure	2,961,105	72,524		3,033,629
Equipment	247,718	19,808	(16,196)	251,330
Computer Software	32,800	5,600		38,400
Total capital assets, being depreciated	3,907,933	183,620	(16,233)	4,075,320
Less accumulated depreciation for:				
Buildings and improvements	(311,904)	(21,955)	1	(333,858)
Infrastructure	(1,872,497)	(56,867)		(1,929,364)
Equipment	(195,822)	(20,040)	15,084	(200,778)
Computer Software	(17,786)	(3,532)		(21,318)
Total accumulated depreciation	(2,398,009)	(102,394)	15,085	(2,485,318)
Total capital assets, being depreciated, net	1,509,924	81,226	(1,148)	1,590,002
Sub-total governmental activities	\$ 1,821,601	118,096	(90,036)	\$ 1,849,661
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 84,439	2,554		\$ 86,993
Permanent Easement		13		13
Construction in progress	592,509	491,195	(42,756)	1,040,948
Water facility rights		20,864		20,864
Other Intangible Assets		1,904		1,904
Total capital assets, not being depreciated	676,948	516,530	(42,756)	1,150,722
Capital assets, being depreciated:				
Buildings and improvements	865,957	28,344	(2,380)	891,921
Water facility rights	22,137		(20,864)	1,273
Infrastructure	104,216	6,379		110,595
Equipment	86,316	7,379	(14,213)	79,482
Total capital assets, being depreciated	1,078,626	42,102	(37,457)	1,083,271
Less accumulated depreciation for:				
Buildings and improvements	(304,431)	(33,528)	1,072	(336,887)
Water facility rights	(1,802)	(25)	1,598	(229)
Infrastructure	(16,216)	(2,521)		(18,737)
Equipment	(56,346)	(7,361)	13,915	(49,792)
Total accumulated depreciation	(378,795)	(43,435)	16,585	(405,645)
Total capital assets, being depreciated, net	699,831	(1,333)	(20,872)	677,626
Sub-total business-type activities	\$ 1,376,779	515,197	(63,628)	\$ 1,828,348

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

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

	Depreciation Expense
Governmental activities:	
General government	\$ 18,218
Public assistance	1,094
Public protection	15,351
Health and sanitation	4,231
Public ways and facilities	45,804
Recreation and culture	3,497
Education	483
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	13,716
Total depreciation expense - governmental activities	<u>\$ 102,394</u>
Business-type activities:	
Airport	\$ 26,929
Solid Waste	7,509
Parking Enterprise	302
Water Agency	8,535
County Transit	160
Total depreciation expense - business-type activities	<u>\$ 43,435</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

NOTE 7 - INTERFUND TRANSACTIONS

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the year ended June 30, 2010:

Due From / To Other Funds at June 30, 2010, are as follows:

Receivable Fund	Payable Fund	Amount	Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 6,929	Nonmajor enterprise	General	53
	Airport	16		Nonmajor governmental	1
	Solid Waste	23		Airport	
	Water Agency	32		Solid Waste	
	Nonmajor enterprise	46		Internal service	6
	Internal service	5,324			60
		<u>12,370</u>			
Nonmajor governmental	General	2,257	Internal service	General	18,572
	Nonmajor governmental	3,219		Nonmajor governmental	3,128
	Solid Waste	3		Airport	2,649
	Water Agency	8		Solid Waste	1,044
	Internal service	8		Water Agency	119
		<u>5,495</u>		Nonmajor enterprise	6
Airport	General	74		Internal service	2,733
		<u>74</u>			<u>28,251</u>
Solid Waste	General	88	Agency	General	1,920
	Nonmajor governmental	1		Nonmajor governmental	148
	Airport	1		Airport	74
	Internal service	8		Water Agency	2
		<u>98</u>			<u>2,144</u>
Water Agency	General	13		Total	\$ 49,081
	Nonmajor governmental	12			
	Internal service	564			
		<u>589</u>			

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
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Amounts due the General Fund are related to: 1) Principal and interest due from Public Facilities Fixed Asset Financing Program (non-major governmental), 2) To fund community services activities pending reimbursement from federal, state and local government, 3) Sheriff security & Department of Environmental Review and Assessment services provided to the Airports, and 4) Reimbursement due from Liability/Property Internal Service Fund for the final quarter of the fiscal year ending June 30, 2010.

Amounts due the non-major governmental funds are a result of: 1) Transactions to repay the Public Facilities Fixed Asset Financing Program for year end purchases, 2) Teeter excess, net penalty and interest revenue remaining after debt service interest costs are paid.

Amounts due the internal service funds are a result of: 1) Self-insurance funds owed costs of premiums for property insurance, workers' compensation claims, dental insurance costs and unemployment insurance from all funds, 2) General Services work requests for mailings, technical services, building design, and water quality work, 3) Services provided by Public Works-MIS unit to other internal service funds, 4) General Service facility management site work for other internal service fund departments, 5) Self –insurance fund owed overpayment of premiums for property insurance to Airports.

Advances To/From Other Funds at June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
Nonmajor governmental	General	\$ 13,022
	Internal service	10,682
	Non Major Enterprise	379
	Enterprise	<u>2,000</u>
	Subtotal	<u>26,083</u>
Internal service	General	47,060
	Total	<u><u>\$ 73,143</u></u>

Amounts advanced from non-major governmental funds are related to the Fixed Asset Financing Program which has financed \$19,791 for major capital projects (General Fund), major bulk automobile purchases (internal service and enterprise funds) and \$4,292 were advances to the general fund. Amounts advanced from internal service funds, \$47,060 related to General fund advances. The advances to the General fund were for operations. The advances will be repaid within five years by the General Fund beginning in fiscal year 2010-11.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
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Transfers From / To Other Funds for the year ended June 30, 2010 are as follows:

Transfer From	Transfer To	Amount	
General	Nonmajor governmental	\$ 87,953	Transfer to cover debt service payments, economic development and community development programs
Nonmajor governmental	General	33,918	Transfers for Transient Occupancy Tax and Teeter Property Tax and community development programs
Nonmajor governmental	Nonmajor governmental	34,053	Transfer to cover debt service payments and capital project transfer
Internal service	General	2,052	Transfer to cover debt service payments
Internal service	Nonmajor governmental	13,503	Transfer to cover debt service payments
Internal service	Internal service	1,253	Transfer to cover debt service payments
Internal service	Enterprise	631	Transfer to cover debt service payments and Building Fund
Enterprise	General	2,667	Transfer to cover debt service payments
Enterprise	Internal service	280	Transfer to cover debt service payments and Building Fund
Enterprise	Nonmajor governmental	3,686	Transfer to cover debt service payments
		<u>179,996</u>	
	Nonmajor governmental	<u>2,500</u>	Transfer of land from nonmajor governmental fund to enterprise fund
		<u><u>\$ 182,496</u></u>	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

NOTE 8 - LEASES

Capital leases:

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

As of June 30, 2010, the future minimum lease payments under capital leases are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>
2011	\$ 1,756
2012	1,273
2013	1,273
2014	1,202
2015	1,202
2016-2020	4,269
2021-2025	1,671
Total minimum lease payments	<u>12,646</u>
Less amount representing interest	<u>(2,674)</u>
Net Present value of minimum lease payments	<u><u>\$ 9,972</u></u>

The following is a schedule of capital assets under capital leases by major classes at June 30, 2010:

<u>Capital Assets under Capital Leases</u>	
Asset:	<u>Governmental Activities</u>
Land	\$ 673
Structures and improvements	13,063
Equipment	<u>1,539</u>
	15,275
Less: Accumulated depreciation	
Structures and improvements	(2,789)
Equipment	<u>(426)</u>
	(3,215)
Total	<u><u>\$ 12,060</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
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Operating Leases:

The County also leases buildings and equipment under operating leases, some of which contain escalation clauses. Future minimum non-cancelable operating lease payments for governmental and proprietary fund types as of June 30, 2010, are as follows:

<u>Year Ending June 30</u>	<u>Operating Leases Commitment</u>	
	<u>Governmental</u>	<u>Business - Type</u>
2011	\$ 32,684	988
2012	30,771	940
2013	29,722	993
2014	28,500	968
2015	27,068	987
2016 - 2020	95,474	2,132
2021 - 2025	31,528	
2026 - 2030	2,467	
	<u>\$ 278,214</u>	<u>7,008</u>

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

Total rental payments for operating leases recorded for the year ended June 30, 2010 were \$40,407.

Lease Income and Receivables

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

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

In fiscal years 2010, the Airport System received approximately \$2,159 for contingent rental payments in excess of stated minimums.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2010.

Year Ending June 30	Future Minimum Rents Business Type Activities
2011	\$ 16,980
2012	15,884
2013	15,020
2014	13,515
2015	2,583
2016 - 2020	2,979
2021 - 2025	3,071
2026 - 2030	2,872
2031 - 2035	1,174
2036 - 2040	410
Total future minimum rentals receivable	<u>\$ 74,488</u>

NOTE 9 - SHORT-TERM DEBT ACTIVITY

The County issues tax and revenue anticipation notes (TRANS) in advance of property tax and other revenue collections. The notes are issued to supplement County cash flows until taxes and other revenues are collected. The TRANS were secured by a pledge of various monthly amounts of property taxes on the secured roll.

Short-term debt activity for the year ended June 30, 2010 was as follows:

	Balance <u>July 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2010</u>
Tax and revenue anticipation notes	\$ 440,000		440,000	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
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NOTE 10 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2010:

	Restated Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 106,099	82,367	(84,764)	103,702	9,689
Certificates of participation	325,175	123,950	(108,840)	340,285	16,775
Teeter notes	49,800	64,470	(57,851)	56,419	14,732
Pension obligation bonds	944,638		(13,185)	931,453	15,285
Revenue bonds	344,462		(1,740)	342,722	1,675
Accreted Interest	8,410	2,052		10,462	
OPEB Liability	5,334	566		5,900	
Other long-term debt	5,090	4,258	(2,170)	7,178	5,828
Capital lease obligations	11,186		(1,214)	9,972	1,756
Derivative instrument liability		155,999		155,999	
Borrowing payable	26,234		(8,481)	17,753	1,375
Deferred amounts					
For issuance premiums	4,167		(1,385)	2,782	107
For issuance discounts	(4,944)		146	(4,798)	(143)
On refundings	(37,322)	(2,662)	3,090	(36,894)	(3,855)
Total governmental activities - long-term obligations	<u>\$ 1,788,329</u>	<u>431,000</u>	<u>(276,394)</u>	<u>1,942,935</u>	<u>63,224</u>
Business-type activities:					
Compensated absences	\$ 6,265	5,455	(5,159)	6,561	1,174
Revenue bonds	910,455	201,800	(14,825)	1,097,430	15,445
PFC and subordinate revenue bonds	87,940	278,250	(2,860)	363,330	11,585
Certificates of participation	25,005	2,155	(3,955)	23,205	2,025
Reimbursement agreements	1,865	1,683	(1,135)	2,413	1,067
Usage fee - City	8,750		(847)	7,903	876
OPEB Liability	406	34		440	
Water rights - Smud assignment	4,000			4,000	
SMUD transformer		1,904		1,904	87
Escrow retentions	9,542	496		10,038	161
Estimated arbitrage taxes payable	1,329		(1,329)		
Derivative instrument liability		47,437		47,437	
Other long term liabilities		156		156	81
Deferred amounts					
For issuance premiums	16,407		(615)	15,792	404
For issuance discounts	(2,789)	(4,808)	234	(7,363)	0
On Refunding	(25,360)	61	2,587	(22,712)	(54)
Total business-type activities - long-term obligations	<u>\$ 1,043,815</u>	<u>534,623</u>	<u>(27,904)</u>	<u>1,550,534</u>	<u>32,851</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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A portion of OPEB liabilities and compensated absences is accounted for in accrued liabilities in the Government-wide Statement of Net Assets for governmental activities and business-type activities.

For details on the Derivative Instrument Liability refer to Footnote 11.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$17,485 of internal services funds compensated absences and \$1,102 in OPEB liability are included in the above amounts. Also for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund.

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2010 are as follows:

Governmental Activities:

Certificates of participation:

Amount
Outstanding at
June 30, 2010

County of Sacramento 2003 Certificates of Participation (2003 Public Facilities Projects – ADA Improvements to the Boys Ranch, Mather Golf Course and Thornton Youth Center) issued April 24, 2003. Principal payments are due June 1, 2010 through the year 2034, escalating from \$325 to \$4,145, with interest rates ranging from 2.0 percent to 5.0 percent.	\$ 13,450
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County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003. Principal payments are due December 1, 2010, through the year 2034, escalating from \$760 to \$2,160, with interest rates ranging from 2.0 percent to 5.0 percent.	32,610
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County of Sacramento 1997 Refunding Certificates of Participation (1994 Public Facilities Project – Coroner/Crime Lab and Data Center) issued January 1, 1998, to defease \$89,500 of outstanding debt for the County of Sacramento Certificates of Participation (1994 Public Facilities Project). Principal payments are due October 1, 2010, through the year 2027, escalating from \$2,740 to \$6,170, with interest rates ranging from 4.3 percent to 5.0 percent. Lump-sum payments of \$17,495 and \$50,295 are due October 1, 2017, and October 1, 2027, respectively.	76,425
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COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Amount Outstanding at <u>June 30, 2010</u>
County of Sacramento Certificates of Participation (1997 Public Facilities Project) issued February 1, 1997, for the acquisition and construction of a dormitory jail and other improvements at the Rio Consumnes Correctional Center and Bank of America building, purchase / renovation and defeasance of \$36,355 of outstanding debt: \$2,265 for California Counties Lease Financing Program Certificates of Participation and \$34,090 of outstanding debt for County of Sacramento Certificates of Participation (1990 Public Facilities Project). On May 11, 2006 a partial advance refunding was done from the 2006 Certificates of Participation, in the amount of \$14,550, to release the Bank of America building from this lease. Principal payments are due February 1, 2011, through the year 2019, escalating from \$2,355 to \$2,870 with interest ranging from 4.875 percent to 5.375 percent. A lump-sum payment of \$13,420 is due February 1, 2019.	\$ 13,015
County of Sacramento Certificates of Participation (2006 Public Facilities Project) issued on May 11, 2006, \$40,860 of refunding bonds for the cost of acquisition, construction of a new fleet maintenance facility, acquiring and improving the County's voter registration and elections / sheriff station house facility, partially refunded and defeased \$14,550 of outstanding debt for the County of Sacramento's 1997 Certificates of Participation (1997 Public Facilities Project). The County issued \$27,690 in Serial Certificates with interest ranging from 4.0 percent to 4.6 percent, \$5,785 of 5 percent Term Certificates due February 1, 2031 and \$7,385 of 5 percent Term Certificates due February 1, 2036. Principal payments are due February 1, 2010, through the year 2036, ranging from \$770 to \$2,095.	35,340
County of Sacramento 2007 Certificates of Participation (Animal Care Facility/Youth Detention Facility – 120 bed expansion) issued July 25, 2007. Principle payments are due October 1, 2010 through the year 2037, escalating from \$795 to \$2,935, with interest rates ranging from 4.0 percent to 5.0 percent.	45,495
County of Sacramento 2010 Certificates of Participation issued on March 3, 2010. The County is issuing the 2010 bonds to refund and defease \$30,494 of outstanding debt for 2003 Refunding Certificates of Participation, Mail Jail Detention Facility; \$5,459 for 1999 Refunding Certificates of Participation – Cherry Island Golf Course; \$67,055 for 1997 Refunding Certificates of Participation (1994 Public Facilities Project), to pay costs of issuance, debt service reserve of \$12,532 and to pay the Swap termination fee of \$10,180 on the 1990 Swap agreement. The economic loss on the refunding (difference between the present value of the debt service payments on the refunded debt and the new debt) of \$25,670 Principal payments on the 2010 bonds are due commencing on February 1, 2011 through February 1, 2030, payments ranging from \$3,235 to \$9,975 and interest rates ranging from 3.0 percent to 5.50 percent. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$5,199. This difference will be amortized over the life of the refunded debt. As a result of the refunding, these bonds are considered to be defeased and the liability has been removed from the statement of net assets. The defeased bonds outstanding at June 30, 2010 was \$25,869.	<u>123,950</u>
	Total certificates of participation 340,285
	Add: Issuance premium 2,782
	Less: deferred amount on refunding (2,662)
	<u>\$ 340,405</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Teeter notes:	Amount Outstanding at <u>June 30, 2010</u>
County of Sacramento, 2005 Teeter Loan Agreement Note, dated October 4, 2005, to purchase the delinquent property taxes receivable as of June 30, 2005. Annual payments of principal and interest are due August 1 of each year and ending in 2010. The amount of 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, 2010. Interest payments will be at a variable rate that averaged 1.230 percent in fiscal year 2009-10 and was 1.170 percent at June 30, 2010.	\$ 807
County of Sacramento, 2006 Teeter Loan Agreement Note, dated October 17, 2006, to purchase the delinquent secured property taxes receivable as of June 30, 2006. Annual payments of principal and interest are due August 1 of each year and ending in 2011. The amount of 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, 2011. Interest payments will be at a variable rate that averaged 1.780 percent in fiscal year 2009-10 and was 1.800 percent at June 30, 2010	3,816
County of Sacramento, 2007 Teeter Loan Agreement Note, dated November 27, 2007, to purchase the delinquent secured property taxes receivable as of June 30, 2007. Annual payments of principal and interest are due August 1 of each year and ending in 2012. The amount of 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, 2012. Interest payments will be at a variable rate that averaged 2.280 percent in fiscal year 2009-10 and was 2.380 percent at June 30, 2010.	6,381
County of Sacramento, 2008 Teeter Loan Agreement Note, dated December 9, 2008, to purchase the delinquent secured property taxes receivable as of June 30, 2008. Annual payments of principal and interest are due August 1 of each year and ending in 2013. The amount of 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, 2013. Interest payments will be at a variable rate that averaged 1.310 percent in fiscal year 2009-10 and was .934 percent at June 30, 2010.	16,130
County of Sacramento, 2009 Teeter Loan Agreement Note, dated December 1, 2009, to purchase the delinquent property taxes receivable as of June 30, 2009. Annual payments of principal and interest are due August 1 of each year and ending in 2014. The amount of 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, 2014. Interest payments will be at a variable rate that averaged 1.200 percent in fiscal year 2009-10 and was .934 percent at June 30, 2010.	<u>29,285</u>
Total Teeter notes	\$ <u>56,419</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
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	Amount Outstanding at <u>June 30, 2010</u>
Pension obligation bonds:	
County of Sacramento Pension Obligation Bonds issued July 5, 1995, \$538,060 of Series 1995 Taxable Pension Funding Bonds to fund the accrued actuarial liability of the County to the Retirement System. The issue is composed of \$404,060 of Series 1995A Fixed Rate Bonds, \$67,000 of Series 1995B Variable Rate Bonds, and \$67,000 of Series 1995C Variable Rate Bonds. Principal payments on the fixed rate bonds are due commencing August 15, 1998, through August 15, 2021, escalating from \$13,060 to \$78,879. Principal payments on the variable rate bonds are due commencing July 1, 2019, through July 1, 2022, with equal payments of \$33,500. Rates on the fixed rate bonds range from 6.625 percent to 7.68 percent. The variable rate bonds had an initial rate of 6.1 percent through July 1, 1998. Thereafter, the variable rate will be determined by the Remarketing Agent as explained below. The variable rate bonds (Series 1995B and Series 1995C) are secured by a letter of credit in the amount of \$134,000. Interest on the Series 1995A Fixed Rate Bonds will be payable on February 15 and August 15 of each year commencing August 15, 1995. The Series 1995B Variable Rate Bonds and the Series 1995C Variable Rate Bonds will initially be issued in the Multiannual Mode (the interest rate will be determined by the Remarketing Agent to remain in effect for a rate period of one year or any multiple of one year) with the initial rate period ending on July 1, 1998, and interest payable semiannually on each January 1 and July 1 during the rate period commencing on January 1, 1996. For periods after July 1, 1998, the County has executed an agreement fixing the variable interest rate at 5.935 percent. See Note 11 – Derivatives – Interest Rate Swap. On July 15, 2003 a partial advance refunding and defeasance in the amount of \$128,430 from 2003 Taxable Pension Funding Bonds are fully paid.	\$ 363,835
County of Sacramento Pension Obligation Bonds issued July 15, 2003, \$152,321 of Series 2003A & B Taxable Pension Funding Bonds. The net proceeds, \$149,630 established an irrevocable escrow fund to defease to maturity a portion of the Series 1995 Taxable Pension Funding Bonds, from August 15, 2003 through August 15, 2008. The issue is composed of \$54,879 of Series 2003A, Capital Appreciation Bonds, \$97,441 of Series 2003B Convertible Capital Appreciation Bonds to provide budgetary relief (over three to seven years at the time of bonds were issued) due to pension benefit enhancements and losses incurred by the pension system. Final principal payment on the Series 2003A bonds was made on August 15, 2008, in the amount of \$26,500. Principal payments on the Series 2003B bonds are due commencing August 15, 2022, for \$69,014, and August 15, 2023, for \$28,426. The rate on Series 2003B bonds is 5.73 percent.	97,441
County of Sacramento Pension Obligation Bonds issued July 24, 2004, \$426,131 of Series 2004 C-1, C-2 & C3 Taxable Pension Funding Bonds. The issue is composed of \$324,582 of Series C-1, \$39,147 of Series C-2 and \$62,402 of Series C-3 Convertible Auction Rate Securities. The bonds are issued to fund the accrued actuarial liability of the County to the Retirement System. The initial variable rate on issue C-1 was 3.42 percent through July 10, 2006, the initial variable rate on issue C-2 was 4.61 percent through July 10, 2009, and the initial variable rate on issue C-3 was 5.63 percent through July 10, 2014. Principal payments on the series C-1 bonds are due commencing July 10, 2007, through July 10, 2031, escalating from \$817 to \$41,521. Principal payment on the series C-2 bonds is due on July 10, 2031, for \$39,160. Principal payments on the Series C-3 bonds are due on July 10, 2032 and July 10, 2033 in the amount of \$30,269 and \$32,132. On March 28, 2008 a partial advance refunding and defeasance in the amount of \$350,037 from 2004 Pension Funding Bonds (C-1) was done and on June 12, 2009 a partial advance refunding and defeasance (C-2) in the amount of \$49,225.	62,402

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Amount
Outstanding at
June 30, 2010

County of Sacramento Pension Obligation Bonds issued March 28, 2008, \$359,165 of Series 2008 Taxable Pension Refunding Bonds. The County issued the Series 2008 Bonds to refund and defease \$350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. Principal payments on the Series 2008 bonds are due commencing June 30, 2011 through June 30, 2031, escalating from \$1,950 to \$48,585. The County entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901%, which remains in effect for the 2008 Taxable Pension refunding bonds. See Note 11 Derivatives – Interest rate swaps.

\$ 358,015

County of Sacramento Pension Obligation Bonds issued June 12, 2009, \$49,760 of Series 2009 Taxable Pension Refunding Bonds. The County is issuing the Series 2009 Bonds to refund and defease \$49,225 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-2, to pay the costs of issuance and origination fee totaling \$535 and to avoid Bonds converting to auction rate market in July 2009 causing the County to pay the maximum net default interest rate of approximately 21% and to reduce its total debt service payments by approximately \$32,577. Principal payments on the Series 2009 bonds are due commencing June 30, 2011 through June 30, 2015, escalating from \$1,000 to \$45,760. The refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The county entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-2 fixing the interest rate to 5.901%, which remains in effect for the 2009 Taxable Pension refunding bonds. See Note 11 Derivatives – Interest rate swaps.

49,760

The total accreted interest balance at June 30, 2010, on the 1995, 2003 and 2004 Pension Obligation Bonds is \$350,924.

Total pension obligation bonds	931,453
Less: deferred amount on refunding	<u>(20,989)</u>
	<u>\$ 910,464</u>

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Revenue bonds:	Amount Outstanding at <u>June 30, 2010</u>
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Tobacco Securitization Authority issued on December 1, 2005, \$255,486 of refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments for the 2001 Refunded Tobacco Bonds of \$176,080 of bonds and to provide additional funds to be used by the County on selected projects. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The outstanding balance on the refunded bonds is \$170,910 as of June 30, 2009. The Authority issued \$219,685 for the Series 2005A-1 Senior Current Interest Bonds. The first Series A-1 Term Bonds are for \$45,825 with an interest rate of 4.75 %, final early (Turbo) redemption date of June 1, 2015, with a due date of June 1, 2023. The second Series A-1 Term Bonds are for \$87,290 with an interest rate of 5.375%, final Turbo redemption date of June 1, 2024, with a due date of June 1, 2038. The third Series A-1 Term Bonds are for \$86,570 with an interest rate of 5.5%, final Turbo redemption date of June 1, 2028, with a due date of June 1, 2045. The Authority issued \$12,468 for the Series 2005A-2 Senior Convertible Bonds with an interest rate of 5.4%, final Turbo redemption date of June 1, 2017, with a due date of June 1, 2027. The Authority issued \$11,674 for the Series 2005B First Subordinate Capital Appreciation Bonds with an interest rate of 5.9%, final Turbo redemption date of June 1, 2030, with a due date of June 1, 2045. The Authority issued \$11,658 for the Series 2005C Second Subordinate Capital Appreciation Bonds with an interest rate of 6.7%, final Turbo redemption date of June 1, 2033, with a due date of June 1, 2045.

\$ 247,231

The Sacramento County Financing Authority issued three series of Revenue Bonds issued December 23, 2003 for the purpose of allowing the Authority to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are tax increment and/or housing set-aside tax increment revenues, depending upon the project. Incremental sales taxes were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$90,369, payable through June 2033. For the current year, principal and interest paid and total incremental tax revenues were \$1,070 and \$2,326 respectively. Series A - \$33,696 Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,490 in serial bonds, maturing from December 2004 - 2022, with interest rates ranging from 2.0% to 5.0%. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125% maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75% which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18% to 5.58% that mature from December 2020-2030. Series B - \$8,345 Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82%-6.26%. Series C - \$12,880 North Sacramento Project, North Sacramento Housing Project, Alkali Flat Project and Alkali Flat Housing Project. This issue contains 18 serial bonds, totaling \$8,665 maturing from December 2004 to 2021. Interest rates range from 2.5% to 5.3%. It also has two term bonds (\$1,635 and 2,580) maturing in December 2028 and 2033, respectively. Both term bonds have a stated interest rate of 5.0%.

COUNTY OF SACRAMENTO
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Amount
Outstanding at
June 30, 2010

Then the Authority issued two series of Tax Allocation Revenue bonds on March 5, 2008 for the purpose of loaning the proceeds to the 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. Incremental sales taxes were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$100,312, payable through December 2038. For the current year, principal and interest paid and total incremental tax revenues were \$1,140 and \$2,514, respectively. Series A - \$24,765 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 was priced with a 4.50% coupon to yield 4.66%. The \$4,930 2032 term bond was priced with a 4.625% coupon to yield 4.80%. The \$18,885 2038 term bond was split into two to appeal to different investor tastes: \$5,000 was priced with a 5.0% coupon to yield 4.76%; the balance \$13,885 was priced with a 4.625% coupon to yield 4.85%. Series B - \$23,780 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% in 2008 to 4.52% in 2014. The \$2,815 2018 term bonds were priced to yield 5.317%; the \$9,795 2028 term bonds were priced to yield 6.227%; and the \$6,670 term bonds were priced to yield 6.577%.

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 are callable at par beginning on December 1, 2018. The taxable Series B Bonds are subject to optional redemption on any date, with a “make-whole premium” determined at the time of optional redemption on the bases of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points.

	\$ 95,491
Total revenue bonds	342,722
Plus: Accreted interest	10,462
Less: deferred amount for issuance discount	(4,798)
Less: deferred amount for refunding	(13,243)
	<u>\$ 335,143</u>

Other long-term debt:

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

4,790

Long term debt associated with the Sheriff department’s software purchase agreement.

2,388

Total other long term debt \$ 7,178

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Long-term debt obligation maturities of governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2010.

Year ending June 30	Certificates of Participation		Teeter Note		Pension Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 16,775	\$ 15,583	\$ 14,732	\$ 239	\$ 15,285	\$ 69,013
2012	16,975	15,536	13,925	532	14,649	71,689
2013	17,830	14,823	12,017	339	17,636	74,347
2014	18,730	14,095	9,890	178	17,464	77,106
2015	19,755	13,249	5,855	65	59,604	83,992
2016 - 2020	80,960	53,338			153,129	357,936
2021 - 2025	60,880	35,693			367,645	170,012
2026 - 2030	65,935	19,528			175,055	63,033
2031 - 2035	32,435	7,147			110,986	13,346
2036 - 2040	10,010	706				
	<u>\$ 340,285</u>	<u>\$ 189,698</u>	<u>\$ 56,419</u>	<u>\$ 1,353</u>	<u>\$ 931,453</u>	<u>\$ 980,474</u>

Year ending June 30	Revenue Bonds		Other	
	Principal	Interest	Principal	Interest
2011	\$ 1,675	\$ 16,656	\$ 5,828	
2012	1,730	16,532	1,350	
2013	3,460	16,360		
2014	4,175	16,169		
2015	4,385	32,683		
2016 - 2020	27,730	73,680		
2021 - 2025	42,976	66,548		
2026 - 2030	48,283	54,273		
2031 - 2035	57,800	40,181		
2036 - 2040	67,370	26,222		
2041 - 2045	88,847	261,210		
	<u>\$ 348,431</u>	<u>\$ 620,514</u>	<u>\$ 7,178</u>	

Less unaccrued interest (5,709)

\$ 342,722

COUNTY OF SACRAMENTO
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Business-type Activities:	Amount
Revenue, PFC and Subordinated Revenue Bonds:	<u>Outstanding at</u> <u>June 30, 2010</u>
On June 12, 2003, Sacramento County Water Financing Authority issued \$23,850 of 2003 serial 2003 series and \$26,945 of term series 2003 Revenue bonds. The interest rates on the serial bonds range from 2.0 percent to 5.0 percent, the term series bonds interest rate are 4.75 percent and 5.0 percent. The maturity dates on the serial bonds range from June 1, 2005 to June 1, 2023; the maturity on the term bonds range from June 1, 2028 and June 1, 2034.	\$ 3,305
On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rates on the 2007A bonds range from 3.75% to 5.0%. The variable interest rates on the 2007B bonds range from 0.911% - 0.931% at June 30, 2010. 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 Agency's Water System and to advance refund the majority of the 2003 revenue bonds securities which were deposited in an irrevocable trust with an escrow agent to provide for a portion of future debt service payments on \$41,740 of the 2003 revenue bonds. As a result of the refunding, these bonds are considered to be defeased and the liability for the bonds has been removed from long-term debt. The defeased 2003 revenue bonds outstanding at June 30, 2010 was \$41,740.	407,460
On May 1, 2008, The County issued \$496,195 of Airport System Senior Revenue Bonds, Series A, B and C, and \$89,430 of Airport System 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% 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% of the Series 2006A Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$15,225. This amount was being netted against the new debt and amortized over the remaining life of the refunded debt, which was shorter than the life of the new debt issued. This current and advance refunding was undertaken in part to adopt a new Bond Indenture that was approved by the County of Sacramento Board of Supervisors. This refunding and advance refunding reduced the total debt service payments over the next 25 years by \$38,284, and resulted in an economic gain of \$24,908. The Series A, B and C Bonds are payable from, and secured by, future Net Revenues of the Airport System. Series D and E Bonds are payable from, and secured by, a pledge of the net proceeds of the PFC imposed by the Airport System. The bonds are additionally payable from, and secured by, the Net Revenues of the Airport System subordinate and junior to the lien of the Series 2008 A, B and C bonds, and any additional parity revenue bonds that may be issued in the future.	

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On July 28, 2009, the Airport System issued additional bonds in the amount of \$480,050 to continue the financing of the Terminal Modernization Program, Airport System Senior Revenue Bonds Series 2009A \$31,115, and Series 2009B \$170,685; Subordinate and PCF/Grant revenue Bonds Series 2009C \$112,860, and Series 2009D \$165,390. The Airport System 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. The Series 2009 Senior Bonds are to be secured by the Trust Estate and payable from Net Revenues on parity with the Series 2008 Senior Bonds. The Airport System issued the Series 2009 Subordinate Bonds as Subordinate Obligations under the Master Indenture and the Fourth Supplemental Indenture approved on July 1, 2009. The Series 2009 Subordinate Bonds are secured by the Trust Estate and payable from Net Revenues on parity with the 2008 Subordinate Bonds. Principal and interest on the 2009C Bonds and Series 2009D Bonds are additionally payable from and secured by available PFC Revenues which consist of a portion of the Passenger Facility Charges approved by the Federal Aviation Administration and imposed and collected with respect to International Airport, and by Available Grant Revenues which consist of a portion of the Letter of Intent grant awards approved by the FAA on March 6, 2009. Certain revenue bond obligations have been defeased "in-substance" by placement of assets in an irrevocable trust. Their outstanding principal balances at June 30, 2010 are \$65,320 for Series 2002A and \$11,480 for Series 2002B revenue bonds.

\$ 1,049,995

Total Revenue, PFC & Subordinated Bonds	1,460,760
Add: Issuance premiums	15,371
Less: Issuance discounts	(7,363)
Less: deferred amount on refunding	<u>(21,126)</u>
	<u>\$ 1,447,642</u>

Certificates of Participation:

On July 19, 2005, Sacramento County Department of Waste Management & Recycling issued the 2005 Refunding Revenue Certificates of Participation totaling \$27,580, with interest rates ranging from 3.0 percent to 5.0 percent. Proceeds from this were used to (i) establish irrevocable escrow funds to refund in full the \$15,865 of County of Sacramento Certificates of Participation 1997 Public Facilities Project (Solid Waste Facilities); \$8,800 of County of Sacramento Certificates of Participation 1998 Public Facilities Project (Gas to Energy Facilities); and \$4,795 of County of Sacramento Certificates of Participation 2002 Public Facilities Project (Solid Waste Facilities); (ii) pay the costs of the bond insurance premium and (iii) purchase a Reserve Fund Surety Bond in the amount of the reserve fund requirement. As a result, the County of Sacramento Certificates of Participation 1997 Public Facilities Project, the County of Sacramento Certificates of Participation 1998 Public Facilities Project and the County of Sacramento Certificates of Participation 2002 Public Facilities Project are considered to be defeased and the liability for those Certificates of Participation have been removed from the Fund's financial statements. At June 30, 2010, \$3,725 of bonds were legally defeased and remain outstanding.

\$ 21,050

COUNTY OF SACRAMENTO
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Amount
Outstanding at
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County of Sacramento, 2010 Refunding Certificates of Participation were issued on March 3, 2010. The County issued the bonds to refund and defease \$2,095 of outstanding debt for County of Sacramento 1999 Refunding Certificates of Participation, Parking Enterprise. The economic loss on the refunding (difference between the present value of the debt service payments on the refunded debt and the new debt is \$139. Principal payments are due February 1, 2011 through year 2013, escalating from \$620 to \$665 with a final principal payment of \$230 due February 1, 2014 with an interest rate of 5.0 percent. The refunded bonds are considered to be defeased and have been removed from the statement of net assets.

	<u>2,155</u>
Total certificates of participation	23,205
Less: amounts for refunding	(1,586)
Add: amounts for issuance premium	<u>421</u>
	<u>\$ 22,040</u>

Reimbursement agreements:

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

\$ 2,413

Usage fee – City:

Sacramento County Water Agency Enterprise fund has agreed to pay the City of Sacramento for use of Sacramento River water treatment plant facilities for diverting, treating and conveying surface water. The final payment occurred during fiscal year 2008-09. In the initial agreement with the City of Sacramento, a provision existed which allowed the Water Agency to acquire additional wheeling capacity. During fiscal year 2009, the Agency exercised that option and purchased additional capacity. The Water agency agreed to pay the City in ten annual installments and amount that included payment of principal and interest at a rate equal to the City's pool rate of return. The principal, based on the present value of the Agency's share of the facilities at the time of the agreement was \$9,569. Annual principal and interest payment are \$1,145 with the final payment occurring during the 2018 fiscal year.

\$ 7,903

COUNTY OF SACRAMENTO
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Water rights – SMUD assignment:

Sacramento County Water Agency Enterprise fund has entered into an agreement with Sacramento Municipal Utilities District (SMUD) which provides for the assignment of thirty thousand acre feet of SMUD's CVP water supply to the Water Agency. Under this contract the Water Agency has agreed to pay the United States certain costs that are allocated to the assigned contract amount. At June 30, 2009 the principal balance remaining of the agreement is approximately \$4 million. Under the terms of the agreement, the Water Agency will pay approximately \$2 million at such time the Water Agency takes delivery of the assigned water, or at such time as the Vineyard Surface Water Treatment Plant becomes operational or October 1, 2011, whichever event occurs first. The remainder due will be paid over ten years beginning on October 1 in the calendar year after payment of the \$2 million.

\$ 4,000

SMUD Transformer:

Sacramento County Water Agency Enterprise fund has entered into an agreement with Sacramento Municipal Utilities District (SMUD) for the use of a second back-up power transformer for the Vineyard Surface Water Treatment Plant. Its purpose is to provide power if both electricity and the primary back-up transformer fail. This agreement requires an initial deposit, 48 equal monthly payments, and a balloon payment in 2014. While ownership of the transformer will remain with SMUD, the Water Agency is purchasing the right to use this asset indefinitely. Total cost of the transformer is \$1,904 and will be paid off in 2014.

\$ 1,904

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Long-term debt obligation maturities of business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2010.

Year ending June 30	Revenue Bonds and PFC Revenue Bonds		COP		Usage Fee - City	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 27,030	72,960	2,025	928	876	269
2012	27,865	71,821	2,095	859	906	239
2013	29,680	70,675	2,175	775	937	208
2014	30,710	69,309	1,790	689	969	176
2015	29,590	67,941	1,620	621	1,001	143
2016 - 2020	150,200	318,722	9,200	1,997	3,214	221
2021 - 2025	180,525	279,472	4,300	178		
2026 - 2030	230,910	228,043				
2031 - 2035	292,285	162,102				
2036 - 2040	338,360	79,315				
2041 - 2045	123,605	6,797				
	<u>\$ 1,460,760</u>	<u>1,427,157</u>	<u>23,205</u>	<u>6,047</u>	<u>7,903</u>	<u>1,256</u>

SMUD Transformer

Year ending June 30	Principal	Interest
2011	\$ 87	110
2012	8	119
2013	9	118
2014	8	117
2015	1,792	20
2016 - 2020		
	<u>\$ 1,904</u>	<u>484</u>

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The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for fiscal year ending June 30, 2010.

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

The County of Sacramento is a member of the River City Regional Stadium Financing Authority. In 1999, the Authority issued taxable lease revenue bonds in the amount of \$39,990, to finance the site acquisition and construction of a privately owned and operated baseball stadium and related improvements, known as River Cats Stadium. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay 66% of these annual obligations.

As of June 30, 2010, the principal amount of bonds outstanding was \$34,410, they mature in 2029, and 66% of the average annual lease obligation amount is \$2,351. Ticket receipts have been sufficient since the bonds were issued in 1999 to meet all lease obligations, and the County does not anticipate that this will change, as current ticket receipts are projected to be sufficient to continue to meet the lease obligations.

Sacramento Regional Arts Facilities Financing Authority; Series 2002 Certificates of Participation

The County of Sacramento is a member of the Sacramento Regional Arts Facilities Financing Authority. In 2002, the Authority issued certificates of participation in the amount of \$16,580, to finance the acquisition, construction, improvement, renovation and equipping of certain theatre facilities located in the City of Sacramento. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay 50% of these annual obligations.

As of June 30, 2010, the principal amount of certificates of participation outstanding was \$14,150, they mature in 2032, and 50% of the average annual lease obligation amount is \$522. Ticket receipts have been sufficient since the certificates of participation were issued in 2002 to meet all lease obligations, and the County does not anticipate that this will change, as current ticket receipts are projected to be sufficient to continue to meet the lease obligations.

At June 30, 2010 the County's debt limit for general obligation bonds and legal debt margin was \$1,611,741.

NOTE 11 – DERIVATIVES - INTEREST RATE SWAP

For the fiscal year ended June 30, 2010, the County implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

The fair values of the interest rate swaps are estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

COUNTY OF SACRAMENTO
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The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the June 30, 2010 financial statements are as follows debit(credit).

		Changes in Fair Value		Fair Value - as of June 30, 2010	
	Notional Amount	Classification	Amount	Classification	2010
Governmental Activities:					
<u>Cash Flow Hedges:</u>					
Series 1995 B & C Swap					
Pay-fixed interest rate swap	\$134,000	Deferred outflow	\$ (37,434)	Debt	\$ (37,434)
Series 2004 C-1					
Pay-fixed interest rate swap	\$345,650	Deferred outflow	\$ (103,840)	Debt	\$ (103,840)
Series 2004 C-2					
Pay-fixed interest rate swap	\$49,225	Deferred outflow	<u>\$ (14,725)</u>	Debt	\$ (14,725)
		Total Governmental activities	<u><u>\$ (155,999)</u></u>		
<u>Business type Activities:</u>					
Series 2007 B Swap Ins A					
Pay-fixed interest rate swap	\$128,965	Deferred outflow	\$ (25,322)	Debt	\$ (25,322)
Series 2007 B Swap Inst. B					
Pay-fixed interest rate swap	\$99,955	Deferred outflow	<u>\$ (22,115)</u>	Debt	\$ (22,115)
		Total Business activities	<u><u>\$ (47,437)</u></u>		

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Objective and Terms of Hedging Derivative Instruments:

The following table displays the objective and terms of the County's hedging derivative instruments outstanding at June 30, 2010, along with the credit rating of the associated counterparty:

Governmental Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 1995 B & C Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on 1995 B&C bonds	\$134,000	7/1/2009	7/1/2022	County pays 6.040% fixed; receives USD LIBOR (BBA) adjusted monthly: 0.350%	Aa3/A+/AA- Moody's/S&P/Fitch
	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2004 C-1 Pay-fixed interest rate swap	Hedge of changes in cash flows on 2008 C-1 bonds	\$347,675	7/10/2006	7/10/2030	County pays 5.901% fixed; receives USD LIBOR (BBA) adjusted monthly: 0.350%	A2/A/A+ Moody's/S&P/Fitch
	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2004 C-2 Pay-fixed interest rate swap	Hedge of changes in cash flows on 2009 C-2	\$49,225	7/10/2009	7/10/2031	County pays 5.802% fixed; receives 5 year USD-ISDA-50bps SWAP:2.081%	A2/A/A Moody's/S&P/Fitch

Business type Activities:

	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$128,965	5/9/2007	6/1/2034	SCWA Pays Fixed 4.193%; receives lesser of 67% of USD-LIBOR-BBA plus 55 bps or 12%:0.911%	AA- (S&P and Fitch) Aa1 (Moody's)
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$99,955	5/9/2007	6/1/2039	SCWA Pays Fixed 4.221%; receives lesser of 67% of USD-LIBOR-BBA plus 57 bps or 12%:0.931%	AA- (S&P and Fitch) Aa1 (Moody's)

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Series 1995 B & C:

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. In that event, because of the counterparty's current credit ratings, the counterparty would be required to deliver collateral to the County. The swap counterparty was rated "Aa3" by Moody's Investors Services, "A+" by Standard & Poor's and "AA-" by Fitch Ratings as of June 30, 2010.

Interest Rate Risk:

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

Basis Risk:

The swap exposes the County to basis risk. The basis risk is the difference between the Weekly Rate paid on the variable-rate bonds and the floating amount received from the interest rate swap of 1-Month LIBOR. As of June 30, 2010, the Weekly Rate was 0.33%, whereas the reset of 1-Month LIBOR was 0.35%, a difference of (0.02%). The effect of this difference decreases the intended synthetic fixed rate of 6.04% to a rate of 6.02%.

Termination Risk:

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swap is terminated, other than 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.

Taxable Pension Funding Bonds Refunding 2008 C-1 Swap

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. The swap counterparty was rated "A2" by Moody's Investors Services, "A" by Standard & Poor's and "A+" by Fitch as of June 30, 2010.

Interest Rate Risk:

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

Basis Risk:

The basis risk is the difference between the rate paid on the variable-rate bonds and the floating amount received from the interest rate swap of the 1-Month LIBOR. Since the refunded bonds variable-rate payments were fixed to the 1-Month LIBOR as well, and both reset on the same day of the month, the basis risk became fixed. The basis risk for the 2026 Term bonds is 1.30% and for the 2030 Term bonds is 1.45%.

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Termination Risk:

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

Taxable Pension Funding Bonds Refunding 2009 C-2 Swap

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. The swap counterparty was rated "A2" by Moody's Investors Services, "A" by Standard & Poor's and "A" by Fitch as of June 30, 2010.

Interest Rate Risk:

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

Basis Risk:

The swap is exposed to 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 5-year USD-ISDA. On June 16, 2009, the Taxable Pension Bonds, Series 2004 C-2 were refunded with the Taxable Pension Bonds, Refunding Series 2009, and has a variable-rate payment based on the 1-Month LIBOR with a floor of 0.75% plus a spread of 2.00%. The variable-rate was 2.75% (current rate of interest on bonds), and the 5-year USD-ISDA SWAP minus 50 basis points was 2.081%, a difference of 0.669%. The effect of this difference increases the intended synthetic fixed rate of 5.802% to a rate of 6.471%.

Termination Risk:

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

Water Agency Revenue Bonds, Series 2007B Swap:

Credit Risk:

The Sacramento County Water Agency is not exposed to credit risk resulting from a failure of the counterparty to perform because of the swaps' negative fair value. If the swaps had positive fair value greater than \$10 million, the Sacramento County Water Agency would be exposed to credit risk from the counterparty. The swap counterparty was rated "Aa1" by Moody's Investors Services, "AA-" by Standard & Poor's and "AA-" by Fitch as of June 30, 2010.

Interest Rate Risk:

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

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Basic Risk:

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

Termination Risk:

The Sacramento County 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 Sacramento County Water Agency would be liable to the counterparty for a payment equal to the swaps' fair value.

The Sacramento County Water Agency's swap assignment agreement from Bear Stearns to JPMorgan includes provisions relating to the posting of collateral for the swap counterparty and the Sacramento County 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 valuation thresholds. Conversely, the Sacramento County Water Agency does not have to post unless: (1) a rating event occurs when the Sacramento County Water Agency gets downgraded below "A2" by Moody's or "A" by Standard & Poor's; 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 Sacramento County Water Agency chooses the option to post collateral. The two other options available to the Sacramento County Water Agency are to provide a letter of credit or to assign the agreement to another entity.

Should the Sacramento County Water Agency be downgraded below "Baa2" by Moody's or "BBB" by Standard & Poor's, and an insurer event has occurred, the counterparty has the option to terminate the swap. As June 30, 2010, the negative fair value of the swaps amounted to \$47,437.

Borrowings:

Series 1995 B & C:

As part of the extended terms negotiated on June 23, 2003, with the previous counterparty (Lehman) the County received a one-time premium payment equal to the negative value of the swap agreement totaling \$8,100 from the counterparty. The County recorded this amount in the County's *Statement of Net Assets* as deferred revenue to be amortized over the term of the agreement which expired in FY 2009. As part of the replacement swap agreement with Deutsche Bank on October 24, 2008, the County received from the new counterparty a one-time premium payment of \$23,019 to pay off the negative value of the Lehman Brothers swap agreement totaling \$22,894. The County has recorded this amount in the County's *Statement of Net Assets* as borrowing to be amortized over the term of the agreement.

Taxable Pension Funding Bonds Refunding 2009 C-2 Swap

As part of the swap agreement, the County received a one-time premium payment equal to the negative fair value of the swap agreement on June 30, 2006, totaling \$100 from the counterparty. The County has recorded this amount in the County's *Statement of Net Assets* as a borrowing to be amortized over the term of the agreement.

Derivative Instrument payments and Hedged Debt:

Using the rates as of June 30, 2010, debt service requirements of governmental activities and business type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented on the next page:

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Governmental Activities:

Pension Obligation Bonds
1995 Series B & C Variable-Rate

Year ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$	442	8,563	9,005
2012		442	8,563	9,005
2013		442	8,563	9,005
2014		442	8,563	9,005
2015		442	8,563	9,005
2016 - 2020	33,500	2,211	42,813	78,524
2021 - 2025	100,500	664	12,843	114,007
	<u>\$ 134,000</u>	<u>5,085</u>	<u>98,471</u>	<u>237,556</u>

2008 Pension Refunding Bonds
Series C-1 Variable-Rate

Year ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$ 1,950	5,907	19,873	27,730
2012	1,450	5,875	19,765	27,090
2013	4,600	5,851	19,685	30,136
2014	4,600	5,775	19,429	29,804
2015	2,175	5,699	19,174	27,048
2016 - 2020	32,575	27,560	92,717	152,852
2021 - 2025	87,025	23,200	78,050	188,275
2026 -2030	175,055	13,390	67,960	256,405
2031 - 2035	48,585	1,663	2,697	52,945
	<u>\$ 358,015</u>	<u>94,920</u>	<u>339,350</u>	<u>792,285</u>

2009 Pension Refunding Bonds
Series C-1 Variable-Rate

Year ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$ 1,000	1,368	1,368	3,736
2012	1,000	1,368	1,341	3,709
2013	1,000	1,368	1,313	3,681
2014	1,000	1,368	1,286	3,654
2015	45,760	1,368	1,258	48,386
	<u>\$ 49,760</u>	<u>6,840</u>	<u>6,566</u>	<u>63,166</u>

COUNTY OF SACRAMENTO
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Business-Type Activities

Year ending June 30	Water Enterprise Series 2007B Revenue Bonds		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2011	\$	2,105	7,521	9,626
2012		2,105	7,521	9,626
2013		2,105	7,521	9,626
2014		2,105	7,521	9,626
2015		2,106	7,522	9,628
2016 - 2020		10,527	37,606	48,133
2021 - 2025	5,955	10,475	37,442	53,872
2026 - 2030	45,365	9,842	35,155	90,362
2031 - 2035	96,020	6,458	22,905	125,383
2036 - 2039	81,580	1,938	6,851	90,369
	<u>\$ 228,920</u>	<u>49,766</u>	<u>177,565</u>	<u>456,251</u>

COUNTY OF SACRAMENTO
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NOTE 12 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2010, special assessment improvement bonds outstanding for all assessment districts totaled \$181,534. 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 and the related debt obligation proceeds are accounted for in the Capital Projects Funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the Agency Funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999 the District issued \$13,025. On May 12, 2005 the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75% to 4.50%, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30%. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. Thus, at June 30, 2010, \$6,975 of authorized bonds remains un-issued. At June 30, 2010, the outstanding balance was \$9,760.

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 of Special Tax Bonds with interest rates ranging from 3.00% to 6.00%. These bonds constitute the entire bonded indebtedness. Thus, at June 30, 2010, \$79,750 of authorized bonds remains un-issued. At June 30, 2010, the outstanding balance was \$10,100.

The Laguna Creek Ranch/Elliott Ranch Community Facilities District No. 1 (District) has been authorized to issue a total of \$63,500 of Special Tax Bonds for both Improvement Areas No. 1 and No. 2 by Board of Supervisors Resolution No. 90-1497 dated August 28, 1990 with \$37,500 being the authorized bonded indebtedness for Improvement Area No. 1 and \$26,000 being the authorized bonded indebtedness for Improvement Area No. 2. On August 13, 1997 the District issued \$21,415 of 1997 Refunding Bonds for Improvement Area No.2 the proceeds of which were used to defease the outstanding 1990 Bonds. On December 30, 1997 the District issued \$31,980 of 1997 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1990 Bonds. The 1997 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1990 bonds in original aggregate principal amount of \$34,000 for Improvement Area No. 1 and \$24,155 for Improvement Area No 2 are the only bonds that have been issued under such authorization. Thus, at June 30, 2010, \$3,500 of authorized Improvement Area No. 1 bonds and \$1,845 of authorized Improvement Area No. 2 bonds remain un-issued. As of June 30, 2010 the outstanding balance was \$19,815 for Improvement Area No. 1 and \$14,195 for Improvement Area No. 2.

The Metro Air Park Community Facilities District No. 1998-1 (District) has been authorized to issue \$7,250 of Special Tax Bonds. On December 30, 1998 the District issued \$5,310 of Special Tax Bonds with an interest rate of 7.00%. These bonds constitute the entire bonded indebtedness as of June 30, 2010. Thus as of June 30, 2010, \$1,940 of authorized bonds remains un-issued. The outstanding balance at June 30, 2010 was \$3,890.

The Metro Air Park Community Facilities District 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%. On December 14, 2007 the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00%. The Series 2004A & the Series 2007B bonds, a total of \$103,660, constitute the entire bonded indebtedness as of June 30, 2010. Thus as of June 30, 2010, \$96,340 of authorized bonds remains un-issued. The outstanding balance at June 30, 2010 for the 2004A bonds was \$60,235 and for the 2007B bonds was \$40,200.

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% to 6.00%. These bonds constitute the entire bonded indebtedness. Thus, at June 30, 2010, \$15,585 of authorized bonds remains un-issued. At June 30, 2010, the outstanding balance was \$14,410.

COUNTY OF SACRAMENTO
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The Park Meadows Community Facilities District No. 1 (District) has been authorized to issue \$1,200 of Special Tax Bonds. On June 28, 2000 the District issued Current Interest Bonds in the amount of \$230 at the interest rate of 7.75%, and Convertible Capital Appreciation Bonds in the original principal amount of \$892 at the interest rate of 8.25%. These bonds constitute the entire bonded indebtedness as of June 30, 2010. At June 30, 2010, the outstanding balance was \$823.

Sunrise Recreation and Park District (District) issued \$7,435 of Certificates of Participation bonds on July 12, 2007 for a portion of the District's cost of recreation and park construction at or near the Antelope Community Park. Interest rates for this range from 3.95% to 4.50%. At June 30, 2010, the outstanding balance was \$7,170.

The following accounts for debt activity for a variety of special assessment districts where money has been borrowed under the 1911/1915 Improvement Bond Act:

1911 Bond Series CSD-110, Sewer Improvement Bonds, issued December 14, 1993 for \$191 with an interest rate of 7.00%. At June 30, 2010, the outstanding balance was \$1.

1915 Act Bonds for Bradshaw / U.S. 50 Corridor A.D. issued August 10, 1995 for \$2,301 with an interest rate ranging from 5.875 to 7.20%. At June 30, 2010, the outstanding balance was \$935.

NOTE 13 – PLEDGED REVENUES

The County has pledged a portion of delinquent property tax revenues to re-pay \$56,419 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on ; October 4, 2005; October 17, 2006; November 27, 2007, December 9, 2008 and December 1, 2009. 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 \$56,419 and interest of \$1,356 remain on the notes and are payable through August 1, 2014. For the current year, total principal and interest paid was \$57,851 and \$806 respectively.

The Airport System has pledged certain future revenues, net of specified operating expenses, to repay \$496,195 in Senior Revenue Bonds issued in May 2008, and \$201,800 in Senior Revenue Bonds issued in July 2009. Proceeds from the 2008 Senior Revenue Bond refunded Series 1992B, Series 1998A, Series 2002A, and 45.4% of Series 2006A as well as provided \$323 million in financing for the Terminal Modernization Program. Proceeds from 2009 Senior Revenue Bonds provided \$163.8 million to continue the financing for the Terminal Modernization Program. The bonds are payable solely from Net Revenues of the Airport System and are payable through 2041. The total principal and interest remaining to be paid on senior bonds is \$1,414,072. Principal and interest paid for the current year was \$37,170 and the total Net Revenues were \$48,628.

The Airport System has pledged Passenger Facility Charges to repay \$89,430 in Airport System Subordinate and PFC Revenue Refunding Bonds issued in May 2008 and \$278,250 in Airport System Subordinate and PFC/Grant Revenue Bonds issued in July 2009. Proceeds from the 2008 bond series refunded Series 1996C, Series 1998B and 54.6% of Series 2006A. Proceeds from 2009 Subordinate and PFC/Grant Revenue Bonds provided \$251 million to continue the financing of the Terminal Modernization Program. The 2008 bond series are payable through 2026 and the 2009 bond series are payable through 2041. Total principal and interest remaining to be paid on the subordinate bonds is \$743,858. Principal and interest paid for the current year was \$13,581 and PFC revenue was \$19,618.

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The table below identifies the Available PFC and Available Grant revenues pledged for the payment of debt service on the Series 2008D, 2008E, 2009C and 2009D bonds:

<u>Fiscal Year Ending June 30</u>	<u>Passenger Facility Charges</u>	<u>Grant Revenues</u>
2011	\$ 22,006	\$ 9,124
2012	21,941	8,171
2013	21,940	8,220
2014	21,941	8,271
2015	21,942	8,329
2016	21,945	
	<hr/>	<hr/>
	\$ 131,715	\$ 42,115
	<hr/>	<hr/>

NOTE 14 - COMMITMENTS

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

Governmental Funds – The County’s governmental funds has entered into contracts for the construction of certain projects totaling \$140,207 at June 30, 2010.

Airport – Airport Systems had approximately \$319,210 in outstanding construction contract commitments at June 30, 2010

Solid Waste Enterprise Fund – Solid Waste entered into equipment and construction agreements totaling \$2,155 at June 30, 2010.

Water Agency – The SCWA has entered into contracts for the construction of certain projects totaling \$92,770 at June 30, 2010.

NOTE 15 - CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations place specific requirements on Solid Waste regarding closure and postclosure maintenance and monitoring functions for the County’s 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 County 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).

In accordance with GASB Statement No. 18, management of the Fund has deemed the capacity of the Kiefer Landfill will be the basis of recognizing its closure and postclosure care costs. The Fund reported Kiefer Landfill closure and postclosure care liabilities of \$13,253 at June 30, 2010. The Fund will recognize costs of \$30,977 as the remaining capacity in the Kiefer Landfill is used in future years. At June 30, 2010, the capacity of the Kiefer Landfill used to date was 30% and the estimated remaining landfill life is 63 years.

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

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

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

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.

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

The Fund reported Elk Grove Landfill postclosure care liabilities at June 30, 2010, of \$2,729.

The Elk Grove landfill is 100% full and the postclosure 30-year liability period runs through June 2024. At June 30, 2010, the reported liabilities represent costs for the remaining 14 years. The portion of the postclosure costs expected to be paid during the next year is \$210.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2010 of \$439. The landfill is 100% full and the postclosure 30-year liability period runs through June 2029. At June 30, 2010, the reported liabilities represent postclosure costs for the remaining 19 years. The portion of the postclosure costs expected to be paid during the next year is \$24.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2010. Actual costs may be different due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations.

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The Fund is required by state and federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. Management has established a fund for the closure of Kiefer Landfill with a balance at June 30, 2010 and 2009 of \$15,983 and \$15,581, respectively. As required by applicable laws, \$8,433 and \$8,279 is considered restricted at June 30, 2010 and 2009, respectively, with the remaining balance considered designated. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2010 were as follows:

	July 1, 2009			June 30, 2010	Due within
	Beginning	Additions	Deletions	Ending	one year
Kiefer	\$ 12,844	409		13,253	
Elk Grove	2,904	34	(209)	2,729	210
Grand Island	458	5	(24)	439	24
	<u>\$ 16,206</u>	<u>448</u>	<u>(233)</u>	<u>16,421</u>	<u>234</u>

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NOTE 16 - RETIREMENT PLAN

All County full-time and part-time employees participate in the Sacramento County Employees' Retirement System ("SCERS" or the "System"), a multiple-employer, cost-sharing, public employee retirement system. For purposes of County financial statements, SCERS is considered a sole employer plan because the County's contributions substantially make up the total contributions of the plan. Membership in the System primarily consists of employees of the County. The System provides retirement, disability, and death benefits based on the employee's years of service, age and average final compensation. Employees vest after 5 years of service and may receive retirement benefits at age 50. A summary of System membership at June 30, 2010 is available on the System's web site at www.scers.org. The System's Comprehensive Annual Financial Report, including a separate audit of the financial statements for the fiscal year ended June 30, 2010, is available on the System's web site or can be obtained by contacting the County's Department of Finance.

Funding Policy

Contributions to the plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. The System's funding policy provides for periodic contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Members of the System are required to contribute between 1.81% and 12.26% of their annual covered salary. The County is obligated by state law to make all required contributions to the plan, ranging from 13.02% to 47.84% of covered payroll. The required contributions include current service cost and amortization of prior service cost over a 30-year closed amortization period with 23 years remaining as of June 30, 2010. Employer contribution rates are determined using the entry age normal funding method based on a level percentage of payroll. The System also uses this actuarial method to amortize the unfunded liability, if applicable.

Contributions for the year ending June 30, 2010 totaled \$194,831. Included in this total are employer contributions of \$150,610 and member contributions of \$44,221. All contributions were made in accordance with actuarially determined contribution requirements based on the actuarial valuation performed at June 30, 2010.

Annual Pension Cost, Actuarial Methods and Assumptions, and Net Pension Asset

The County's annual pension cost and required and actual contributions were determined as part of the June 30, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 3.50 % annual general inflation, (b) 7.875% investment rate of return (net of administrative expenses), and (c) Projected salary increases of 5.14% to 11.55% for miscellaneous; 3.75% to 9.76% for safety (includes inflation at 3.4%, plus real across the board salary increase of 0.25% plus merit and longevity increases). The actuarial value of SCERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period (smoothed fair value). SCERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years, with 23 years remaining on a closed basis. The County's annual pension cost and pension assets for the year ended June 30, 2010, were as follows:

Annual required contribution	\$ 150,610
Interest on beginning net pension asset	(79,407)
Adjustment to the annual required contribution	<u>84,092</u>
Annual pension cost	155,295
Annual Contributions made	<u>150,610</u>
Decrease in net pension asset	(4,685)
Net pension asset, beginning of year	<u>1,036,635</u>
Net pension asset, end of year	<u>\$ 1,031,950</u>

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Three-year trend information:

Fiscal year Ended	Annual Pension Cost (APC)	Contribution	Percentage Of APC Contributed	Net Pension Asset
6/30/08	\$145,767	\$148,163	102%	\$1,037,569
6/30/09	\$161,340	\$160,406	99%	\$1,036,635
6/30/10	\$155,295	\$150,610	97%	\$1,031,950

Funding Status and Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 87.0 percent funded. The actuarial accrued liability for benefits was \$7,145,726, and the actuarial value of assets was \$6,216,994, resulting in an unfunded actuarial accrued liability (UAAL) of \$928,732. The covered payroll (annual payroll of active employees covered by the plan) was \$827,551 and the ratio of the UAAL to the covered payroll was 112.2 percent.

The schedule of finding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 17 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description The plan is a single-employer plan and it does not issue a publicly available report. The County provides medical insurance and dental insurance, and subsidy/offset payments as authorized by the Board of Supervisors on an annual basis. The Board of Supervisors must approve the benefit annually or it is terminated

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, 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. (continuous coverage).

The Public Employment Relations Board (PERB) ruled on complaints filed by several Representative Employee Organizations (REOs) challenging the County's elimination of the subsidy for County retirees approved by the Board of Supervisors June 5, 2007, and effective January 1, 2008. On June 30, 2009, the PERB decision ordered the County to 1) cease and resist from implementing the subsidy elimination; 2) rescind the changes in eligibility; and 3) make whole the affected parties. On March 11, 2010, the 3rd District Court of Appeals declined the County's request to review the PERB decision.

Annuitants who retired on or before May 31, 2007, as well as those Recognized Employee Organizations (REOs) who filed suit are eligible for the monthly medical premium subsidy. If the annuitant met the eligibility criteria to receive a subsidy absent a retirement date of June 1, 2007 or later, the retiree will only receive a subsidy if retired from one of the REOs who filed the complaint with PERB, and the Sacramento County Deputy Sheriff's Association. Annuitants who retired after May 31, 2007, and were not in an REO that filed suit are not eligible for this subsidy.

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The amount of any medical subsidy/offset payments made available to eligible annuitants shall be calculated based upon the annuitant's SCERS service credit.

Neither Sacramento County Employees Retirement System (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. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership.

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 shall be established within the sole discretion of the Board of Supervisors. Annuitants who retired on or prior to May 31, 2007 as well as those REOs who filed suit and are receiving a monthly medical premium are eligible for a medical premium subsidy according to the following schedule:

Service at Retirement	Amount of subsidy/offset payment (Calendar Year)	
	2010	2009
Less than 10 years	\$72	\$122
10-14 years	90	152
15-19 years	108	182
20-24 years	126	212
25 or more years	144	244
*Dental if eligible for medical subsidy	\$0	\$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 dental subsidy/offset payment by the County for calendar year 2009 was \$25.00 per month.

Approximately three thousand nine hundred employees meet the eligibility requirement and receive the insurance subsidy as of June 30, 2010.

Funding Policy

The County currently pays for post employment health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

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Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount, if any, actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution	\$ 14,938
Interest on net pension obligation	258
Adjustment to the annual required contribution	<u>(365)</u>
Annual OPEB cost	14,831
Annual Contributions made	<u>14,231</u>
Increase in OPEB obligation	600
Net OPEB Obligation, beginning of year	<u>5,740</u>
Net OPEB Obligation, end of year	<u><u>\$ 6,340</u></u>
Covered payroll (active plan members)	\$ 827,551
UAAL as a percentage of covered payroll	17.5%

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2010 were as follows:

Fiscal year Ended	Annual OPEB Cost	Contribution	Percentage Of OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 18,994	\$ 17,849	94%	\$ 5,740
6/30/10	\$ 14,831	\$ 14,231	96%	\$ 6,340

Funding Status and Progress

As of June 30, 2009, the most recent actuarial valuation date the plan was 0% funded. The actuarial accrued liability was \$144,804 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$144,804. The schedule of funding progress is presented as RSI following the notes to the financial statements.

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, examples include assumptions made about future employment, mortality and the healthcare cost trend. Amounts are determined regarding the funded status of the plan, and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The June 30, 2009 actuarial report is the most recent actuarial valuation, consequently there is no historical information provided in the Schedule of Funding Progress. The Schedule will, in subsequent fiscal years, present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Actuarial Methods and Assumptions:

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

In the June 30, 2009, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 4.5% discount rate and a medical trend rate of 10% for fiscal year 2009-2010, reduced by decrements of 0.5 % each year to an ultimate rate of 5%. The UAAL is being amortized as a closed level dollar amount. The remaining amortization period at June 30, 2010 was 28 years.

NOTE 18- SELF-INSURANCE

The County self-insures for property damage, general liability, workers' compensation, and unemployment insurance claims. Self-insurance programs are accounted for in internal service funds, and interfund premium charges are treated as interfund services. Interfund premiums are based primarily upon the insured funds' claims experience and are adjusted for any excess or deficit net assets within the self-insurance funds. At June 30, 2010, governmental and proprietary funds owed premium charges to the Liability/Property, Workers' Compensation, and Unemployment 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 expense/expenditure when the owing funds are charged by the self-insurance internal service funds.

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

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	Reconciliation of Claims Liabilities							
	Liability/Property		Worker's Compensation		Unemployment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 11,276	11,100	26,391	24,821			37,667	35,921
Noncurrent	20,346	22,208	100,196	87,695			120,542	109,903
Total beginning balance	31,622	33,308	126,587	112,516			158,209	145,824
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	5,984	8,864	25,416	22,925	7,425	1,880	38,825	33,669
Increase (decrease) in provision for insured events of prior fiscal years	9,845	11,776	31,712	20,310			41,557	32,086
Total incurred claims and claim adjustment expenses	<u>\$ 15,829</u>	<u>20,640</u>	<u>57,128</u>	<u>43,235</u>	<u>7,425</u>	<u>1,880</u>	<u>80,382</u>	<u>65,755</u>
Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	\$ 839	647	4,564	2,980	7,425	1,880	12,828	5,507
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	19,903	21,679	19,342	26,184			39,245	47,863
Total payments	<u>20,742</u>	<u>22,326</u>	<u>23,906</u>	<u>29,164</u>	<u>7,425</u>	<u>1,880</u>	<u>52,073</u>	<u>53,370</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year June 30, 2010.	<u>\$ 26,709</u>	<u>31,622</u>	<u>159,809</u>	<u>126,587</u>			<u>186,518</u>	<u>158,209</u>
Current portion of unpaid claims and claim adjustments	\$ 8,047	11,276	28,963	26,391	1,243		38,253	37,667
Non current portion of unpaid claims and claim adjustments	18,662	20,346	130,846	100,196			149,508	120,542
Total current and non current unpaid claims and claim adjustment expenses at end of the fiscal year.	<u>\$ 26,709</u>	<u>31,622</u>	<u>159,809</u>	<u>126,587</u>	<u>1,243</u>		<u>187,761</u>	<u>158,209</u>

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

Coverage	Amount	Deductible Provision	
Airport Liability & Hanger keepers	\$ 500,000 *	\$25	Each occurrence
Property Program:			
Property Insurance (All Risk)	2,261,000 *	50	Each occurrence
Flood	2,261,000 *	2% / 100 minimum	Per Building / Each occurrence
Earthquake (EQ)	25,000 *	5% / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	21,026 *	10	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	10,000	25	Each occurrence
Employee Dishonesty	10,000	25	Each occurrence
Forgery/Money/Computer Fraud	10,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	25,000	None	Not applicable
Hull (Physical Damage)	7,272	Various	2.5% In-motion / \$1 not-in-motion
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	500	Each occurrence
Workers' Compensation (Excess)	Statutory*	2,000	Self-insured retention
Employers' Liability	5,000	2,000	Self-insured retention

*Airport Liability and Hangerkeepers - Coverage is subject to War & Terrorism exclusion. The County has not purchased the buy-back coverage due to the expense and limited coverage. Property – County property is covered for Terrorism Coverage subject to a \$200,000 occurrence and annual aggregate limit. Effective 3/31/08 EQ is capped at \$25 million. Effective 3/31/10 All Risk total is at \$2.261 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective 3/31/10 Flood total is at \$2.261 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective 7/1/08 Workers' Compensation (Excess) limit is statutory rather than a dollar limit. Effective 7/1/08 Employers' Liability (Excess) limit is at \$5 million.

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NOTE 19– RESTRICTED NET ASSETS

Restricted Net Assets are assets that are subject to constraints either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provision or enabling legislation. Restricted net assets as of June 30, 2010 are as follows:

	Governmental Activities	Business- type Activities	Total
Bond reserves		\$ 51,742	\$ 51,742
Landfill closure		8,433	8,433
Kiefer Wetlands Preserve		871	871
Debt service	\$ 153,654	104,162	257,816
Capital projects	47,281		47,281
Passenger facility charges		45,353	45,353
Fire protection	1,201		1,201
Health programs	200,815		200,815
Transportation	28,912	1,213	30,125
Lighting and landscape maintenance	3,109		3,109
Community facilities	2,572		2,572
Fish and game	15		15
Future construction		2,406	2,406
Endowments:			
Expendable		59	59
Nonexpendable		2,027	2,027
Total	<u>\$ 437,559</u>	<u>\$ 216,266</u>	<u>\$ 653,825</u>

Net assets restricted by enabling legislation are comprised of \$45,353 (passenger facility charges), \$3,109 (lighting and landscape maintenance) and \$2,572 (community facilities) in the Statement of Net Assets at June 30, 2010.

Restricted Net Assets include:

- *Landfill closure* – accounts for the accumulation of resources necessary to finance closure care costs in the future.
- *Kiefer Wetlands Preserves* – established to eventually provide the funding for the preservation of vernal pools at the Kiefer landfill.
- *Debt service* –to finance and account for the payment of interest and principal on bonds or other long-term borrowing in accordance with bond indentures.
- *Capital projects* – accounts for financial resources to be used in the acquisition or construction of major capital facilities in accordance with bond indentures

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- *Passenger facilities charges* – accounts for fees collected from airline passengers which are required to be used to finance airport projects.
- *Endowments* – to be used to support the airport public art in perpetuity
- *Fire protection* – accounts for property taxes used to fund the provision of fire protection services provided by the Natomas Fire District to approximately 40 square miles of the unincorporated area.
- *Health programs* – health programs are comprised of the following:
 - *First Five Commission* – accounts for funds received from State Proposition 10 which are used to support healthy development of children prenatal to age five.
 - *Water Agencies* – accounts for funds received from drainage fees and assessments used to protect the community from flood hazards.
 - *Stormwater Utilities* – used to account for funds received from Stormwater Utility fees, ad valorem tax proceeds, interest income and other various revenues to provide storm drainage, flood control, flood preparation and stormwater quality management services.
 - *Tobacco* – accounts for the revenues and expenditures associated with the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
 - *Tobacco Securitization Authority* – reports the activities related to the County securitizing its portion of the nation-wide Tobacco Settlement Agreement.
- *Transportation* – accounts for funds received from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.
- *Lighting and landscape maintenance* – accounts for funds received from special assessments used to maintain landscaped corridors, medians and natural open space.
- *Community facilities* – accounts for service charges collected from direct levies on property tax bills for various community facilities districts.
- *Fish and game* – used to account for fines collected for violations of the fish and game code and deposited to the Fish and Game Propagation Program to support activities related to fish and game, including education.

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NOTE 20– NET ASSETS/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2010, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Capital asset acquisitions* – to reflect amounts that are restricted due to debt covenants requiring that the expenditures only be used for fixed asset acquisition and management of the program.
- *Assets not available:*
 - *Teeter plan tax loss* – to cover losses in the event that a shortfall may occur as a result of the sale of tax-defaulted property.
 - *Inventory* – to reflect pharmacy and Main Jail supplies
 - *Teeter plan delinquencies* – to cover long-term delinquent taxes when the final note payment is made.
 - *Imprest cash* – to reflect the funds held by departments for imprest cash expenditures. Such amounts do not represent available spendable resources.
 - *Long term receivables and advances to other funds* – to reflect the amount due from other funds and receivables that are long-term in nature. Such amounts do not represent available spendable resources.
 - *Special deposits* – to reflect the advances for travel purposes.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Future construction* – funds solely for planned capital projects as required in bond covenants.

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Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. Fund balance designations include:

- *Cash flow* – to reflect the impact on cash flows of budget uncertainties.
- *Teeter plan notes* – to reflect an amount equal to the amount of the final payment on the Teeter note.
- *Future services* – to reflect management’s intent to provide funding for unspecified services and capital projects.

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NOTE 21- FUND BALANCES

Fund balances, which are not available for appropriation or are not considered "expendable available financial resources", are reserved. Unreserved fund balances that have been earmarked by the Board of Supervisors for specified purposes are considered designated. Such reserved and designated fund balances at June 30, 2010 are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Reserved			
Encumbrances	\$ 25,005	46,231	71,236
Capital asset acquisitions	27,206		27,206
Assets not available:			
Teeter plan tax loss	16,291		16,291
Teeter plan delinquencies	993		993
Imprest cash	255	2	257
Long term receivables and advances to other funds	4,148	62,759	66,907
Inventory	909		909
Special deposits	100		100
Debt service		75,321	75,321
Future construction		80,974	80,974
Total Reserved Fund Balances	<u>74,907</u>	<u>265,287</u>	<u>340,194</u>
Unreserved/Designated			
Cash flow		3,703	
Future services		179,892	
Total Unreserved/Designated Fund Balances		183,595	183,595
Total Unreserved/Undesignated Fund Balances	<u>(53,212)</u>	<u>80,613</u>	<u>27,401</u>
Total Unreserved	<u>(53,212)</u>	<u>264,208</u>	<u>210,996</u>
Total Fund Balances	<u>\$ 21,695</u>	<u>529,495</u>	<u>551,190</u>

As not all long-term assets are reserved, see Note 5 for the allocation between reserved fund balance and deferred revenue as Note 1 discloses as being the policy of the County.

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NOTE 22 – 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. Anticipated costs related to such claims and litigation are accrued in the Self-Insurance funds where appropriate. Although the final outcome of these matters cannot be predicted, the County believes that these accruals are adequate to provide for its estimated future obligations in these matters, and that any amounts in excess of such accruals will not be significant to the County.

Financial Stress

The County is currently experiencing significant financial stress. As a result of continuing weakness in the national, State and local economy, various revenue sources of the County, including revenues from or based on property taxes and sales taxes, have declined significantly since Fiscal Year 2007-08. In addition, County pension costs and debt service costs relating to pension obligation bonds are significantly increasing.

Housing Declines

The housing market slump and related negative impact of economic conditions has continued through 2010 to date. In the County, Notices of Default increased from approximately 7,000 in calendar year 2006 to approximately 18,000 in calendar year 2007; to approximately 24,000 in calendar year 2008; and to 26,500 in calendar year 2009. Notices of Default filings typically indicate that homeowners have missed mortgage payment(s), but do not necessarily result in a home foreclosure as a default may be cured prior to actual foreclosure. Actual foreclosures, defined as properties on which the lender foreclosed and the property was not sold to a new owner at auction, also increased in the County from 1,329 in calendar year 2006 to 7,978 in 2007; to 19,059 in 2008; and to 14,174 in 2009 according to the County Assessor. The foreclosures in 2009 represent approximately 3% of the total number of parcels assessed.

In addition, pursuant to Proposition 8, the County Assessor reduced the assessed value of 57,863 properties for Fiscal Year 2007-08; 90,199 for Fiscal Year 2008-09; 176,524 for Fiscal Year 2009-10; and nearly 162,000 for Fiscal Year 2010-11. Total assessed value in the County declined by 7.41% from Fiscal Year 2008-09 to Fiscal Year 2009-10, and 2.17% from Fiscal Year 2009-10 to Fiscal Year 2010-11.

This reduction in assessed value was expected in the Fiscal Year 2009-10 County budget to result in a decrease in secured property tax revenues in Fiscal Year 2009-10 of \$17.3 million from Fiscal Year 2008-09. The actual reduction of secured property taxes revenues was \$14.65 million from Fiscal Year 2008-09. However, the actual supplemental taxes were \$1.5 million below the Fiscal Year 2009-10 budget projection by \$3.1 million.

The County Assessor's Office projects, on a preliminary basis, that assessed values for Fiscal Year 2011-12 will decrease from Fiscal Year 2010-11 levels by approximately 2%, translating into a property tax revenue decrease for the County General Fund of approximately \$8 million between the Fiscal Year 2009-10 currently estimated actual amount and the Fiscal Year 2010-11 projected amount.

Sales Tax Declines

In addition to declines in property tax revenues described above, in the adopted Fiscal Year 2010-11 budget, revenues of the County from or related to sales taxes were projected to decline by approximately 1% from Fiscal Year 2009-10 levels. In addition, Fiscal Year 2010-11 budget projected decreases in "realignment" revenues that consist of the County's share of State sales tax and vehicle license fees of approximately \$1.7 million. However, the ½ cent Public Safety Sales Tax (dedicated to law enforcement services) increased by approximately \$10.0 million based on strong performance in the second half of Fiscal Year 2009-10.

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Changes in Personnel Expenditures

The Fiscal Year 2010-11 budget included increases in General Fund labor expenditures of approximately \$30 million (as compared to Fiscal Year 2009-10 actual expenditures), due to cost of living and equity increases obligated by labor contracts, partially offset by reductions in County staff levels. Labor expenses at current staffing levels are projected to increase by \$40.0 million in Fiscal Year 2011-12 due to current labor contractual commitments.

Fiscal Year 2010-11 General Fund Budget

The County's Fiscal Year 2010-11 budget reflects an appropriation reduction from the previous fiscal year's budget by approximately \$23.9 million. These reductions were made by implementing various program reductions across all General Fund departments. Program reductions included the elimination of 757.5 permanent full-time equivalent positions between the Fiscal Year 2009-10 Final Budget and Fiscal Year 2010-11 Adopted Budget, representing approximately 8% of the positions that had been funded by the County's General Fund, with approximately half of these position eliminations resulting in employee layoffs. As part of the solution to funding issues for Fiscal Year 2010-11, the County used approximately \$41.9 million in one-time funding sources for the Fiscal Year 2010-11 budget.

Fiscal Year 2010-11 Mid-Year Budget Hearings

The County's budget did not account for any impacts resulting from the State's budget since their budget was not approved until October 2010, after the County's budget was adopted. Impacts identified for County operated programs were presented to the Board on December 7, 2010, resulting in appropriation and revenue reductions of \$0.5 million. The County anticipates additional impacts will result, primarily in social service and health programs, when the State issues new or revised funding allocations to California counties. Further impacts will be addressed when they are identified. A mid-year budget report generally occurs in February to make adjustments in revenue and expenditure projections as needed to ensure the current year's budget remains in balance. The County currently has not identified any required budget adjustments.

Fiscal Year 2011-12 General Fund Budget Outlook

The County has identified a preliminary Fiscal Year 2010-11 budget shortfall of approximately \$65.5 million. This shortfall is a combination of using one-time funding and labor cost increases consisting of the following: \$30.0 million in one-time funding sources used in Fiscal Year 2010-11 that is no longer available; \$15.5 million due to beginning scheduled transfers-back of interfund transfers made to the General Fund in prior fiscal years, and approximately \$20.0 million in anticipated labor cost increases at current staffing levels.

The County will address the Fiscal Year 2011-12 budget during hearings to be held in June 2011. The County Executive Office currently expects that it will recommend expenditure reductions to address the projected budget shortfall.

The County's financial condition, and potential shortfalls in Fiscal Years 2010-11 and 2011-12, may be further adversely affected by continuing slowdown in the regional housing market and unemployment levels, and the impact thereof on property taxes and sales taxes. There can be no assurances that the County's financial stress will not increase due to potential continuing declines in County revenues, increases in County costs, actions by the State (including reductions or deferrals in State funds payable to the County) or other reasons.

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Regents of the University of California v. Hunt, et al.

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

The Petition causes of action for breach of contract are 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 BRMS; and (2) that UCD is a “third party beneficiary” of the County’s contract with BRMS. Pursuant to these theories, UCD alleges the County must pay for hospital care rendered to County Medically Indigent Program (CMISP) patients that were referred to UCD hospital.

The Petition seeks damages, including attorneys’ fees, in excess of \$125,000. Department of Health and Human Services (DHHS) staff indicated to County Counsel on November 9, 2009, that the County liability for non-payments of claims to UCD may total up to \$80,000 but may decrease as DHHS has not completed its reconciliation process. The County expects the remaining causes of action contains in the Regent’s Petition to set for trial within the next year.

Internal Revenue Service (IRS) Tax Liability

In May 2010, staff became aware of serious irregularities with the payment of federal taxes by the County’s third party payroll vendor, Ingentra. It has become apparent that although the County submitted the appropriate payments to Ingentra for employment taxes, Ingentra submitted to the IRS approximately \$20 million less than the County paid to Ingentra. Federal criminal charges have been filed against the President and Controller of Ingentra, and both have now entered guilty pleas.

Staff has prepared corrected tax returns for the period under investigation, calendar year 2007 through the second quarter of 2010, and has provided those tax returns to the IRS. The total amount owed to the IRS based on the corrected returns was \$20,242. On June 17, 2010, the IRS received an anonymous payment on the County’s behalf of \$3,318, leaving a balance owed of \$17,023. The IRS contends that the County is strictly liable for payment of the taxes. The County has recently retained outside tax counsel, and based on their advice, may take the position that the County is not in fact liable for the shortfall. It is too early to assess the likelihood of whether that position will be accepted by the IRS, or if it is not, whether the IRS will nevertheless settle the matter for less than the outstanding balance of \$17,023.

NOTE 23 – FUTURE GASB PRONOUNCEMENTS

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010. The objective of this Statement is to improve the usefulness, including the understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on government’s fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purpose for which governments have chosen to use particular funds for financial reporting. This Statement established accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

On December 31, 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Multiple Employers and Agent Multiple-Employer Plans*. The provisions of Statement No. 57 that relate to the use and reporting of alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011. Statement No. 57 addresses issues related to the measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. (In agent multiple-employer plans, separate liabilities are calculated and separate asset accounts are kept for each participating government, rather than being administered and accounted for as a single plan as is done in a cost sharing plan.).

Statement No. 57 amends Statement No. 43, Financial Reporting for Postemployment Benefit Plans other than Pension Plans and State No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions. Specifically Statement No. 57 1) enables certain agent employers to use the alternative measurement method, a less complex and potentially less expensive alternative to a full actuarial valuation; 2) adjusts the requirement that a defined benefit OPEB plan obtain an actuarial valuation, in light of the change allowing more qualifying employers to use the alternative method; and 3) clarifies that the same frequency and timing of determining OPEB measures are required for both agent multiple-employer plans and their participating employers.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, effective for fiscal periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. The Statement revises Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, so that unallocated insurance contracts will be reported according to the provisions of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. The Statement amends Statement 31 to include a more comprehensive description of 2a7-like external investment pools including a reference to the functions of boards of directors. The Statement amends Statement No. 40, Deposit and Investment Risk Disclosures, to limit interest rate risk disclosures to debt mutual funds, external debt investment pools, and other pooled debt investments. The Statement amends the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as follows:

- Non-exchange-traded revenue-based contracts (such as lease and royalty contracts) should be excluded from Statement 53.
- Financial guarantee contracts that meet the definition of an investment derivative instrument (paragraph 16) and are entered into primarily for the purpose of obtaining income or profit should be included in the scope of Statement 53.
- Contracts that have fixed or variable penalties for nonperformance should not meet the net settlement characteristic that defines a derivative instrument and, accordingly, would not be in the scope of Statement 53.

The Statement will revise paragraph 64c(5)a of Statement 53 to indicate that leveraged yield could be present if the initial rate of return on a companion instrument has the potential for at least a doubled yield.

In December 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, for financial statements for periods beginning after December 15, 2011. The requirements of this Statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for service concession arrangements (SCAs) for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

GASB Statement No. 60 alleviates the confusion that arises when determining what guidance should be applied in complex circumstances that are not specifically addressed by existing standards; contributes to the assessment of interperiod equity by reporting up-front payments or the present value of installment payments primarily as deferred inflows of resources, reflecting the acquisition of resources that are applicable to a future reporting period; includes provisions that result in a faithful representation of a governmental operator's rights under SCAs by reporting rights to access SCA facilities as intangible assets; and improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

In December 2010, the GASB issued Statement no. 61, *The Financial Reporting Entity: Omnibus*, effective for financial statements for periods beginning after June 15, 2012. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic. Lastly, the requirements for reporting equity interests in component units help ensure that primary government financial statements do not understate their financial position and provide for more consistent and understandable display of those equity interests.

NOTE 24 - RESTATEMENT OF NET ASSETS

The County of Sacramento Asset Capitalization Policy has been updated to reflect the implementation of GASB Statement No. 51 effective as of July 1, 2009, fiscal year 2009-2010. Net Intangible assets should have been recognized or reclassified from equipments in prior year. As a result, beginning net assets for fiscal year ended June 30, 2009 have been restated.

	<u>Governmental Activities</u>
Net assets, as previously reported	\$ 1,510,705
Adjustments:	
Computer Software Gross	32,800
Less: Accumulated depreciation	<u>(17,786)</u>
Net Computer Software	<u>\$ 15,014</u>
Equipments Gross	(13,903)
Less: Accumulated depreciation	<u>7,662</u>
Net Equipment	<u>\$ (6,241)</u>
Total Adjustments	<u>\$ 8,773</u>
Net assets, as restated	<u><u>\$ 1,519,478</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

NOTE 25 - SUBSEQUENT EVENTS

Teeter Plan

On November 30, 2010, the County issued its 2010 Teeter Note and purchased under the Teeter Plan the delinquent secured property tax receivables at June 30, 2009, in the amount of \$46,011 from the local taxing entities and selected special assessment districts in Sacramento County. The financing of this purchase was accomplished by a five-year legal, secured medium-term note obligation of the County that was purchased by the Treasurer's Pool. The terms of the note include a variable interest rate, adjusted on a quarterly basis, equal to the rate of interest on the Constant Maturity U.S. Treasury Note for the number of years corresponding to the remaining term of the note. The County agreed to make principal and interest payments on the note annually on or before August 1 each year, commencing August 1, 2010. Such payments may be made more frequently, but not more often than quarterly. The note matures August 1, 2015. Note 1 (Property Taxes) and Note 10 further describe the Teeter Note issues.

Letter of Credit

Included in long-term debt at June 30, 2010 is \$134,000 for the Pension Funding Bonds, Series 1995B and Series 1995C Variable Rate Demand Bonds. The Bonds have a tender provision for bondholders, on 7 days notice, to tender their bonds at par value plus accrued interest. In connection with the 1995B and 1995C Bonds, on July 23, 2010, the County executed a Letter of Credit and Reimbursement Agreement (the "Agreement") between the County and JPMorgan Chase Bank, N.A. (the "Bank"). The term of this Agreement expires on January 23, 2013, but is subject to termination prior to the expiration date under certain "events of default".

As of June 30, 2010, there were no outstanding Bonds that have been tendered but failed to be remarketed. In the case of tendered bonds that fail to be remarketed, causing a draw on the Letter of Credit, interest is required to be paid to the Bank until such time as the bonds are remarketed. For the first 90 days, the interest rate would be at the highest of : a) Prime Rate plus 1.5% or b) Federal Funds Rate plus 2% or c) 7.5%.

Prior to July 23, 2010, the County had a Letter of Credit and Reimbursement Agreement in connection with the 1995B and 1995C Bonds with Bayerische Landesbank. In the case of a draw on this prior Letter of Credit, interest would also have been required to be paid if tendered bonds failed to be remarketed, with the interest rate the highest of 1) Prime Rate plus 1% or 2) Federal Funds Rate plus 1.5%. As of June 30, 2010 the Prime Rate was 3.25% and the b) effective Federal Funds Rate was 0.18%

Dry Period Financing

For Fiscal Year 2010-11, with year-end cash balances declining, the County decided it would not be cost effective to issue a TRANS to fund the General Fund cash, and chose to utilize dry period financing and other funds as the most appropriate tool to manage our cash flow needs.

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 obligation incurred by district and political subdivisions whose funds are "...in custody and are paid out solely through the treasurer's office."

In 1980, the Board of Supervisors adopted a resolution (80-1434) to permit entities that collected the 1% 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% of all anticipated revenues.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

As such, in Fiscal Year 2010-11 the County General Fund may utilize up to 85% of its anticipated (estimated) revenues during the 'dry period' to meet any obligation incurred. The money is essentially loaned by the Treasurer's County 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 General Fund \$1.956 billion in estimated revenues approved in the County's Fiscal Year 2010-11 preliminary budget. The County's Final Fiscal Year 2010-11 budget was approved in September 2010 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$1.956 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Schedule of funding progress for SCERS

Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability (AAL) <u>Entry Age</u>	Unfunded/ <u>AAL</u>	Annual Funded <u>Ratio</u>	Covered <u>Payroll</u>	Unfunded AAL as a Percentage of Covered <u>Payroll</u>
6/30/08	\$5,930,758	\$6,363,355	\$432,597	93.2%	\$810,248	53.4%
6/30/09	\$5,730,215	\$6,661,993	\$931,778	86.0%	\$869,898	107.1%
6/30/10	\$6,216,994	\$7,145,726	\$928,732	87.0%	\$827,551	112.2%

Source: Sacramento County Employees' Retirement System Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2010.

See accompanying independent auditor's report

Notes to the Required Supplementary Information

1. This information is intended to help users assess the SCERS funding status ongoing basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Other Post Employment Benefits (OPEB) – Schedule of Funding Progress

Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
6/30/07	\$ 0	\$245,592	\$245,592	0.0%	\$810,248	30.3%
6/30/09	\$ 0	\$144,804	\$144,804	0.0%	\$869,898	16.6%

Source: Segal Group, Inc., "County of Sacramento Actuarial Valuation and Review of Other Post Employment Benefits (OPEB) as of June 30, 2009, In accordance with GASB No. 45."

See accompanying independent auditors report.

Notes to the Required Supplementary Information

1. This information is intended to help users assess the OPEB funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.
2. The information presented relates solely to the County and not to SCERS as a whole.
3. June 30, 2009 is the most current actuarial valuation. In the future, information from the three most recent valuations will be presented, as it becomes available.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Assets:				
Cash and investments	\$ 335,561	75,458	101,611	512,630
Receivables:				
Billed	13,172		102	13,274
Interest			5	5
Intergovernmental	10,847		1,840	12,687
Due from other funds	4,730		765	5,495
Long-term advances to other funds	21,791		4,292	26,083
Long-term receivables	47	142,559		142,606
Total assets	<u>\$ 386,148</u>	<u>218,017</u>	<u>108,615</u>	<u>712,780</u>
Liabilities and fund balances:				
Liabilities:				
Warrants payable	\$ 1,739	2	9	1,750
Accrued liabilities	29,093	15	3,400	32,508
Intergovernmental payable	19,629	53	9,978	29,660
Due to other funds	12,258	67	1,112	13,437
Deferred revenues	19,791	86,139		105,930
Total liabilities	<u>82,510</u>	<u>86,276</u>	<u>14,499</u>	<u>183,285</u>
Fund balances:				
Reserved for:				
Encumbrances	38,148		8,083	46,231
Assets not available	2,049	56,420	4,292	62,761
Debt service		75,321		75,321
Future construction			80,974	80,974
Unreserved:				
Designated	183,595			183,595
Undesignated	79,846		767	80,613
Total fund balances	<u>303,638</u>	<u>131,741</u>	<u>94,116</u>	<u>529,495</u>
Total liabilities and fund balances	<u>\$ 386,148</u>	<u>218,017</u>	<u>108,615</u>	<u>712,780</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ 78,257			78,257
Use of money and property	11,978	1,110	460	13,548
Licenses and permits	26,036			26,036
Intergovernmental	118,909	14,305	5,668	138,882
Charges for sales and services	67,405		812	68,217
Fines, forfeitures and penalties	15	12,798	2,164	14,977
Pledged tobacco settlement proceeds	12,393			12,393
Miscellaneous	18,156	3,429	21,745	43,330
Total revenues	<u>333,149</u>	<u>31,642</u>	<u>30,849</u>	<u>395,640</u>
Expenditures:				
Current:				
General government	60,448			60,448
Public assistance	31,215			31,215
Public protection	12,254			12,254
Health and sanitation	50,400			50,400
Public ways and facilities	114,613		1,059	115,672
Recreation and culture	25,042			25,042
Education	19,905			19,905
Capital outlay	21,113		55,948	77,061
Debt service:				
Principal		81,356		81,356
Bond issuance costs		1,217		1,217
Interest and fiscal charges		109,087		109,087
Total expenditures	<u>334,990</u>	<u>191,660</u>	<u>57,007</u>	<u>583,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,841)</u>	<u>(160,018)</u>	<u>(26,158)</u>	<u>(188,017)</u>
Other financing sources (uses):				
Transfers in	21,932	119,613	150	141,695
Transfers out	(28,771)	(25,428)	(13,772)	(67,971)
Issuance of debt		64,470		64,470
Refunding debt issued		123,950		123,950
Premiums on debt issued		1,770		1,770
Swap termination payment		(10,180)		(10,180)
Payment to refunded bonds escrow agent		(103,008)		(103,008)
Total other financing sources (uses)	<u>(6,839)</u>	<u>171,187</u>	<u>(13,622)</u>	<u>150,726</u>
Net change in fund balances	<u>(8,680)</u>	<u>11,169</u>	<u>(39,780)</u>	<u>(37,291)</u>
Fund balances - beginning, restated	<u>312,318</u>	<u>120,572</u>	<u>133,896</u>	<u>566,786</u>
Fund balances - ending	<u>\$ 303,638</u>	<u>131,741</u>	<u>94,116</u>	<u>529,495</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

Road - Accounts for Sacramento County road activities in the unincorporated area, including design, construction, and maintenance of roads, traffic signals, other right-of-way, safety-related road improvement projects, and the Radar/Speed Control Program.

First 5 Commission - Accounts for funds received from the State from Proposition 10.

Library - Accounts for County's share of revenue and operating transfer to the Library JPA.

Transportation Sales Tax - Accounts for the public road improvements in the unincorporated area of the County that are funded from the Measure A Transportation Sales Tax.

Transient Occupancy Tax - Accounts for the revenues generated from a transient-occupancy tax of 12 percent of the rent charged at hotels, motels, and similar structures for short-term lodging. Expenditures from this fund are for artistic, musical, cultural, civic, and other activities that enhance the image of the community.

Building Inspection - Accounts for building inspection and code enforcement services to the unincorporated area of the County.

Public Facilities Fixed Asset Financing Program - Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.

Lighting and Landscape Maintenance Districts - Formed to provide all street and highway safety lighting services in the unincorporated area of the County (lighting) and to account for revenues and expenditures for the maintenance of the landscaped corridors in medians and natural open spaces in the unincorporated areas.

Park Districts and Park Service Areas - 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 four County service areas.

Water Agencies - Various zones created to provide specialized services within specific geographic areas.

Stormwater Utility - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region.

Tobacco - Accounts for revenues and expenditures associated with the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.

Community Services - Accounts for several programs related to children, retired and senior citizens, the elderly, independent living, senior nutrition services, homeless and homeless employment services.

Golf Fund - Includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy and fully reimburses the General Fund for overhead and support.

Economic Development - Primary programs revolve around the reuse of the former Mather and McClellan Air Force Bases. The department also engages in more general economic development and job creation programs.

Roadway Fee District - Accounts for public road improvements with several geographical districts in response to land use development decisions.

Tobacco Securitization Authority - Reports the activities related to the County securitizing its portion of the nation-wide Tobacco Settlement Agreement.

Environmental Management - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.

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

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COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

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	Road	First 5 Commission	Library	Transportation Sales Tax	Transient Occupancy Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Assets:							
Cash and investments	\$ 28,770	101,972	9,387	4,519	4,217	3,193	215
Receivables, net of allowance for uncollectibles:							
Billed	1,639	2,625		1,793	474	381	
Intergovernmental	846			4,444			
Due from other funds	1,928	3		790		68	986
Long-term advances to other funds							19,791
Long-term receivables					47		
Total assets	<u>\$ 33,183</u>	<u>104,600</u>	<u>9,387</u>	<u>11,546</u>	<u>4,738</u>	<u>3,642</u>	<u>20,992</u>
Liabilities and fund balances:							
Liabilities:							
Warrants payable	\$ 158	170		16	27	14	80
Accrued liabilities	1,359	4,852	7,092	6,699		11	
Intergovernmental payable	1,896	109	2	3,900		1,358	
Due to other funds	1,147	2,573	63	642		680	1,120
Deferred revenues							19,791
Total liabilities	<u>4,560</u>	<u>7,704</u>	<u>7,157</u>	<u>11,257</u>	<u>27</u>	<u>2,063</u>	<u>20,991</u>
Fund balances:							
Reserved for:							
Encumbrances	9,483	1,737		20,324	324		505
Assets not available			2		47		
Unreserved:							
Designated	3,203	84,639	500			240	
Undesignated	15,937	10,520	1,728	(20,035)	4,340	1,339	(504)
Total fund balances	<u>28,623</u>	<u>96,896</u>	<u>2,230</u>	<u>289</u>	<u>4,711</u>	<u>1,579</u>	<u>1</u>
Total liabilities and fund balances	<u>\$ 33,183</u>	<u>104,600</u>	<u>9,387</u>	<u>11,546</u>	<u>4,738</u>	<u>3,642</u>	<u>20,992</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco	Community Services	Golf
Assets:							
Cash and investments	\$ 3,137	10,239	51,051	19,281	30,247		
Receivables, net of allowance for uncollectibles:							
Billed	16	667		3,470			194
Intergovernmental						4,592	
Due from other funds			37	23		746	16
Long-term advances to other funds							
Long-term receivables							
Total assets	<u>\$ 3,153</u>	<u>10,906</u>	<u>51,088</u>	<u>22,774</u>	<u>30,247</u>	<u>5,338</u>	<u>210</u>
Liabilities and fund balances:							
Liabilities:							
Warrants payable	\$ 9	316	36	31		754	32
Accrued liabilities	34	434		29		3,377	154
Intergovernmental payable		207	61	61		37	
Due to other funds	1	12	157	440	221	1,008	437
Deferred revenues							
Total liabilities	<u>44</u>	<u>969</u>	<u>254</u>	<u>561</u>	<u>221</u>	<u>5,176</u>	<u>623</u>
Fund balances:							
Reserved for:							
Encumbrances		547	863	1,883	231	15	4
Assets not available							
Unreserved:							
Designated	239	4,220	39,911		28,633		316
Undesignated	2,870	5,170	10,060	20,330	1,162	147	(733)
Total fund balances	<u>3,109</u>	<u>9,937</u>	<u>50,834</u>	<u>22,213</u>	<u>30,026</u>	<u>162</u>	<u>(413)</u>
Total liabilities and fund balances	<u>\$ 3,153</u>	<u>10,906</u>	<u>51,088</u>	<u>22,774</u>	<u>30,247</u>	<u>5,338</u>	<u>210</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Assets:						
Cash and investments	\$ 25,609	29,329	980	7,879	5,536	335,561
Receivables, net of allowance for uncollectibles:						
Billed		139		1,658	116	13,172
Intergovernmental	47			27	891	10,847
Due from other funds	9			121	3	4,730
Long-term advances to other funds	2,000					21,791
Long-term receivables						47
Total assets	<u>\$ 27,665</u>	<u>29,468</u>	<u>980</u>	<u>9,685</u>	<u>6,546</u>	<u>386,148</u>
Liabilities and fund balances:						
Liabilities:						
Warrants payable	\$ 49	4		39	4	1,739
Accrued liabilities	4,590		7	440	15	29,093
Intergovernmental payable	10,377			41	1,580	19,629
Due to other funds	526	1,765		180	1,286	12,258
Deferred revenues						19,791
Total liabilities	<u>15,542</u>	<u>1,769</u>	<u>7</u>	<u>700</u>	<u>2,885</u>	<u>82,510</u>
Fund balances:						
Reserved for:						
Encumbrances	1,611			47	574	38,148
Assets not available	2,000					2,049
Unreserved:						
Designated		14,335		7,104	255	183,595
Undesignated	8,512	13,364	973	1,834	2,832	79,846
Total fund balances	<u>12,123</u>	<u>27,699</u>	<u>973</u>	<u>8,985</u>	<u>3,661</u>	<u>303,638</u>
Total liabilities and fund balances	<u>\$ 27,665</u>	<u>29,468</u>	<u>980</u>	<u>9,685</u>	<u>6,546</u>	<u>386,148</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 1 of 3

	Road	First 5 Commission	Library	Transportation Sales Tax	Transient Occupancy Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Revenues:							
Taxes	\$ 784		17,798	38,674	4,467		
Use of money and property	381	1,059	66	50	29	29	
Licenses and permits	1,118					9,954	
Intergovernmental	59,692	17,042	269	10,371			477
Charges for sales and services	130			8,565		154	18,799
Fines, forfeitures and penalties							
Pledged tobacco settlement proceeds							
Miscellaneous	1,217	1		636	352	147	
Total revenues	<u>63,322</u>	<u>18,102</u>	<u>18,133</u>	<u>58,296</u>	<u>4,848</u>	<u>10,284</u>	<u>19,276</u>
Expenditures:							
Current:							
General government							
Public assistance							
Public protection						9,822	
Health and sanitation		27,124					
Public ways and facilities	45,956			62,995			
Recreation and culture					2,074		
Education			19,905				
Capital outlay							21,113
Total expenditures	<u>45,956</u>	<u>27,124</u>	<u>19,905</u>	<u>62,995</u>	<u>2,074</u>	<u>9,822</u>	<u>21,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,366</u>	<u>(9,022)</u>	<u>(1,772)</u>	<u>(4,699)</u>	<u>2,774</u>	<u>462</u>	<u>(1,837)</u>
Other financing sources (uses):							
Transfers in							
Transfers out		(108)			(90)		
Total other financing sources (uses)		<u>(108)</u>			<u>(90)</u>		
Net change in fund balances	17,366	(9,130)	(1,772)	(4,699)	2,684	462	(1,837)
Fund balances - beginning	11,257	106,026	4,002	4,988	2,027	1,117	1,838
Fund balances - ending	<u>\$ 28,623</u>	<u>96,896</u>	<u>2,230</u>	<u>289</u>	<u>4,711</u>	<u>1,579</u>	<u>1</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco	Community Services	Golf
Revenues:							
Taxes	\$ 349	7,527	6,441	150			
Use of money and property	25	1,322	519	196	1,060	202	3,904
Licenses and permits			1,003				
Intergovernmental	7	993	100	72		22,830	
Charges for sales and services	2,878	4,968	2,382	23,392		366	3,638
Fines, forfeitures and penalties							
Pledged tobacco settlement proceeds							
Miscellaneous	258	1,257	4	855	951	2,007	110
Total revenues	<u>3,517</u>	<u>16,067</u>	<u>10,449</u>	<u>24,665</u>	<u>2,011</u>	<u>25,405</u>	<u>7,652</u>
Expenditures:							
Current:							
General government	3,586			32,179	7,415		
Public assistance						31,215	
Public protection							
Health and sanitation			5,440				
Public ways and facilities							
Recreation and culture		16,285					6,653
Education							
Capital outlay							
Total expenditures	<u>3,586</u>	<u>16,285</u>	<u>5,440</u>	<u>32,179</u>	<u>7,415</u>	<u>31,215</u>	<u>6,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69)</u>	<u>(218)</u>	<u>5,009</u>	<u>(7,514)</u>	<u>(5,404)</u>	<u>(5,810)</u>	<u>999</u>
Other financing sources (uses):							
Transfers in			100	8,508	5,156	5,553	
Transfers out			(7,640)		(6,597)	(393)	(999)
Total other financing sources (uses)			<u>(7,540)</u>	<u>8,508</u>	<u>(1,441)</u>	<u>5,160</u>	<u>(999)</u>
Net change in fund balances	<u>(69)</u>	<u>(218)</u>	<u>(2,531)</u>	<u>994</u>	<u>(6,845)</u>	<u>(650)</u>	
Fund balances - beginning	3,178	10,155	53,365	21,219	36,871	812	(413)
Fund balances - ending	<u>\$ 3,109</u>	<u>9,937</u>	<u>50,834</u>	<u>22,213</u>	<u>30,026</u>	<u>162</u>	<u>(413)</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Revenues:						
Taxes	\$				2,067	78,257
Use of money and property	2,726	295	1	68	46	11,978
Licenses and permits	116	353		13,492		26,036
Intergovernmental	5,267			9	1,780	118,909
Charges for sales and services	1,202			762	169	67,405
Fines, forfeitures and penalties					15	15
Pledged tobacco settlement proceeds			12,393			12,393
Miscellaneous	6,669	249		3,443		18,156
Total revenues	15,980	897	12,394	17,774	4,077	333,149
Expenditures:						
Current:						
General government	17,146				122	60,448
Public assistance						31,215
Public protection					2,432	12,254
Health and sanitation			174	15,691	1,971	50,400
Public ways and facilities		3,523			2,139	114,613
Recreation and culture					30	25,042
Education						19,905
Capital outlay						21,113
Total expenditures	17,146	3,523	174	15,691	6,694	334,990
Excess (deficiency) of revenues over (under) expenditures	(1,166)	(2,626)	12,220	2,083	(2,617)	(1,841)
Other financing sources (uses):						
Transfers in	2,615					21,932
Transfers out	(140)		(12,128)	(661)	(15)	(28,771)
Total other financing sources (uses)	2,475		(12,128)	(661)	(15)	(6,839)
Net change in fund balances	1,309	(2,626)	92	1,422	(2,632)	(8,680)
Fund balances - beginning	10,814	30,325	881	7,563	6,293	312,318
Fund balances - ending	\$ 12,123	27,699	973	8,985	3,661	303,638

**COUNTY OF SACRAMENTO
ROAD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 786	776	784	8
Use of money and property	655	555	381	(174)
Licenses and permits	1,769	1,764	1,118	(646)
Intergovernmental	40,024	60,361	59,692	(669)
Charges for sales and services	177	172	130	(42)
Miscellaneous	12,444	13,977	1,217	(12,760)
Total revenues	55,855	77,605	63,322	(14,283)
Expenditures:				
Current:				
Public ways and facilities	70,826	85,806	45,956	39,850
Excess (deficiency) of revenues over (under) expenditures	(14,971)	(8,201)	17,366	25,567
Net change in fund balance	\$ (14,971)	(8,201)	17,366	25,567

COUNTY OF SACRAMENTO
FIRST 5 COMMISSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 1,414	1,422	1,059	(363)
Intergovernmental	8,622	17,544	17,042	(502)
Miscellaneous			1	1
Total revenues	10,036	18,966	18,102	(864)
Expenditures:				
Current:				
Health and sanitation	66,576	51,221	27,124	24,097
Deficiency of revenues under expenditures	(56,540)	(32,255)	(9,022)	23,233
Other financing uses:				
Transfers out	(108)	(108)	(108)	
Net change in fund balance	\$ (56,648)	(32,363)	(9,130)	23,233

**COUNTY OF SACRAMENTO
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 20,174	20,174	17,798	(2,376)
Use of money and property	25	25	66	41
Intergovernmental	<u>250</u>	<u>250</u>	<u>269</u>	<u>19</u>
Total revenues	20,449	20,449	18,133	(2,316)
Expenditures:				
Current:				
Education	<u>19,950</u>	<u>26,439</u>	<u>19,905</u>	<u>6,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>499</u>	<u>(5,990)</u>	<u>(1,772)</u>	<u>4,218</u>
Net change in fund balance	<u>\$ 499</u>	<u>(5,990)</u>	<u>(1,772)</u>	<u>4,218</u>

COUNTY OF SACRAMENTO
TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 46,430	49,156	38,674	(10,482)
Use of money and property	120	120	50	(70)
Intergovernmental	25,302	23,381	10,371	(13,010)
Miscellaneous	607	10,739	636	(10,103)
Total revenues	72,459	83,396	49,731	(33,665)
Expenditures:				
Current:				
Public ways and facilities	99,486	88,905	62,995	25,910
Deficiency of revenues under expenditures	(27,027)	(5,509)	(13,264)	(7,755)
Net change in fund balance	\$ (27,027)	(5,509)	(13,264)	(7,755)

COUNTY OF SACRAMENTO
TRANSIENT-OCCUPANCY TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 5,500	4,590	4,467	(123)
Use of money and property	35	35	29	(6)
Miscellaneous	<u>350</u>	<u>350</u>	<u>352</u>	<u>2</u>
Total revenues	<u>5,885</u>	<u>4,975</u>	<u>4,848</u>	<u>(127)</u>
Expenditures:				
Current:				
Recreation and culture	6,314	6,794	2,074	4,720
Principal	<u>2,983</u>	<u>2,983</u>		<u>2,983</u>
Total expenditures	<u>9,297</u>	<u>9,777</u>	<u>2,074</u>	<u>7,703</u>
Excess (deficiency) of revenues over (under) expenditures	(3,412)	(4,802)	2,774	7,576
Other financing sources (uses):				
Transfers out	(90)	(90)	(90)	
Issuance of debt	<u>2,917</u>	<u>2,917</u>		<u>(2,917)</u>
Total other financing sources (uses)	<u>2,827</u>	<u>2,827</u>	<u>(90)</u>	<u>(2,917)</u>
Net change in fund balance	<u>\$ (585)</u>	<u>(1,975)</u>	<u>2,684</u>	<u>4,659</u>

COUNTY OF SACRAMENTO
BUILDING INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		29	29
Licenses and permits	12,424	9,335	9,954	619
Charges for sales and services	62	62	154	92
Miscellaneous			147	147
Total revenues	12,486	9,397	10,284	887
Expenditures:				
Current:				
Public protection:				
Protection and inspection	13,362	10,274	9,822	452
Excess (deficiency) of revenues over (under) expenditures	(876)	(877)	462	1,339
Net change in fund balance	\$ (876)	(877)	462	1,339

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FIXED ASSET FINANCING PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$		477	477
Charges for sales and services	18,799	18,799	18,799	
Miscellaneous	49,976	49,976		(49,976)
Total revenues	68,775	68,775	19,276	(49,499)
Expenditures:				
Capital outlay	70,610	70,612	21,113	49,499
Deficiency of revenues under expenditures	(1,835)	(1,837)	(1,837)	
Net change in fund balance	\$ (1,835)	(1,837)	(1,837)	

COUNTY OF SACRAMENTO
LIGHTING AND LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 301	301	349	48
Use of money and property	31	31	25	(6)
Intergovernmental	3	3	7	4
Charges for sales and services	2,730	2,730	2,878	148
Miscellaneous	263	264	258	(6)
Total revenues	3,328	3,329	3,517	188
Expenditures:				
General government	3,916	4,067	3,586	481
Deficiency of revenues under expenditures	(588)	(738)	(69)	669
Net change in fund balance	\$ (588)	(738)	(69)	669

COUNTY OF SACRAMENTO
PARK DISTRICTS AND PARK SERVICE AREAS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 7,823	7,415	7,527	112
Use of money and property	1,124	1,194	1,322	128
Intergovernmental	685	861	993	132
Charges for sales and services	5,721	6,113	4,968	(1,145)
Miscellaneous	894	957	1,257	300
Total revenues	16,247	16,540	16,067	(473)
Expenditures:				
Current:				
Recreation and culture	20,715	21,607	16,285	5,322
Total expenditures	20,715	21,607	16,285	5,322
Deficiency of revenues under expenditures	(4,468)	(5,067)	(218)	4,849
Net change in fund balance	\$ (4,468)	(5,067)	(218)	4,849

COUNTY OF SACRAMENTO
WATER AGENCIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 7,561	6,746	6,441	(305)
Use of money and property	735	735	519	(216)
Licenses and permits	1,180	1,180	1,003	(177)
Intergovernmental	132	132	100	(32)
Charges for sales and services	6,273	6,273	2,382	(3,891)
Miscellaneous			4	4
Total revenues	15,881	15,066	10,449	(4,617)
Expenditures:				
Current:				
Health and sanitation	18,109	18,627	5,440	13,187
Excess (deficiency) of revenues over (under) expenditures	(2,228)	(3,561)	5,009	8,570
Other financing sources (uses):				
Transfers in	100	100	100	
Transfers out	(7,640)	(7,640)	(7,640)	
Total other financing sources (uses)	(7,540)	(7,540)	(7,540)	
Net change in fund balance	\$ (9,768)	(11,101)	(2,531)	8,570

COUNTY OF SACRAMENTO
STORMWATER UTILITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$		150	150
Use of money and property	174	174	196	22
Intergovernmental	12	12	72	60
Charges for sales and services	22,846	22,846	23,392	546
Miscellaneous	876	876	855	(21)
Total revenues	23,908	23,908	24,665	757
Expenditures:				
Current:				
General government	38,314	41,374	32,179	9,195
Deficiency of revenues under expenditures	(14,406)	(17,466)	(7,514)	9,952
Other financing sources:				
Transfers in	8,508	8,508	8,508	
Net change in fund balance	\$ (5,898)	(8,958)	994	9,952

**COUNTY OF SACRAMENTO
TOBACCO SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 997	997	1,060	63
Miscellaneous			951	951
Total revenues	<u>997</u>	<u>997</u>	<u>2,011</u>	<u>1,014</u>
Expenditures:				
Current:				
General government				
Finance	<u>7,795</u>	<u>7,795</u>	<u>7,415</u>	<u>380</u>
Deficiency of revenues under expenditures	(6,798)	(6,798)	(5,404)	1,394
Other financing sources (uses):				
Transfers in	5,156	5,156	5,156	
Transfers out	<u>(6,597)</u>	<u>(6,597)</u>	<u>(6,597)</u>	
Total other financing sources (uses)	<u>(1,441)</u>	<u>(1,441)</u>	<u>(1,441)</u>	
Net change in fund balance	<u>\$ (8,239)</u>	<u>(8,239)</u>	<u>(6,845)</u>	<u>1,394</u>

**COUNTY OF SACRAMENTO
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 436	436	202	(234)
Intergovernmental	23,760	24,598	22,830	(1,768)
Charges for sales and services	586	604	366	(238)
Miscellaneous	2,026	1,719	2,007	288
Total revenues	26,808	27,357	25,405	(1,952)
Expenditures:				
Current:				
Public assistance	32,502	33,554	31,215	2,339
Deficiency of revenues under expenditures	(5,694)	(6,197)	(5,810)	387
Other financing sources (uses):				
Transfers in	5,924	5,924	5,553	(371)
Transfers out	(393)	(393)	(393)	
Total other financing sources (uses)	5,531	5,531	5,160	(371)
Net change in fund balance	\$ (163)	(666)	(650)	16

**COUNTY OF SACRAMENTO
GOLF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 4,409	4,408	3,904	(504)
Charges for sales and services	4,099	4,382	3,638	(744)
Miscellaneous			110	110
Total revenues	8,508	8,790	7,652	(1,138)
Expenditures:				
Current:				
Recreation and culture	7,597	7,061	6,653	408
Excess of revenues over expenditures	911	1,729	999	(730)
Other financing uses:				
Transfers out	(999)	(999)	(999)	
Net change in fund balance	\$ (88)	730		(730)

**COUNTY OF SACRAMENTO
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 3,355	3,582	2,726	(856)
Licenses and permits	40	40	116	76
Intergovernmental	21,915	22,020	5,267	(16,753)
Charges for sales and services	810	810	1,202	392
Miscellaneous	4,842	7,360	6,669	(691)
Total revenues	30,962	33,812	15,980	(17,832)
Expenditures:				
Current:				
General government	45,784	45,610	17,146	28,464
Deficiency of revenues under expenditures	(14,822)	(11,798)	(1,166)	10,632
Other financing sources (uses):				
Transfers in	2,615	2,615	2,615	
Transfers out	(140)	(140)	(140)	
Total other financing sources (uses)	2,475	2,475	2,475	
Net change in fund balance	\$ (12,347)	(9,323)	1,309	10,632

**COUNTY OF SACRAMENTO
ROADWAY FEE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 396	701	295	(406)
Licenses and permits	1,460	533	353	(180)
Miscellaneous	<u>206</u>	<u>130</u>	<u>249</u>	<u>119</u>
Total revenues	2,062	1,364	897	(467)
Expenditures:				
Current:				
Public ways and facilities	<u>14,660</u>	<u>17,354</u>	<u>3,523</u>	<u>13,831</u>
Deficiency of revenues under expenditures	<u>(12,598)</u>	<u>(15,990)</u>	<u>(2,626)</u>	<u>13,364</u>
Net change in fund balance	<u>\$ (12,598)</u>	<u>(15,990)</u>	<u>(2,626)</u>	<u>13,364</u>

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 1	1	1	
Pledged tobacco settlement proceeds	12,393	12,393	12,393	
Total revenues	12,394	12,394	12,394	
Expenditures:				
Current:				
Health and sanitation	174	174	174	
Excess of revenues over expenditures	12,220	12,220	12,220	
Other financing uses:				
Transfers out	(12,128)	(12,128)	(12,128)	
Net change in fund balance	\$ 92	92	92	

COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		68	68
Licenses and permits	13,568	13,568	13,492	(76)
Intergovernmental	461	461	9	(452)
Charges for sales and services	795	795	762	(33)
Miscellaneous	2,038	2,038	3,443	1,405
Total revenues	16,862	16,862	17,774	912
Expenditures:				
Current:				
Health and sanitation	17,277	16,660	15,691	969
Excess (deficiency) of revenues over (under) expenditures	(415)	202	2,083	1,881
Other financing uses:				
Transfers out	(661)	(661)	(661)	
Total other financing uses	(661)	(661)	(661)	
Net change in fund balance	\$ (1,076)	(459)	1,422	1,881

**COUNTY OF SACRAMENTO
OTHER SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 1,551	1,551	2,067	516
Use of money and property	23	24	46	22
Intergovernmental	2,005	1,826	1,780	(46)
Charges for sales and services	696	705	169	(536)
Fines, forfeitures and penalties	29	24	15	(9)
Total revenues	4,304	4,130	4,077	(53)
Expenditures:				
Current:				
General government	472	416	122	294
Public protection	1,566	2,432	2,432	
Health and sanitation	2,016	2,515	1,971	544
Public ways and facilities	3,650	4,674	2,139	2,535
Recreation and culture	30	30	30	
Total expenditures	7,734	10,067	6,694	3,373
Deficiency of revenues under expenditures	(3,430)	(5,937)	(2,617)	3,320
Other financing uses:				
Transfers out	(15)	(15)	(15)	
Net change in fund balance	\$ (3,445)	(5,952)	(2,632)	3,320

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Public Facilities Financing Program - Services the debt associated with the Public Facilities Financing Corporation's 1997, 2003, 2006, 2007 and 2010 Public Facilities Financing funds.

Pension Obligation Bonds - Services the debt related to Pension Obligation Bonds issued to pay off the unfounded 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 - Established in 2001-02 fiscal year to service debt associated with the securitization of tobacco settlement agreement payments.

Sacramento County Public Financing Authority - Established in 2003-04 fiscal year to service debt associated with housing and redevelopment projects throughout Sacramento County.

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporation								
	1997 Public								
	Main Jail	Cherry Island Golf Course	Juvenile Courthouse	Facilities Refunding	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 COP Refunding
Assets:									
Cash and investments	\$ 148	20	2,245	7,257	3,299	997	6,526	3,945	11,350
Long-term receivables									
Total assets	<u>\$ 148</u>	<u>20</u>	<u>2,245</u>	<u>7,257</u>	<u>3,299</u>	<u>997</u>	<u>6,526</u>	<u>3,945</u>	<u>11,350</u>
Liabilities and fund balances:									
Liabilities:									
Warrants payable									
Accrued liabilities									
Intergovernmental payable									53
Due to other funds	\$ 47	20							
Deferred revenues									
Total liabilities	<u>47</u>	<u>20</u>							<u>53</u>
Fund balances:									
Reserved for:									
Assets not available									
Debt service	101		2,245	7,257	3,299	997	6,526	3,945	11,297
Total fund balances	<u>101</u>		<u>2,245</u>	<u>7,257</u>	<u>3,299</u>	<u>997</u>	<u>6,526</u>	<u>3,945</u>	<u>11,297</u>
Total liabilities and fund balances	<u>\$ 148</u>	<u>20</u>	<u>2,245</u>	<u>7,257</u>	<u>3,299</u>	<u>997</u>	<u>6,526</u>	<u>3,945</u>	<u>11,350</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Assets:					
Cash and investments	\$ 9,724	447	21,756	7,744	75,458
Long-term receivables		56,420		86,139	142,559
Total assets	<u>\$ 9,724</u>	<u>56,867</u>	<u>21,756</u>	<u>93,883</u>	<u>218,017</u>
Liabilities and fund balances:					
Liabilities:					
Warrants payable	\$ 2				2
Accrued liabilities	15				15
Intergovernmental payable					53
Due to other funds					67
Deferred revenues				86,139	86,139
Total liabilities	<u>17</u>			<u>86,139</u>	<u>86,276</u>
Fund balances:					
Reserved for:					
Assets not available		56,420			56,420
Debt service	9,707	447	21,756	7,744	75,321
Total fund balances	<u>9,707</u>	<u>56,867</u>	<u>21,756</u>	<u>7,744</u>	<u>131,741</u>
Total liabilities and fund balances	<u>\$ 9,724</u>	<u>56,867</u>	<u>21,756</u>	<u>93,883</u>	<u>218,017</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Public Facilities Financing Corporation

Page 1 of 2

	Main Jail	Cherry Island Golf Course	Juvenile Courthouse	1997 Public Facilities Refunding	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 COP Refunding
Revenues:									
Use of money and property	\$ 33		16	387	224	8	52		2
Intergovernmental									
Fines, forfeitures and penalties									
Miscellaneous									
Total revenues	<u>33</u>	<u></u>	<u>16</u>	<u>387</u>	<u>224</u>	<u>8</u>	<u>52</u>	<u></u>	<u>2</u>
Expenditures:									
Debt service:									
Principal		460	740	2,610	2,235	315	1,455	765	
Bond issuance costs									1,217
Interest and fiscal charges	636	343	1,479	3,713	1,246	647	1,678	2,256	
Total expenditures	<u>636</u>	<u>803</u>	<u>2,219</u>	<u>6,323</u>	<u>3,481</u>	<u>962</u>	<u>3,133</u>	<u>3,021</u>	<u>1,217</u>
Deficiency of revenues under expenditures	<u>(603)</u>	<u>(803)</u>	<u>(2,203)</u>	<u>(5,936)</u>	<u>(3,257)</u>	<u>(954)</u>	<u>(3,081)</u>	<u>(3,021)</u>	<u>(1,215)</u>
Other financing sources (uses):									
Transfers in	5,328	797	2,231	6,338	3,048	978	3,144	3,022	
Transfers out	(4,647)							(138)	(20)
Issuance of debt									
Refunding debt issued									123,950
Premiums on debt issued									1,770
Swap termination payment									(10,180)
Payment to refunded bonds escrow agent									(103,008)
Total other financing sources (uses)	<u>681</u>	<u>797</u>	<u>2,231</u>	<u>6,338</u>	<u>3,048</u>	<u>978</u>	<u>3,144</u>	<u>2,884</u>	<u>12,512</u>
Net change in fund balances	78	(6)	28	402	(209)	24	63	(137)	11,297
Fund balances - beginning	23	6	2,217	6,855	3,508	973	6,463	4,082	
Fund balances - ending	<u>\$ 101</u>	<u></u>	<u>2,245</u>	<u>7,257</u>	<u>3,299</u>	<u>997</u>	<u>6,526</u>	<u>3,945</u>	<u>11,297</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Revenues:					
Use of money and property	\$ 366	2	19	1	1,110
Intergovernmental	7,910			6,395	14,305
Fines, forfeitures and penalties		12,798			12,798
Miscellaneous	3,429				3,429
Total revenues	<u>11,705</u>	<u>12,800</u>	<u>19</u>	<u>6,396</u>	<u>31,642</u>
Expenditures:					
Debt service:					
Principal	13,185	57,851	120	1,620	81,356
Bond issuance costs					1,217
Interest and fiscal charges	79,476	806	12,031	4,776	109,087
Total expenditures	<u>92,661</u>	<u>58,657</u>	<u>12,151</u>	<u>6,396</u>	<u>191,660</u>
Deficiency of revenues under expenditures	<u>(80,956)</u>	<u>(45,857)</u>	<u>(12,132)</u>		<u>(160,018)</u>
Other financing sources (uses):					
Transfers in	82,599		12,128		119,613
Transfers out		(20,623)			(25,428)
Issuance of debt		64,470			64,470
Refunding debt issued					123,950
Premiums on debt issued					1,770
Swap termination payment					(10,180)
Payment to refunded bonds escrow agent					(103,008)
Total other financing sources (uses)	<u>82,599</u>	<u>43,847</u>	<u>12,128</u>		<u>171,187</u>
Net change in fund balances	<u>1,643</u>	<u>(2,010)</u>	<u>(4)</u>		<u>11,169</u>
Fund balances - beginning	<u>8,064</u>	<u>58,877</u>	<u>21,760</u>	<u>7,744</u>	<u>120,572</u>
Fund balances - ending	<u>\$ 9,707</u>	<u>56,867</u>	<u>21,756</u>	<u>7,744</u>	<u>131,741</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
MAIN JAIL DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>33</u>	<u>33</u>
Expenditures:				
Debt service:				
Principal	4,055	4,055		4,055
Interest and fiscal charges	<u>636</u>	<u>636</u>	<u>636</u>	<u></u>
Total expenditures	<u>4,691</u>	<u>4,691</u>	<u>636</u>	<u>4,055</u>
Deficiency of revenues under expenditures	(4,691)	(4,691)	(603)	4,088
Other financing sources (uses):				
Transfers in	5,328	5,328	5,328	
Transfers out	<u>(4,647)</u>	<u>(4,647)</u>	<u>(4,647)</u>	<u></u>
Total other financing sources (uses)	<u>681</u>	<u>681</u>	<u>681</u>	<u></u>
Net change in fund balance	<u>\$ (4,010)</u>	<u>(4,010)</u>	<u>78</u>	<u>4,088</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
CHERRY ISLAND GOLF COURSE DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 1	1		(1)
Expenditures:				
Debt service:				
Principal	460	460	460	
Interest and fiscal charges	317	343	343	
Total expenditures	777	803	803	
Deficiency of revenues under expenditures	(776)	(802)	(803)	(1)
Other financing sources:				
Transfers in	777	777	797	20
Net change in fund balance	\$ 1	(25)	(6)	19

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
JUVENILE COURTHOUSE DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		16	16
Expenditures:				
Debt service:				
Principal	740	740	740	
Interest and fiscal charges	1,557	1,490	1,479	11
Total expenditures	2,297	2,230	2,219	11
Deficiency of revenues under expenditures	(2,297)	(2,230)	(2,203)	27
Other financing sources:				
Transfers in	2,231	2,231	2,231	
Net change in fund balance	\$ (66)	1	28	27

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1997 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$	11	387	376
Expenditures:				
Debt service:				
Principal	2,610	2,610	2,610	
Interest and fiscal charges	3,976	3,723	3,713	10
Total expenditures	6,586	6,333	6,323	10
Deficiency of revenues under expenditures	(6,586)	(6,322)	(5,936)	386
Other financing sources:				
Transfers in	6,338	6,338	6,338	
Net change in fund balance	\$ (248)	16	402	386

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1997 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		224	224
Expenditures:				
Debt service:				
Principal	2,235	2,235	2,235	
Interest and fiscal charges	959	1,289	1,246	43
Total expenditures	3,194	3,524	3,481	43
Deficiency of revenues under expenditures	(3,194)	(3,524)	(3,257)	267
Other financing sources:				
Transfers in	3,048	3,048	3,048	
Net change in fund balance	\$ (146)	(476)	(209)	267

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2003 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	<u>\$</u>		<u>8</u>	<u>8</u>
Expenditures:				
Debt service:				
Principal	315	315	315	
Interest and fiscal charges	<u>691</u>	<u>670</u>	<u>647</u>	<u>23</u>
Total expenditures	<u>1,006</u>	<u>985</u>	<u>962</u>	<u>23</u>
Deficiency of revenues under expenditures	(1,006)	(985)	(954)	31
Other financing sources:				
Transfers in	<u>978</u>	<u>978</u>	<u>978</u>	
Net change in fund balance	<u>\$ (28)</u>	<u>(7)</u>	<u>24</u>	<u>31</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2006 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		52	52
Expenditures:				
Debt service:				
Principal	1,455	1,455	1,455	
Interest and fiscal charges	3,224	5,292	1,678	3,614
Total expenditures	4,679	6,747	3,133	3,614
Deficiency of revenues under expenditures	(4,679)	(6,747)	(3,081)	3,666
Other financing sources:				
Transfers in	3,144	3,144	3,144	
Net change in fund balance	\$ (1,535)	(3,603)	63	3,666

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2007 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 141	141		(141)
Expenditures:				
Debt service:				
Principal	765	765	765	
Interest and fiscal charges	2,574	3,333	2,256	1,077
Deficiency of revenues under expenditures	(3,198)	(3,957)	(3,021)	936
Other financing sources (uses):				
Transfers in	3,022	3,022	3,022	
Transfers out	(138)	(138)	(138)	
Total other financing sources (uses)	2,884	2,884	2,884	
Net change in fund balance	\$ (314)	(1,073)	(137)	936

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2010 COP REFUNDING
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		2	2
Total revenues			2	2
Expenditures:				
Debt service:				
Bond issuance costs		1,217	1,217	
Total expenditures		1,217	1,217	
Deficiency of revenues under expenditures		(1,217)	(1,215)	2
Other financing sources (uses):				
Transfers out	(20)	(20)	(20)	
Issuance of debt				
Refunding debt issued	123,950	123,950	123,950	
Premiums on debt issued		1,770	1,770	
Payment to refunded bonds escrow agent		(103,008)	(103,008)	
Swap termination payment	(10,180)	(10,180)	(10,180)	
Total other financing sources (uses)	113,750	12,512	12,512	
Net change in fund balance	\$ 113,750	11,295	11,297	2

COUNTY OF SACRAMENTO
PENSION OBLIGATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		366	366
Intergovernmental	7,910	7,910	7,910	
Miscellaneous			3,429	3,429
Total revenues	<u>7,910</u>	<u>7,910</u>	<u>11,705</u>	<u>3,795</u>
Expenditures:				
Debt service:				
Principal	13,185	13,185	13,185	
Interest and fiscal charges	84,961	89,658	79,476	10,182
Bond issuance costs				
Total expenditures	<u>98,146</u>	<u>102,843</u>	<u>92,661</u>	<u>10,182</u>
Deficiency of revenues under expenditures	<u>(90,236)</u>	<u>(94,933)</u>	<u>(80,956)</u>	<u>13,977</u>
Other financing sources:				
Transfers in	<u>87,599</u>	<u>87,599</u>	<u>82,599</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ (2,637)</u>	<u>(7,334)</u>	<u>1,643</u>	<u>8,977</u>

**COUNTY OF SACRAMENTO
TEETER PLAN DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		2	2
Fines, forfeitures and penalties	39,752	39,752	12,798	(26,954)
Total revenues	39,752	39,752	12,800	(26,952)
Expenditures:				
Debt service:				
Principal	82,654	86,056	57,851	28,205
Interest and fiscal charges	1,623	806	806	
Total expenditures	84,277	86,862	58,657	28,205
Deficiency of revenues under expenditures	(44,525)	(47,110)	(45,857)	1,253
Other financing sources (uses):				
Transfers in				
Transfers out	(20,623)	(20,623)	(20,623)	
Issuance of debt	64,470	64,470	64,470	
Total other financing sources (uses)	43,847	43,847	43,847	
Net change in fund balance	\$ (678)	(3,263)	(2,010)	1,253

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	<u>\$ 19</u>	<u>19</u>	<u>19</u>	
Expenditures:				
Debt service:				
Principal	120	120	120	
Interest and fiscal charges	<u>12,031</u>	<u>12,031</u>	<u>12,031</u>	
Total expenditures	<u>12,151</u>	<u>12,151</u>	<u>12,151</u>	
Deficiency of revenues under expenditures	(12,132)	(12,132)	(12,132)	
Other financing sources:				
Transfers in	<u>12,128</u>	<u>12,128</u>	<u>12,128</u>	
Net change in fund balance	<u>\$ (4)</u>	<u>(4)</u>	<u>(4)</u>	

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		1	1
Intergovernmental	6,395	6,395	6,395	
Total revenues	6,395	6,395	6,396	1
Expenditures:				
Debt service:				
Principal	1,620	1,620	1,620	
Interest and fiscal charges	4,776	4,776	4,776	
Total expenditures	6,396	6,396	6,396	
Deficiency of revenues under expenditures	(1)	(1)		1
Net change in fund balance	\$ (1)	(1)		1

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

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CAPITAL PROJECTS FUNDS

Improvement Bond Act of 1911 - Accounts for construction activity in various special assessment districts where monies have been received under the 1911 Improvement Bond Act from special assessment district property owners.

Improvement Bond Act of 1915 - Accounts for construction activity in various special assessment districts where monies have been received from special assessment district property owners under the 1915 Improvement Bond Act.

Metro Air Park Community Facilities District - Accounts for construction activity in the Metro Air Park Community Facilities District.

Laguna Stonelake Community Facilities District - Accounts for construction activity in the Laguna Stonelake Community Facilities District.

Park Meadows Community Facilities District - Accounts for construction activity in the Park Meadows Community Facilities District.

Laguna Community Facilities District - Accounts for construction activity in the Laguna Community Facilities District.

Laguna Creek Ranch/Elliott Ranch Community Facilities District Number One and Two - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.

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.

1997 Public Facilities - Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.

2007 Public Facilities - Accounts for construction of the Animal Care Facility and Youth Detention Facility expansion.

Tobacco Litigation Settlement - Accounts for construction projects from the Tobacco Litigation Settlement Securitization proceeds including the Juvenile Court Facility and the Primary Care Clinic.

McClellan Community Facilities District - Accounts for infrastructure construction activity in the McClellan Community Facilities District.

Sacramento County Landscape Maintenance Community Facilities District - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance Community Facilities District.

Metro Air Park Service Tax - Accounts for landscape maintenance activity within the Metro Air Park Community Facilities District.

North Vineyard SSP CFD - Accounts for public road improvements in the North Vineyard area of the County that are funded by development impact fees.

County Parks CFD - No. 2006-1 - Accounts for construction and maintenance of parks, trails, and open space in the Southeast County area.

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Storelake CFD	Park Meadows CFD	Laguna Community Facilities District	Laguna Creek Ranch/Elliott Ranch Community Facilities District No. One and Two
Assets:							
Cash and investments	\$ 215	2,093	22,337	129	134	1,282	5,617
Receivables, net of allowance for uncollectibles:							
Billed							
Interest							5
Intergovernmental							
Due from other funds							
Long-term advances to other funds		2,300					
Total assets	<u>\$ 215</u>	<u>4,393</u>	<u>22,337</u>	<u>129</u>	<u>134</u>	<u>1,282</u>	<u>5,622</u>
Liabilities and fund balances:							
Liabilities:							
Warrants payable	\$						
Accrued liabilities							1
Intergovernmental payable	31	3,725			(17)		
Due to other funds		51	67	28	15	12	73
Total liabilities	<u>31</u>	<u>3,776</u>	<u>67</u>	<u>28</u>	<u>(2)</u>	<u>12</u>	<u>74</u>
Fund balances:							
Reserved for:							
Encumbrances			1,422				
Assets not available		2,300					
Future construction	184		20,848	101	136	1,270	3,098
Unreserved:							
Undesignated		(1,683)					2,450
Total fund balances	<u>184</u>	<u>617</u>	<u>22,270</u>	<u>101</u>	<u>136</u>	<u>1,270</u>	<u>5,548</u>
Total liabilities and fund balances	<u>\$ 215</u>	<u>4,393</u>	<u>22,337</u>	<u>129</u>	<u>134</u>	<u>1,282</u>	<u>5,622</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 3

	<u>Public Facilities Financing</u>					
	Accumulated Capital Outlay	Community Fee Districts	1997 Public Facilities	2007 Public Facilities	Tobacco Litigation Settlement	McClellan CFD
Assets:						
Cash and investments	\$ 20,147	12,771	1,315	4,899	26,532	1,151
Receivables, net of allowance for uncollectibles:						
Billed		102				
Interest						
Intergovernmental	1,840					
Due from other funds	765					
Long-term advances to other funds		1,992				
Total assets	<u>\$ 22,752</u>	<u>14,865</u>	<u>1,315</u>	<u>4,899</u>	<u>26,532</u>	<u>1,151</u>
Liabilities and fund balances:						
Liabilities:						
Warrants payable	\$ 9					
Accrued liabilities	3,398					
Intergovernmental payable	4,453	1,737				
Due to other funds	803	11				14
Total liabilities	<u>8,663</u>	<u>1,748</u>				<u>14</u>
Fund balances:						
Reserved for:						
Encumbrances	6,193	468				
Assets not available		1,992				
Future construction	7,896	10,657	1,315	4,899	26,532	1,137
Unreserved:						
Undesignated						
Total fund balances	<u>14,089</u>	<u>13,117</u>	<u>1,315</u>	<u>4,899</u>	<u>26,532</u>	<u>1,137</u>
Total liabilities and fund balances	<u>\$ 22,752</u>	<u>14,865</u>	<u>1,315</u>	<u>4,899</u>	<u>26,532</u>	<u>1,151</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)

Page 3 of 3

	Sacramento County Landscape Maintenance CFD	Metro Air Park Service Tax	North Vineyard SSP CFD	County Parks CFD - No. 2006-1	Total
Assets:					
Cash and investments	\$ 475	868	1,595	51	101,611
Receivables, net of allowance for uncollectibles:					
Billed					102
Interest					5
Intergovernmental					1,840
Due from other funds					765
Long-term advances to other funds					4,292
Total assets	<u>\$ 475</u>	<u>868</u>	<u>1,595</u>	<u>51</u>	<u>108,615</u>
Liabilities and fund balances:					
Liabilities:					
Warrants payable	\$				9
Accrued liabilities	1				3,400
Intergovernmental payable				49	9,978
Due to other funds	12	12	14		1,112
Total liabilities	<u>13</u>	<u>12</u>	<u>14</u>	<u>49</u>	<u>14,499</u>
Fund balances:					
Reserved for:					
Encumbrances					8,083
Assets not available					4,292
Future construction	462	856	1,581	2	80,974
Unreserved:					
Undesignated					767
Total fund balances	<u>462</u>	<u>856</u>	<u>1,581</u>	<u>2</u>	<u>94,116</u>
Total liabilities and fund balances	<u>\$ 475</u>	<u>868</u>	<u>1,595</u>	<u>51</u>	<u>108,615</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna Community Facilities District	Laguna Creek Ranch/Elliott Ranch Community
Revenues:							
Use of money and property	\$ 1	9	25	1	2	15	10
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Miscellaneous		72	421	151	67		665
Total revenues	1	81	446	152	69	15	675
Expenditures:							
Public ways and facilities						65	994
Capital outlay		292	12,786	145	91		
Total expenditures		292	12,786	145	91	65	994
Excess (deficiency) of revenues over (under) expenditures	1	(211)	(12,340)	7	(22)	(50)	(319)
Other financing sources (uses):							
Transfers in		12					
Transfers out		(10)					
Total other financing sources (uses)		2					
Net change in fund balances	1	(209)	(12,340)	7	(22)	(50)	(319)
Fund balances - beginning	183	826	34,610	94	158	1,320	5,867
Fund balances - ending	\$ 184	617	22,270	101	136	1,270	5,548

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 3

	<u>Public Facilities Financing</u>					
	Accumulated Capital Outlay	Community Fee Districts	1997 Public Facilities	2007 Public Facilities	Tobacco Litigation Settlement	McClellan CFD
Revenues:						
Use of money and property	\$ 148	117	16	34	60	3
Intergovernmental	5,481	187				
Charges for sales and services	264	254				
Fines, forfeitures and penalties	2,164					
Miscellaneous	20,173					93
Total revenues	<u>28,230</u>	<u>558</u>	<u>16</u>	<u>34</u>	<u>60</u>	<u>96</u>
Expenditures:						
Public ways and facilities						
Capital outlay	15,808	1,022	390	2,844	22,159	77
Total expenditures	<u>15,808</u>	<u>1,022</u>	<u>390</u>	<u>2,844</u>	<u>22,159</u>	<u>77</u>
Excess (deficiency) of revenues over (under)						
expenditures	<u>12,422</u>	<u>(464)</u>	<u>(374)</u>	<u>(2,810)</u>	<u>(22,099)</u>	<u>19</u>
Other financing sources (uses):						
Transfers in				138		
Transfers out	(13,762)					
Total other financing sources (uses)	<u>(13,762)</u>			<u>138</u>		
Net change in fund balances	(1,340)	(464)	(374)	(2,672)	(22,099)	19
Fund balances - beginning	15,429	13,581	1,689	7,571	48,631	1,118
Fund balances - ending	<u>\$ 14,089</u>	<u>13,117</u>	<u>1,315</u>	<u>4,899</u>	<u>26,532</u>	<u>1,137</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 3 of 3

	Sacramento County Landscape Maintenance CFD	Metro Air Park Service Tax	North Vineyard SSP CFD	County Parks CFD - No. 2006-1	Total
Revenues:					
Use of money and property	\$ 4	8	7		460
Intergovernmental					5,668
Charges for sales and services	193	101			812
Fines, forfeitures and penalties					2,164
Miscellaneous			103		21,745
Total revenues	<u>197</u>	<u>109</u>	<u>110</u>		<u>30,849</u>
Expenditures:					
Public ways and facilities					1,059
Capital outlay	118	133	83		55,948
Total expenditures	<u>118</u>	<u>133</u>	<u>83</u>		<u>57,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79</u>	<u>(24)</u>	<u>27</u>		<u>(26,158)</u>
Other financing sources (uses):					
Transfers in					150
Transfers out					(13,772)
Total other financing sources (uses)					(13,622)
Net change in fund balances	<u>79</u>	<u>(24)</u>	<u>27</u>		<u>(39,780)</u>
Fund balances - beginning	<u>383</u>	<u>880</u>	<u>1,554</u>	<u>2</u>	<u>133,896</u>
Fund balances - ending	<u>\$ 462</u>	<u>856</u>	<u>1,581</u>	<u>2</u>	<u>94,116</u>

**COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1911 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$</u>	<u></u>	<u>1</u>	<u>1</u>

**COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1915 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 7	6	9	3
Miscellaneous		994	72	(922)
Total revenues	7	1,000	81	(919)
Expenditures:				
Capital outlay	2,026	2,010	292	1,718
Deficiency of revenues under expenditures	(2,019)	(1,010)	(211)	799
Other financing sources (uses):				
Transfers in	12	12	12	
Transfers out	(10)	(10)	(10)	
Total other financing sources (uses)	2	2	2	
Net change in fund balance	\$ (2,017)	(1,008)	(209)	799

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
METRO AIR PARK COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 110	110	25	(85)
Miscellaneous	<u>300</u>	<u>300</u>	<u>421</u>	<u>121</u>
Total revenues	410	410	446	36
 Expenditures:				
Capital outlay	<u>36,906</u>	<u>35,034</u>	<u>12,786</u>	<u>22,248</u>
 Net change in fund balance	<u>\$ (36,496)</u>	<u>(34,624)</u>	<u>(12,340)</u>	<u>22,284</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA STONELAKE COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 2	2	1	(1)
Miscellaneous	<u>130</u>	<u>130</u>	<u>151</u>	<u>21</u>
Total revenues	132	132	152	20
Expenditures:				
Capital outlay	<u>226</u>	<u>225</u>	<u>145</u>	<u>80</u>
Net change in fund balance	<u>\$ (94)</u>	<u>(93)</u>	<u>7</u>	<u>100</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
PARK MEADOWS COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 2	2	2	
Miscellaneous	61	61	67	6
Total revenues	63	63	69	6
Expenditures:				
Capital outlay	209	218	91	127
Net change in fund balance	\$ (146)	(155)	(22)	133

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	<u>\$ 50</u>	<u>50</u>	<u>15</u>	<u>(35)</u>
Total revenues	<u>50</u>	<u>50</u>	<u>15</u>	<u>(35)</u>
Expenditures:				
Public ways and facilities	<u>4,650</u>	<u>1,370</u>	<u>65</u>	<u>1,305</u>
Net change in fund balance	<u>\$ (4,600)</u>	<u>(1,320)</u>	<u>(50)</u>	<u>1,270</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA CREEK RANCH/ELLIOTT RANCH COMMUNITY FACILITIES
DISTRICT NUMBER ONE AND TWO CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 40	40	10	(30)
Miscellaneous	<u>465</u>	<u>485</u>	<u>665</u>	<u>180</u>
Total revenues	505	525	675	150
 Expenditures:				
Public ways and facilities	<u>3,302</u>	<u>3,287</u>	<u>994</u>	<u>2,293</u>
 Net change in fund balance	<u>\$ (2,797)</u>	<u>(2,762)</u>	<u>(319)</u>	<u>2,443</u>

COUNTY OF SACRAMENTO
ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 125	125	148	23
Intergovernmental	6,554	5,684	5,481	(203)
Charges for sales and services			264	264
Fines, forfeitures and penalties	3,900	3,900	2,164	(1,736)
Miscellaneous	20,306	22,402	20,173	(2,229)
Total revenues	<u>30,885</u>	<u>32,111</u>	<u>28,230</u>	<u>(3,881)</u>
Expenditures:				
Capital outlay	<u>33,417</u>	<u>34,829</u>	<u>15,808</u>	<u>19,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,532)</u>	<u>(2,718)</u>	<u>12,422</u>	<u>15,140</u>
Other financing sources (uses):				
Transfers out	(13,762)	(13,762)	(13,762)	
Issuance of debt	<u>202</u>	<u>102</u>		<u>(102)</u>
Total other financing sources (uses)	<u>(13,560)</u>	<u>(13,660)</u>	<u>(13,762)</u>	<u>(102)</u>
Net change in fund balance	<u>\$ (16,092)</u>	<u>(16,378)</u>	<u>(1,340)</u>	<u>15,038</u>

COUNTY OF SACRAMENTO
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 52	51	117	66
Intergovernmental			187	187
Charges for sales and services			254	254
Total revenues	<u>52</u>	<u>51</u>	<u>558</u>	<u>507</u>
Expenditures:				
Capital outlay	<u>10,526</u>	<u>13,633</u>	<u>1,022</u>	<u>12,611</u>
Net change in fund balance	<u>\$ (10,474)</u>	<u>(13,582)</u>	<u>(464)</u>	<u>13,118</u>

COUNTY OF SACRAMENTO
1997 PUBLIC FACILITIES FINANCING CORPORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		16	16
Total revenues			16	16
Expenditures:				
Capital outlay	1,075	1,689	390	1,299
Net change in fund balance	\$ (1,075)	(1,689)	(374)	1,315

COUNTY OF SACRAMENTO
2007 PUBLIC FACILITIES FINANCING CORPORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		34	34
Total revenues			34	34
Expenditures:				
Capital outlay	3,476	7,570	2,844	4,726
Deficiency of revenues under expenditures	(3,476)	(7,570)	(2,810)	4,760
Other financing sources:				
Transfers in	138	138	138	
Net change in fund balance	\$ (3,338)	(7,432)	(2,672)	4,760

COUNTY OF SACRAMENTO
TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	<u>\$</u>	<u></u>	<u>60</u>	<u>60</u>
Expenditures:				
Capital outlay	<u>48,663</u>	<u>48,629</u>	<u>22,159</u>	<u>26,470</u>
Net change in fund balance	<u><u>\$ (48,663)</u></u>	<u><u>(48,629)</u></u>	<u><u>(22,099)</u></u>	<u><u>26,530</u></u>

COUNTY OF SACRAMENTO
McCLELLAN CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 5	5	3	(2)
Miscellaneous	110	110	93	(17)
Total revenues	115	115	96	(19)
Expenditures:				
Capital outlay	1,225	1,234	77	1,157
Net change in fund balance	\$ (1,110)	(1,119)	19	1,138

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 2	2	4	2
Charges for sales and services	190	190	193	3
Total revenues	192	192	197	5
Expenditures:				
Capital outlay	292	260	118	142
Net change in fund balance	\$ (100)	(68)	79	147

COUNTY OF SACRAMENTO
METRO AIR PARK SERVICE TAX CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 4	4	8	4
Charges for sales and services	200	110	101	(9)
Total revenues	204	114	109	(5)
Expenditures:				
Capital outlay	1,079	994	133	861
Net change in fund balance	\$ (875)	(880)	(24)	856

COUNTY OF SACRAMENTO
NORTH VINEYARD SSP CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		7	7
Miscellaneous	89	88	103	15
Total revenues	<u>89</u>	<u>88</u>	<u>110</u>	<u>22</u>
Expenditures:				
Capital outlay	<u>244</u>	<u>1,641</u>	<u>83</u>	<u>1,558</u>
Net change in fund balance	<u>\$ (155)</u>	<u>(1,553)</u>	<u>27</u>	<u>1,580</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR ENTERPRISE FUNDS SECTION

NON-MAJOR ENTERPRISE FUNDS

Parking Enterprise - Accounts for all downtown parking facilities that generate revenues from user fees from both the public and County employees.

County Transit - Accounts for the operations of the South County Transit program.

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 771	318	1,089
Receivables, net of allowance for uncollectibles:			
Billed		39	39
Intergovernmental	1	1,289	1,290
Due from other funds	60		60
Total current assets	<u>832</u>	<u>1,646</u>	<u>2,478</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,309		1,309
Facilities, infrastructure, equipment and intangibles, net of depreciation and amortization	2,864	514	3,378
Total capital assets	<u>4,173</u>	<u>514</u>	<u>4,687</u>
Total noncurrent assets	<u>4,173</u>	<u>514</u>	<u>4,687</u>
Total assets	<u><u>\$ 5,005</u></u>	<u><u>2,160</u></u>	<u><u>7,165</u></u>
Liabilities:			
Current liabilities:			
Warrants payable	\$ 44	10	54
Accrued liabilities	54	118	172
Due to other funds	49	2	51
Current portion of long-term debt obligations	620		620
Total current liabilities	<u>767</u>	<u>130</u>	<u>897</u>
Noncurrent liabilities:			
Long-term debt obligations	1,499		1,499
Compensated absences	27		27
Other post employment benefits	4		4
Long-term advances from other funds	379		379
Total noncurrent liabilities	<u>1,909</u>	<u></u>	<u>1,909</u>
Total liabilities	<u>2,676</u>	<u>130</u>	<u>2,806</u>
Net assets:			
Invested in capital assets, net of related debt	1,638	514	2,152
Restricted for:			
Debt service	197		197
Transportation		1,213	1,213
Future construction		303	303
Unrestricted	494		494
Total net assets	<u>2,329</u>	<u>2,030</u>	<u>4,359</u>
Total liabilities and net assets	<u><u>\$ 5,005</u></u>	<u><u>2,160</u></u>	<u><u>7,165</u></u>

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 3,059	134	3,193
Other	3		3
Total operating revenues	<u>3,062</u>	<u>134</u>	<u>3,196</u>
Operating expenses:			
Salaries and benefits	430		430
Services and supplies	2,040	164	2,204
Depreciation and Amortization	302	160	462
Other	134	1,348	1,482
Total operating expenses	<u>2,906</u>	<u>1,672</u>	<u>4,578</u>
Operating income (loss)	<u>156</u>	<u>(1,538)</u>	<u>(1,382)</u>
Nonoperating revenues (expenses):			
Use of money and property	2	5	7
Intergovernmental	730	1,050	1,780
Sales / use tax		573	573
Interest expense	(107)		(107)
Other		18	18
Total nonoperating revenues	<u>625</u>	<u>1,646</u>	<u>2,271</u>
Income before transfers	781	108	889
Transfers out	<u>(22)</u>		<u>(22)</u>
Changes in net assets	759	108	867
Net assets, beginning of year	<u>1,570</u>	<u>1,922</u>	<u>3,492</u>
Net assets, end of year	<u><u>\$ 2,329</u></u>	<u><u>2,030</u></u>	<u><u>4,359</u></u>

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 3,059	104	3,163
Payments to suppliers	(2,055)	(1,483)	(3,538)
Payments to employees	(426)		(426)
Payments for interfund services used	(29)		(29)
Other (payments) receipts	(106)		(106)
Net cash provided by (used for) operating activities	<u>443</u>	<u>(1,379)</u>	<u>(936)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	730	1,515	2,245
Payment on advance to other fund	(112)		(112)
Transfers to/from other funds	(22)		(22)
Net cash provided by (used for) noncapital financing activities	<u>596</u>	<u>1,515</u>	<u>2,111</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Intergovernmental grants received		(98)	(98)
Proceeds from sale of long-term obligations	221		221
Acquisition and construction of capital assets	(17)		(17)
Principal paid on long-term obligations	(605)		(605)
Interest paid on long-term obligations	(107)		(107)
Proceeds from the sale of capital assets		18	18
Net cash used for capital and related financing activities	<u>(508)</u>	<u>(80)</u>	<u>(588)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on cash and investments	4	6	10
Net cash provided by investing activities	<u>4</u>	<u>6</u>	<u>10</u>
 Net increase in cash and cash equivalents	535	62	597
Cash and cash equivalents, beginning of year	236	256	492
Cash and cash equivalents, end of year	<u>\$ 771</u>	<u>318</u>	<u>1,089</u>

COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 2

	Parking Enterprise	County Transit	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 156	(1,538)	(1,382)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and Amortization	302	160	462
Amortization	25		25
Changes in assets and liabilities:			
Receivables		(30)	(30)
Due from other funds	(35)		(35)
Warrants payable	21		21
Accrued liabilities	(15)	28	13
Due to other funds	(15)	1	(14)
Compensated absences	4		4
Total adjustments	<u>287</u>	<u>159</u>	<u>446</u>
Net cash provided by (used for) operating activities	<u>\$ 443</u>	<u>(1,379)</u>	<u>(936)</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Public Works - Accounts for special services provided by the Department of Public Works to other County departments and special districts. These services include Water Resources; Special District Formation; Water Quality; Highways and Bridges; Real Estate; Surveyor, Information and Permits; Technical Services and Construction Equipment.

General Services - Created to centralize many of the activities providing services to County departments. These activities include Automobile Fleet Operations; Purchasing; Printing; Mail; Central Stores; Surplus Property Disposal; Building Maintenance & Operations; and Telecommunications.

Liability/Property Self-insurance - Accounts for the County's program of self-insurance for liability/property perils.

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

Other Self-Insurance - Accounts for the County's self-insurance of all dental and unemployment claims.

Regional Communications - Accounts for the operations of the County's emergency communications function.

Office of Communications and Information Technology - Accounts for central telecommunication and data processing support to County departments.

Real estate - Leases facilities for County departments and agencies, negotiates the purchase and sale of real property, manages vacant county owned properties and manages appraisals for real property.

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**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

	Self Insurance						Office of Communications and Information Technology	Real Estate	Total
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications			
Assets:									
Current assets:									
Cash and investments	\$ 52,148	46,254	10,105	23,919		6,656	9,850	3,960	152,892
Receivables, net of allowance for uncollectibles:									
Billed	4,284		65				226		4,575
Intergovernmental	707	22	1,032	501	116		5	5	2,388
Due from other funds	4,849	566	8,063	8,642	4,605	1	170	1,355	28,251
Inventories		1,879							1,879
Total current assets	<u>61,988</u>	<u>48,721</u>	<u>19,265</u>	<u>33,062</u>	<u>4,721</u>	<u>6,657</u>	<u>10,251</u>	<u>5,320</u>	<u>189,985</u>
Noncurrent assets:									
Long-term advances to other funds	18,176			28,884					47,060
Long-term receivables	137			239					376
Deferred charges	3,272								3,272
Capital assets:									
Land and other nondepreciable assets	28								28
Facilities, infrastructure, equipment and intangibles, net of depreciation and amortization	578	26,818				10,591	2,397		40,384
Total capital assets	<u>606</u>	<u>26,818</u>				<u>10,591</u>	<u>2,397</u>		<u>40,412</u>
Total noncurrent assets	<u>22,191</u>	<u>26,818</u>		<u>29,123</u>		<u>10,591</u>	<u>2,397</u>		<u>91,120</u>
Total assets	<u>\$ 84,179</u>	<u>75,539</u>	<u>19,265</u>	<u>62,185</u>	<u>4,721</u>	<u>17,248</u>	<u>12,648</u>	<u>5,320</u>	<u>281,105</u>
Liabilities and fund balances:									
Current liabilities:									
Warrants payable	\$ 347	670	966	571		40	609	2,842	6,045
Accrued liabilities	3,537	11,264	982	29		502	2,517	258	19,089
Intergovernmental payable	3,318	2	19				1	21	3,361
Due to other funds	2,651	842	125	77	4,720	6	181	41	8,643
Current portion of insurance claims payable			8,047	28,963	1,243				38,253
Deferred revenues	137		16	239		3,973	61		4,426
Total current liabilities	<u>9,990</u>	<u>12,778</u>	<u>10,155</u>	<u>29,879</u>	<u>5,963</u>	<u>4,521</u>	<u>3,369</u>	<u>3,162</u>	<u>79,817</u>
Noncurrent liabilities:									
Insurance claims payable			18,662	130,846					149,508
Compensated absences	10,503	2,802				31	2,589	307	16,232
Other post employment benefits	747	227				2	111	15	1,102
Long-term advances from other funds		10,682							10,682
Total noncurrent liabilities	<u>11,250</u>	<u>13,711</u>	<u>18,662</u>	<u>130,846</u>		<u>33</u>	<u>2,700</u>	<u>322</u>	<u>177,524</u>
Total liabilities	<u>21,240</u>	<u>26,489</u>	<u>28,817</u>	<u>160,725</u>	<u>5,963</u>	<u>4,554</u>	<u>6,069</u>	<u>3,484</u>	<u>257,341</u>
Net assets:									
Invested in capital assets, net of related debt	606	9,437				10,591	2,397		23,031
Unrestricted	62,333	39,613	(9,552)	(98,540)	(1,242)	2,103	4,182	1,836	733
Total net assets	<u>62,939</u>	<u>49,050</u>	<u>(9,552)</u>	<u>(98,540)</u>	<u>(1,242)</u>	<u>12,694</u>	<u>6,579</u>	<u>1,836</u>	<u>23,764</u>
Total liabilities and net assets	<u>\$ 84,179</u>	<u>75,539</u>	<u>19,265</u>	<u>62,185</u>	<u>4,721</u>	<u>17,248</u>	<u>12,648</u>	<u>5,320</u>	<u>281,105</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Self Insurance					Office of Communications and Information Technology	Real Estate	Total
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications		
Operating revenues:								
Charges for sales and services	\$ 119,477	91,881	9,116	10,861	4,721	4,059	43,152	333,272
Other	7,736	2,954	1,594	400		1,057	42	13,786
Total operating revenues	127,213	94,835	10,710	11,261	4,721	5,116	43,194	347,058
Operating expenses:								
Salaries and benefits	89,234	37,852				521	21,038	151,313
Services and supplies	39,628	30,770				1,123	16,008	133,977
Cost of sales and services		4,906						4,906
Depreciation and Amortization	320	10,229				1,561	1,571	13,681
Self-insurance			15,829	57,128	8,653			81,610
Other		797	20	465	8		362	1,652
Total operating expenses	129,182	84,554	15,849	57,593	8,661	3,205	38,617	387,139
Operating income (loss)	(1,969)	10,281	(5,139)	(46,332)	(3,940)	1,911	4,577	(40,081)
Nonoperating revenues (expenses):								
Use of money and property			172			91		263
Intergovernmental	1,960							1,960
Interest expense		(1,403)						(1,403)
Other	2,651	1,025			(7)	(596)	(399)	2,674
Total nonoperating revenues (expenses)	4,611	(378)	172		(7)	(505)	(399)	3,494
Income before transfers	2,642	9,903	(4,967)	(46,332)	(3,947)	1,406	4,178	(36,587)
Transfers in	387	1,146						1,533
Transfers out	(6,970)	(3,429)				(28)	(5,613)	(17,439)
Changes in net assets	(3,941)	7,620	(4,967)	(46,332)	(3,947)	1,378	(1,435)	(52,493)
Net assets, beginning of year, restated	66,880	41,430	(4,585)	(52,208)	2,705	11,316	8,014	76,257
Net assets, end of year	\$ 62,939	49,050	(9,552)	(98,540)	(1,242)	12,694	6,579	23,764

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 1 of 2

	Self Insurance					Office of Communications and Information Technology			
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications	Real Estate	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from customers and users	\$ 7,402	2,954		101	116	6,740	42,977		60,290
Receipts from interfund services provided	117,789	115,167	19,511	27,839	6,624		49,597		336,527
Payments to suppliers	(41,771)	(36,357)	(18,598)	(20,538)	(7,845)	(327)	(12,100)	(48,146)	(185,682)
Payments to employees	(88,508)	(38,000)	(1,663)	(2,826)	(84)	(512)	(21,342)	(2,646)	(155,581)
Payments for interfund services used	(8,073)	(23,677)	(93)	(914)	(28)	(575)	(4,236)	(1,194)	(38,790)
Other (payments) receipts		(797)					(359)		(1,156)
Net cash provided by (used for) operating activities	(13,161)	19,290	(843)	3,662	(1,217)	5,326	5,299	(2,748)	15,608
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:									
Receipt of advances from other funds		1,947							1,947
Intergovernmental revenue	1,960								1,960
Advance to other funds		(137)		(11,200)			(1,628)		(12,965)
Other non-operating revenue	2,639		174			90	5		2,908
Non-operating expense	(115)					(596)	(401)		(1,112)
Payment on advance from other fund	1,636	(6,844)							(5,208)
Payment on advance to other fund	(6,970)								(6,970)
Interest paid on advances from other funds		(1,403)							(1,403)
Transfers to/from other funds	419	(2,283)				(28)	(5,613)	(2,109)	(9,614)
Net cash provided by (used for) noncapital financing activities	(431)	(8,720)	174	(11,200)		(534)	(6,009)	(3,737)	(30,457)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:									
Acquisition and construction of capital assets		(5,781)				(7,491)	(1,635)		(14,907)
Proceeds from the sale of capital assets		1,600							1,600
Net cash used for capital and related financing activities		(4,181)				(7,491)	(1,635)		(13,307)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Interest received on cash and investments									
Net increase (decrease) in cash and cash equivalents	(13,592)	6,389	(669)	(7,538)	(1,217)	(2,699)	(2,345)	(6,485)	(28,156)
Cash and cash equivalents, beginning of year	65,740	39,865	10,774	31,457	1,217	9,355	12,195	10,445	181,048
Cash and cash equivalents, end of year	\$ 52,148	46,254	10,105	23,919		6,656	9,850	3,960	152,892

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

Page 2 of 2

			Self Insurance				Office of Communications and Information Technology	Real Estate	Total
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications			
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES									
Operating income (loss)	\$ (1,969)	10,281	(5,139)	(46,332)	(3,940)	1,911	4,577	530	(40,081)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:									
Depreciation and Amortization	320	10,229				1,561	1,571		13,681
Other nonoperating expense					(7)				(7)
Changes in assets and liabilities:									
Receivables	(517)		(65)				(226)		(808)
Due from other funds	(1,688)	872	9,765	20,807	(2,585)	4	120	(495)	26,800
Due from other governments	184	8	(757)	(470)	(114)		2	88	(1,059)
Long-term receivables	89			(83)					6
Inventories		(93)							(93)
Warrants payable	128	63	(40)	99		23	466	(591)	148
Accrued liabilities	248	(652)	513	(5)	710	232	685	(1,108)	623
Due to other funds	(8,073)	(1,276)	(183)	(3,659)	4,719	(34)	(1,465)	(1,194)	(11,165)
Due to other governments	(2,344)	1	(25)				(18)		(2,386)
Deferred revenues	(89)		1	83		1,620	(112)		1,503
Compensated absences	453	(169)				8	(311)	21	2
Other post employment benefits	97	26				1	10	1	135
Insurance claims payable			(4,913)	33,222					28,309
Total adjustments	(11,192)	9,009	4,296	49,994	2,723	3,415	722	(3,278)	55,689
Net cash provided by (used for) operating activities	<u><u>\$ (13,161)</u></u>	<u><u>19,290</u></u>	<u><u>(843)</u></u>	<u><u>3,662</u></u>	<u><u>(1,217)</u></u>	<u><u>5,326</u></u>	<u><u>5,299</u></u>	<u><u>(2,748)</u></u>	<u><u>15,608</u></u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



AGENCY FUNDS

AGENCY FUNDS

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

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

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

**COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 42,403	38,700	165,057	246,160
Receivables, net of allowance for uncollectibles:				
Billed	1,951	5,166	553	7,670
Interest			1,821	1,821
Intergovernmental			109	109
Due from other funds	1,590	7	547	2,144
Prepaid expenses			38	38
Total assets	<u>\$ 45,944</u>	<u>43,873</u>	<u>168,125</u>	<u>257,942</u>
Liabilities:				
Warrants payable	\$ 290	5,945	3,241	9,476
Accrued liabilities	2,553	1,338	9,960	13,851
Intergovernmental payable	43,101	36,590	154,924	234,615
Total liabilities	<u>\$ 45,944</u>	<u>43,873</u>	<u>168,125</u>	<u>257,942</u>

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 1 of 3

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Law Enforcement				
Assets:				
Cash and investments	\$ 39,202	3,201		42,403
Receivables, net of allowance for uncollectibles:				
Billed	81	1,870		1,951
Due from other funds	853	737		1,590
Total assets	<u>\$ 40,136</u>	<u>5,808</u>		<u>45,944</u>
Liabilities:				
Warrants payable	\$ 2,680		2,390	290
Accrued liabilities	725	1,828		2,553
Intergovernmental payable	36,731	6,370		43,101
Total liabilities	<u>\$ 40,136</u>	<u>8,198</u>	<u>2,390</u>	<u>45,944</u>
	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Unapportioned Tax Collection				
Assets:				
Cash and investments	\$ 27,716	10,984		38,700
Receivables, net of allowance for uncollectibles:				
Billed	6,503		1,337	5,166
Intergovernmental	1,840		1,840	-
Due from other funds	828		821	7
Total assets	<u>\$ 36,887</u>	<u>10,984</u>	<u>3,998</u>	<u>43,873</u>
Liabilities:				
Warrants payable	\$ 5,769	176		5,945
Accrued liabilities	114	1,224		1,338
Intergovernmental payable	31,004	5,586		36,590
Total liabilities	<u>\$ 36,887</u>	<u>6,986</u>		<u>43,873</u>

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 2 of 3

	Balance <u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2010</u>
Other				
Assets:				
Cash and investments	\$ 153,575	11,482		165,057
Receivables, net of allowance for uncollectibles:				
Billed	2,173		1,620	553
Interest	6,377		4,556	1,821
Intergovernmental	480		371	109
Due from other funds	3,249		2,702	547
Prepaid expenses	85		47	38
Total assets	<u>\$ 165,939</u>	<u>11,482</u>	<u>9,296</u>	<u>168,125</u>
Liabilities:				
Warrants payable	\$ 4,493		1,252	3,241
Accrued liabilities	2,204	7,756		9,960
Intergovernmental payable	159,242		4,318	154,924
Total liabilities	<u>\$ 165,939</u>	<u>7,756</u>	<u>5,570</u>	<u>168,125</u>

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)

Page 3 of 3

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Totals				
Assets:				
Cash and investments	\$ 220,493	25,667		246,160
Receivables, net of allowance for uncollectibles:				
Billed	8,757	1,870	2,957	7,670
Interest	6,377		4,556	1,821
Intergovernmental	2,320		2,211	109
Due from other funds	4,930	737	3,523	2,144
Prepaid expenses	85		47	38
Total assets	<u>\$ 242,962</u>	<u>28,274</u>	<u>13,294</u>	<u>257,942</u>
Liabilities:				
Warrants payable	\$ 12,942	176	3,642	9,476
Accrued liabilities	3,043	10,808		13,851
Intergovernmental payable	226,977	11,956	4,318	234,615
Total liabilities	<u>\$ 242,962</u>	<u>22,940</u>	<u>7,960</u>	<u>257,942</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INVESTMENT TRUST FUNDS

INVESTMENT TRUST FUNDS

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

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

**COUNTY OF SACRAMENTO
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(amounts expressed in thousands)**

	<u>Treasurer's Pool</u>	<u>Non-Pooled Investments</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 1,416,841	212,328	1,629,169
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Net assets held in trust for pool participants	\$ 1,416,841	212,328	1,629,169
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

**COUNTY OF SACRAMENTO
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(amounts expressed in thousands)**

	Treasurer's Pool	Non-Pooled Investments	Total
Additions:			
Contributions on pooled investments	\$ 4,143,489	3,177,112	7,320,601
Use of money and property	47,285	79,402	126,687
	<hr/>	<hr/>	<hr/>
Total additions	4,190,774	3,256,514	7,447,288
Deductions:			
Distributions from pooled investments	4,405,003	3,400,552	7,805,555
	<hr/>	<hr/>	<hr/>
Net increase in net assets	(214,229)	(144,038)	(358,267)
Net assets held in trust for pool participants, beginning of year	1,631,070	356,366	1,987,436
	<hr/>	<hr/>	<hr/>
Net assets held in trust for pool participants, end of year	\$ 1,416,841	212,328	1,629,169
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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the Sacramento County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue source, property and sales tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information - These schedules contain information about the County's operation and resources to help the reader understand how the county's financial information relates to the services the County provides and the activities it performs.

Sources - Unless otherwise noted; the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

COUNTY OF SACRAMENTO
NET ASSETS BY COMPONENT
FISCAL YEARS 2001-02 THROUGH 2009-10
(amounts expressed in thousands)

	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Governmental activities									
Invested in capital assets, net of related debt	\$ 763,070	798,416	938,655	962,902	1,304,641 *	1,335,121 *	1,296,783 *	1,428,639 *	1,374,306
Restricted	503,532	516,881	515,322	522,755	408,290	425,187	507,138	478,468	437,559
Unrestricted	(559,029)	23,216	(143,379)	(110,031)	13,152	(44,775)	(105,778)	(387,629)	(389,877)
Total governmental activities net assets	<u>\$ 707,573</u>	<u>1,338,513</u>	<u>1,310,598</u>	<u>1,375,626</u>	<u>1,726,083</u>	<u>1,715,533</u>	<u>1,698,143</u>	<u>1,519,478</u>	<u>1,421,988</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 893,543	990,082	328,285	415,890	461,723	512,575	514,042	577,905	719,665
Restricted	99,202	114,904	85,685	96,802	115,208	138,764	214,334	218,839	216,266
Unrestricted	460,371	490,131	233,611	251,377	258,055	264,560	274,165	239,805	156,994
Total business-type activities net assets	<u>\$ 1,453,116</u>	<u>1,595,117</u>	<u>647,581</u>	<u>764,069</u>	<u>834,986</u>	<u>915,899</u>	<u>1,002,541</u>	<u>1,036,549</u>	<u>1,092,925</u>
Primary government									
Invested in capital assets, net of related debt	1,656,613	1,788,498	1,266,940	1,378,792	1,766,364	1,847,696	1,810,825	2,006,544	2,093,971
Restricted	602,734	631,785	601,007	619,557	523,498	563,951	721,472	697,307	653,825
Unrestricted	(98,658)	513,347	90,232	141,346	271,207	219,785	168,387	(147,824)	(232,883)
Total primary government net assets	<u>\$ 2,160,689</u>	<u>2,933,630</u>	<u>1,958,179</u>	<u>2,139,695</u>	<u>2,561,069</u>	<u>2,631,432</u>	<u>2,700,684</u>	<u>2,556,027</u>	<u>2,514,913</u>

*Restated

Note: 1) Trend data is only available for the last nine fiscal years due to the implementation of GASB 34.

2) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted and unrestricted. Net assets are 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
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2009-10
(amounts expressed in thousands)**

Page 1 of 3

	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Expenses									
Governmental activities:									
General government	\$ 135,129	110,633	173,913	191,798	208,862	217,194	201,712	185,963	177,963
Public assistance	716,295	708,491	684,036	707,374	731,099	736,120	681,682	704,416	668,368
Public protection	578,910	599,659	588,881	610,098	617,770	727,876	705,953	744,072	650,198
Health and sanitation	318,859	393,575	466,430	386,881	467,682 *	537,677 *	671,812 *	724,666	595,816
Public ways and facilities	66,447	66,861	63,478	120,551	160,495	139,424	199,748	123,999	115,073
Recreation and culture	38,664	31,878	26,481	44,951	32,678	37,522	42,246	41,194	37,139
Education	29,638	26,951	27,944	13,033	13,156	14,806	22,621	24,161	21,053
Interest and fiscal charges	58,667	64,724	84,493	87,191	96,182	108,249	151,148	138,824	141,529
Total governmental activities	<u>1,942,609</u>	<u>2,002,772</u>	<u>2,115,656</u>	<u>2,161,877</u>	<u>2,327,924</u>	<u>2,518,868</u>	<u>2,676,922</u>	<u>2,687,295</u>	<u>2,407,139</u>
Business-type activities:									
Airport	80,794	88,445	101,219	99,249	104,486	113,018	125,793	131,888	130,724
Regional Sanitation District	107,357	105,620							
Solid Waste	63,477	68,111	82,216	65,805	62,395	61,106	60,149	66,991	62,567
Sanitation District Number One	43,444	42,333							
Water Agency	13,171	14,188	20,326	33,649	37,313	40,200	45,992	29,277	24,575
Parking Enterprise	3,231	3,188	2,767	2,929	2,606	2,630	2,904	12,459	3,247
County Transit	323	756	9,210	1,688	1,888	2,179	1,954	1,955	1,677
Total business-type activities	<u>311,797</u>	<u>322,641</u>	<u>215,738</u>	<u>203,320</u>	<u>208,688</u>	<u>219,133</u>	<u>236,792</u>	<u>242,570</u>	<u>222,790</u>
Total primary government	<u>\$ 2,254,406</u>	<u>2,325,413</u>	<u>2,331,394</u>	<u>2,365,197</u>	<u>2,536,612</u>	<u>2,738,001</u>	<u>2,913,714</u>	<u>2,929,865</u>	<u>2,629,929</u>
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 111,437	94,355	139,026	135,191	142,140	134,274	90,743	89,134	100,877
Public assistance	21,633	3,944	9,016	6,583	4,705	10,621	11,340	9,156	8,464
Public protection	78,962	83,624	99,670	114,352	140,842	145,372	126,058	122,229	110,244
Health and sanitation	33,866	36,200	52,132	17,883	25,471	41,289	43,888	51,561	38,692
Public ways and facilities	20,849	19,752	37,552	64,759	81,903	82,266	76,590	53,711	31,912
Recreation and culture	10,623	10,431	11,749	14,783	13,373	14,694	15,065	17,312	12,735
Education	622	4	1,147	144	72	256	273	298	177
Operating grants and contributions	961,467	980,076	998,332	1,099,378	1,096,348	1,104,969	1,223,424	1,177,843	1,128,887
Capital grants and contributions	18,629	23,892	98,317	37,506	31,523	41,993	95,231	34,808	38,434
Total governmental activities	<u>\$ 1,258,088</u>	<u>1,252,278</u>	<u>1,446,941</u>	<u>1,490,579</u>	<u>1,536,377</u>	<u>1,575,734</u>	<u>1,682,612</u>	<u>1,556,052</u>	<u>1,470,422</u>

*Restated

Note: 1) Trend data is only available for the last eight fiscal years due to the implementation of GASB 34.

2) As of the year ended June 30, 2004, the Sacramento Area Sewer District and Sacramento County Regional Sanitation District are no longer component units of the County of Sacramento.

COUNTY OF SACRAMENTO
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2009-10
(amounts expressed in thousands)

Page 2 of 3

	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Business-type activities:									
Charges for services:									
Airport	\$ 72,109	75,936	87,885	97,753	104,566	107,997	115,050	123,192	132,727
Regional Sanitation District	124,419	146,688							
Solid Waste	65,519	69,716	84,983	71,384	66,877	64,676	65,302	67,018	65,907
Sanitation District Number One	34,720	43,517							
Water Agency	27,798	38,009	46,874	*50,707	60,283	54,894	47,800	43,954	46,847
Parking Enterprise	2,492	2,350	2,588	2,676	2,921	3,047	3,265	4,989	3,185
County Transit	133	337	8,589	227	257	556	204	183	158
Operating grants and contributions	15,259	18,112	18,498	27,435	26,246	29,451	29,540 *	25,031	22,943
Capital grants and contributions	51,682	40,247	26,153	38,838	16,272	21,895	28,635	12,290	10,211
Total business-type activities	<u>394,131</u>	<u>434,912</u>	<u>275,570</u>	<u>289,020</u>	<u>277,422</u>	<u>282,516</u>	<u>289,796</u>	<u>276,657</u>	<u>281,978</u>
Total primary government	<u>\$ 1,652,219</u>	<u>1,687,190</u>	<u>1,722,511</u>	<u>1,779,599</u>	<u>1,813,799</u>	<u>1,858,250</u>	<u>1,972,408</u>	<u>1,832,709</u>	<u>1,752,400</u>
Net (expense)/revenue									
Governmental activities	\$ (684,521)	(750,494)	(668,715)	(671,298)	(791,547)	(943,134)	(994,310)	(1,131,243)	(936,717)
Business-type activities	82,334	112,271	59,832	85,700	68,734	63,383	53,004	34,087	59,188
Total primary government net expense	<u>\$ (602,187)</u>	<u>(638,223)</u>	<u>(608,883)</u>	<u>(585,598)</u>	<u>(722,813)</u>	<u>(879,751)</u>	<u>(941,306)</u>	<u>(1,097,156)</u>	<u>(877,529)</u>
General Revenues and Other Changes in									
Net Assets									
Governmental activities:									
Taxes:									
Property	\$ 240,640	262,647	278,254	356,956	415,320	447,032	474,947	475,629	437,634
Sales/Use	85,988	83,275	106,649	52,717	79,862	80,267	82,472	69,225	58,357
Transient occupancy	8,651	7,891	5,928	6,087	6,623	6,823	6,964	5,311	4,467
Unrestricted investment earnings	53,747	47,065	32,187	42,032	67,522	75,053	72,706	49,804	15,016
Grants and contributions not restricted to specific programs	297,805	293,767	262,321	184,671	224,467	199,811	230,103	215,915	197,855
Pledged tobacco settlement proceeds	171,966		13,388	12,880	12,082	12,795	6,716	14,862	12,393
Miscellaneous	101,582	93,239	102,038	102,281	85,701	109,194	92,127 *	105,545	105,003
Transfers				(7,782)	(638)	1,609	1,988	7,514	8,502
Total general revenues and transfers	<u>\$ 960,379</u>	<u>787,884</u>	<u>800,765</u>	<u>749,842</u>	<u>890,939</u>	<u>932,584</u>	<u>968,023</u>	<u>943,805</u>	<u>839,227</u>

*Restated

Note: 1) Trend data is only available for the last eight fiscal years due to the implementation of GASB 34.

COUNTY OF SACRAMENTO
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2009-10
(amounts expressed in thousands)

Page 3 of 3

	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Business-type activities:									
Property tax	\$ 4,672	5,381							
Sales/Use tax	492	576	556	683	614	951	573	483	573
Unrestricted investment earnings	28,332	18,859	5,180	8,257	13,215	18,188	31,890	6,778	2,617
Grants and contributions not restricted to specific programs	2,528	2,850	3,000						
Miscellaneous	2,827	2,064							
Transfers				7,782	638	(1,609)	(1,988)	(7,514)	(6,002)
Total general revenues and transfers	<u>38,851</u>	<u>29,730</u>	<u>8,736</u>	<u>16,722</u>	<u>14,467</u>	<u>17,530</u>	<u>30,475</u>	<u>(253)</u>	<u>(2,812)</u>
Total primary government	<u>\$ 999,230</u>	<u>817,614</u>	<u>809,501</u>	<u>766,564</u>	<u>905,406</u>	<u>950,114</u>	<u>998,498</u>	<u>943,552</u>	<u>836,415</u>
Change in Net Assets									
Governmental activities	\$ 275,858	37,390	132,050	78,544	99,392	(10,550)	(26,287)	(187,438)	(97,490)
Business-type activities	121,185	142,001	68,568	102,422	83,201	80,913	83,479	33,834	56,376
Total primary government	<u>\$ 397,043</u>	<u>179,391</u>	<u>200,618</u>	<u>180,966</u>	<u>182,593</u>	<u>70,363</u>	<u>57,192</u>	<u>(153,604)</u>	<u>(41,114)</u>

Note: 1) Trend data is only available for the last nine fiscal years due to the implementation of GASB 34.

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 1999-00 THROUGH 2009-10
(amounts expressed in thousands)

	Fiscal Year										
	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
General fund											
Reserved	\$ 32,756	47,861	47,679	41,199	43,108	41,725	47,478	48,850	59,322	60,921	74,907
Unreserved	112,266	111,369	86,506	114,666	96,064	160,227	205,520	149,845	97,711	(41,533)	(53,212)
Total general fund	<u>\$ 145,022</u>	<u>159,230</u>	<u>134,185</u>	<u>155,865</u>	<u>139,172</u>	<u>201,952</u>	<u>252,998</u>	<u>198,695</u>	<u>157,033</u>	<u>19,388</u>	<u>21,695</u>
All other governmental funds											
Reserved	\$ 172,998	284,055	378,181	453,180	394,234	280,763	308,644	330,439	379,897	352,822	265,287
Unreserved, reported in:											
Special revenue funds	120,223	134,320	252,921	244,638	265,170	271,060	277,814	250,264	265,854	219,591	263,441
Capital projects funds				(41,212)	(22,306)	(32,955)	(2,507)	4,104	3,428	(5,627)	767
Total all other governmental funds	<u>\$ 293,221</u>	<u>418,375</u>	<u>631,102</u>	<u>656,606</u>	<u>637,098</u>	<u>518,868</u>	<u>583,951</u>	<u>584,807</u>	<u>649,179</u>	<u>566,786</u>	<u>529,495</u>

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COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 1999-00 THROUGH 2009-10
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year										
	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Revenues											
Taxes	\$ 286,658	299,486	335,279	353,813	363,967	442,560	501,805	534,122	564,383	550,165	503,091
Use of money and property	48,719	56,624	53,433	46,880	31,854	41,993	66,851	74,172	72,908	49,108	14,753
Licenses and permits	48,848	49,124	53,652	49,686	50,416	51,029	50,125	46,035	49,259	41,762	37,285
Intergovernmental	1,073,438	1,201,519	1,275,495	1,298,846	1,274,924	1,294,614	1,370,473	1,374,776	1,431,493	1,419,783	1,366,831
Charges for services	166,662	150,290	177,646	153,983	189,526	149,159	181,786	181,628	179,710	197,378	182,714
Fines, forfeitures, and penalties	35,500	35,141	23,335	33,853	44,531	41,729	41,014	46,177	52,853	33,427	34,716
Contributions and donations	725	757	249		59,845	13,225			62,050		
Pledged tobacco settlement proceeds					13,388	9,276	12,138	12,705	13,525	14,862	12,393
Miscellaneous	80,860	83,438	101,582	112,639	102,210	102,077	85,701	109,194	101,025	105,545	105,003
Total revenues	<u>1,741,410</u>	<u>1,876,379</u>	<u>2,020,671</u>	<u>2,049,700</u>	<u>2,130,661</u>	<u>2,145,662</u>	<u>2,309,893</u>	<u>2,378,809</u>	<u>2,527,206</u>	<u>2,412,030</u>	<u>2,256,786</u>
Expenditures											
General government	144,134	131,054	119,803	85,265	132,386	157,852	177,477	177,952	175,593	171,945	143,739
Public assistance	622,744	654,084	708,598	701,080	673,037	786,505	730,185	731,883	673,098	689,891	653,640
Public protection	449,893	493,346	558,193	583,457	560,442	850,786	627,594	687,371	666,706	683,099	597,467
Health and sanitation	226,113	261,329	308,869	379,561	436,181	432,221	417,330	501,490	644,595	681,774	559,019
Public ways and facilities	73,871	105,469	99,462	82,695	99,212	80,330	96,068	102,617	108,974	102,254	115,672
Recreation and culture	26,754	32,857	35,875	37,211	33,830	36,652	36,133	41,972	49,871	42,185	34,693
Education	27,085	30,731	28,619	26,283	26,554	15,572	17,051	20,082	22,416	23,013	20,229
Capital outlay	68,706	99,529	83,492	94,519	164,198	93,384	110,519	100,052	128,542	109,098	77,061
Debt service:											
Principal	25,682	27,475	35,235	37,301	28,245	113,618	41,053	53,880	83,964	129,232	81,356
Bond issuance cost				2,400	4,678	6,131	4,043		9,949	335	1,217
Advanced refunding escrow				5,584			15,659				
Interest and fiscal charges	50,321	49,465	45,948	47,608	52,088	54,684	51,336	72,229	87,098	89,150	109,087
Total expenditures	<u>1,715,303</u>	<u>1,885,339</u>	<u>2,024,094</u>	<u>2,082,964</u>	<u>2,210,851</u>	<u>2,627,735</u>	<u>2,324,448</u>	<u>2,489,528</u>	<u>2,650,806</u>	<u>2,721,976</u>	<u>2,393,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,107</u>	<u>\$ (8,960)</u>	<u>\$ (3,423)</u>	<u>\$ (33,264)</u>	<u>\$ (80,190)</u>	<u>\$ (482,073)</u>	<u>\$ (14,555)</u>	<u>\$ (110,719)</u>	<u>\$ (123,600)</u>	<u>\$ (309,946)</u>	<u>\$ (136,394)</u>

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 1999-00 THROUGH 2009-10
(amounts expressed in thousands)

Page 2 of 2

	Fiscal Year										
	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Other financing sources (uses)											
Transfers in	\$ 81,821	84,261	94,836	80,108	98,175	84,294	194,272	116,773	184,870	174,740	180,332
Transfers out	(81,821)	(84,261)	(94,836)	(80,108)	(98,175)	(89,451)	(188,214)	(103,130)	(171,783)	(156,475)	(155,924)
Capital leases obligations				10,390			837	4,105	8,413		
Long-term obligations	33,178	17,761	19,976	67,446	70,901	444,677					
Issuance of debt							47,500	39,524	160,241	80,006	64,470
Payments to participating governments					(48,653)				(43,855)		
Tobacco settlement proceeds			171,966								
Refunding certificates issued				43,790	152,321						
Refunding of debt issued							270,036		359,165	49,760	123,950
Premium on bonds issued				4,130							
Premium on debt issued							338		1,440		1,770
Discount on bonds issued					(206)						
Discount on debt issued							(4,680)		(2,144)		
Purchase of delinquent property tax	(12,563)										
Swap, termination payment										(23,019)	(10,180)
Swap, premium short term										2,950	
Swap, premium long term										20,069	
Payments to refunded bond escrow agent	(8,900)			(45,308)	(149,630)		(182,672)		(350,037)	(49,225)	(103,008)
Total other financing sources (uses)	<u>11,715</u>	<u>17,761</u>	<u>191,942</u>	<u>80,448</u>	<u>24,733</u>	<u>439,520</u>	<u>137,417</u>	<u>57,272</u>	<u>146,310</u>	<u>98,806</u>	<u>101,410</u>
Net change in fund balances	<u>\$ 37,822</u>	<u>8,801</u>	<u>188,519</u>	<u>47,184</u>	<u>(55,457)</u>	<u>(42,553)</u>	<u>122,862</u>	<u>(53,447)</u>	<u>22,710</u>	<u>(211,140)</u>	<u>(34,984)</u>
Debt service as a percentage of noncapital expenditures*	4.62%	4.31%	4.25%	4.31%	4.04%	6.70%	4.24%	5.39%	6.86%	8.45%	8.38%

* Debt service as a percentage of noncapital expenditures was revised for fiscal years 2001 to 2006.

COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 2000-01 THROUGH 2009-10
(full accrual basis)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales/Use Tax</u>	<u>Transient Tax</u>	<u>Total</u>
2000-01	203,314	87,701	8,471	299,486
2001-02	240,640	85,988	8,651	335,279
2002-03	262,647	83,275	7,891	353,813
2003-04	278,254	106,649	5,928	390,831
2004-05	356,956	52,717	6,087	415,760
2005-06	415,320	79,862	6,623	501,805
2006-07	447,032	80,267	6,823	534,122
2007-08	474,947	82,472	6,964	564,383
2008-09	475,629	69,225	5,311	550,165
2009-10	437,634	58,357	4,467	500,458

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands)

Fiscal Year	Secured	Unsecured	Unitary	Exemptions - Welfare-Other	Total Taxable Assessed Value	Total Direct Tax Rate
	(1)	(2)	(3)	(4)		(5)
2000-01	61,967,062	3,850,668	1,681,486	-2,268,825	65,230,391	1.000%
2001-02	67,219,202	3,948,912	1,969,703	-2,436,887	70,700,930	1.000%
2002-03	74,042,245	4,025,888	2,050,186	-2,402,913	77,715,406	1.000%
2003-04	81,527,736	4,167,021	1,658,892	-2,789,971	84,563,678	1.000%
2004-05	91,856,798	4,192,998	1,530,186	-2,888,011	94,691,971	1.000%
2005-06	105,593,291	4,479,276	1,542,700	-3,313,984	108,301,283	1.000%
2006-07	121,280,525	4,805,476	1,538,907	-3,498,437	124,126,471	1.000%
2007-08	132,394,422	5,297,882	1,658,758	-4,009,995	135,341,067	1.000%
2008-09	135,778,966	5,892,766	1,608,908	-4,593,170	138,687,470	1.000%
2009-10	126,690,744	5,920,172	1,530,903	-5,202,526	128,939,293	1.000%

- (1) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes
- (2) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipments, leasehold improvements, and possessory interests
- (3) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization
- (4) Exemptions as provided by the State Constitution provides property tax relieves to Welfare, Church, and Non-Profit Organizations
- (5) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO
AVERAGE PROPERTY TAX RATES - ALL
DIRECT AND OVERLAPPING GOVERNMENTS
FISCAL YEARS 2000-01 THROUGH 2009-10
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate Countywide	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Cities	Special District	Schools	
	(A)	(B)	(C)	(D)	
2000-01	1.000	0.0120	0.0148	0.0563	1.0831
2001-02	1.000	0.0101	0.0102	0.0544	1.0746
2002-03	1.000	0.0091	0.0091	0.0550	1.0732
2003-04	1.000	0.0074	0.0087	0.0485	1.0645
2004-05	1.000	0.0057	0.0081	0.0466	1.0603
2005-06	1.000	0.0048	0.0055	0.0411	1.0514
2006-07	1.000	0.0046	N/A	0.0447	1.0493
2007-08	1.000	0.0041	N/A	0.0322	1.0363
2008-09	1.000	0.0043	N/A	0.0380	1.0423
2009-10	1.000	0.0042	N/A	0.0390	1.0432

- (A) In June 1978 California voter approved Proposition 13, which restricted property taxes to a County-wide rate of 1% per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1% is based on the County's AB 8 Apportionment factors.
- (B) Rate represents a weighted average of five incorporated cities within the County for the fiscal year ending June 30, 2000.
Rate represents a weighted average of six incorporated cities (after inclusion of the City of Elk Grove which incorporated in 2000-2001) within the County for the fiscal years ending 2000-2001 through 2002-2003. Rate represents a weighted average of seven incorporated cities (after inclusion of the City of Rancho Cordova which incorporated in 2003-2004) within the County for the fiscal years ending 2003-2004 and thereafter.
- (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.
FY 08-09: Average rate = Requirements / District's Valuation within the Bond Debt boundaries.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2010 AND JUNE 30, 2001
(amounts expressed in thousands)**

<u>Taxpayer (a)</u>	<u>JUNE 30, 2010</u>				<u>JUNE 30, 2001</u>			
			Percentage of				Percentage of	
	Tax Levy (b)	Rank	Tax Levy	Total Tax Levy %	Tax Levy (b)	Rank	Tax Levy	Total Tax Levy %
Hines Interests LP	\$ 7,210	1	0.56	%				
AT & T Communications (a)	6,205	2	0.48		\$ 1,428	9	0.19	%
Intel Corporation	5,370	3	0.41		4,312	2	0.58	
Pacific Gas and Electric	4,934	4	0.38		2,533	4	0.34	
Rosetta Resources CA LLC	3,758	5	0.29					
Donahue Schriber Realty Group	3,670	6	0.28					
Aerojet General Corp	3,295	7	0.25		1,743	8	0.23	
Elliot Homes, Inc	2,992	8	0.23		3,150	3	0.42	
Oates Marvin, Et Al.	2,973	9	0.23					
Surewest	2,762	10	0.21					
Pacific Bell (a)					6,177	1	0.83	
BGP Russell Ranch LLC					2,430	5	0.33	
Lennar Renaissance, Inc.					2,234	6	0.30	
Speiker Properties					1,844	7	0.25	
400 Capital Mass Venture					1,376	10	0.18	

Note: (a) Pacific Bell merged with AT&T in November of 2005.

(b) Note the change in column header from prior year's "taxable assessed value" to Tax Levy.

Source: Sacramento County Department of Finance

COUNTY OF SACRAMENTO
COUNTY WIDE 1% - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands)

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2000-01	\$ 603,051	593,371	98.39	9,680	603,051	100
2001-02	638,752	629,045	98.48	9,707	638,752	100
2002-03	722,729	710,458	98.30	12,271	722,729	100
2003-04	802,626	791,023	98.55	11,603	802,626	100
2004-05	899,246	886,226	98.55	13,020	899,246	100
2005-06	1,033,339	1,009,552	97.70	23,787	1,033,339	100
2006-07	1,191,030	1,146,704	96.28	44,326	1,191,030	100
2007-08	* 1,284,322	1,224,126	95.31	60,196	1,284,322	100
2008-09	1,294,025	1,245,112	96.22	48,913	1,294,025	100
2009-10	1,190,013	1,156,791	97.21	33,222	1,190,013	100

(1) County wide 1% - 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.

(2) Collection amounts for the fiscal year as of June 30 for the County wide 1% portion of the Secured and Unitary Taxes.

* Restated

Source: County's internal financial documents

COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	General Obligation Bonds	Capital Leases	Other Debt			
2000-01	372,500	17,409	523,160		4,166	6,448	875,201		36,795	26,524		4,064	1,866,267	5.33%	1,482
2001-02	369,315	17,239	515,125		3,550	3,134	816,955	55,625	40,815				1,821,758	4.89%	1,423
2002-03	410,090	14,974	504,700		13,310	2,435	929,250	54,470	39,330				1,968,559	5.09%	1,503
2003-04	402,465	15,019	528,591	235,961	13,115	2,105	275,015	53,260	36,565				1,562,096	3.83%	1,170
2004-05	309,115	15,024	954,722	230,109	12,976	3,275	268,955	51,985	34,255				1,880,416	4.30%	1,373
2005-06	322,605	20,647	954,722	307,690	3,122	3,875	260,370	50,645	30,510			1,995	1,956,181	4.22%	1,411
2006-07	308,760	32,302	944,964	308,915	6,895	3,965	624,855	49,235	28,735			1,705	2,310,331	4.78%	1,642
2007-08	340,480	51,335	960,926	356,428	13,933	3,615	914,925	89,430	26,900			653	2,758,625	5.50%	1,937
2008-09	325,175	49,800	944,638	345,142	11,186	5,090	910,455	87,940	25,005			10,615	2,715,046	5.01%	1,895
2009-10	340,285	56,419	931,453	342,722	9,972	7,178	1,097,430	363,330	23,205			10,316	3,182,310	N/A	2,202

Note: 1) The County of Sacramento has not had any General Obligation Bonds since 2002

2) See the "Demographic and Economic Statistics" table for population figures.

**COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Assessed Value of Property	\$65,230,391	70,700,930	77,715,406	84,563,678	94,691,971	108,301,283	124,126,471	135,341,067	138,687,470	128,939,293
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	815,380	883,762	971,443	1,057,046	1,183,650	1,353,766	1,551,581	1,691,763	1,733,593	1,611,741
Amount of Debt Applicable to Limit: General Obligation Bonds Less: Resources Restricted to Paying Principal										
Total net debt applicable to limit										
Legal debt margin	<u>815,359</u>	<u>883,759</u>	<u>971,446</u>	<u>1,035,388</u>	<u>1,163,625</u>	<u>1,353,766</u>	<u>1,551,581</u>	<u>1,691,763</u>	<u>1,733,593</u>	<u>1,611,741</u>
Total net debt applicable to the limit as a percentage of the limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: 1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.

2) The legal debt margin is the County's available borrowing authority under State finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO
PLEDGED-REVENUE COVERAGE
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands)**

Fiscal Year	Airport Revenue Bond Coverage						Parking Authority Revenue Bond Coverage		
	Gross Revenue (a)	Less:	Net	Debt Service Requirements (c)			Gross Revenue	Less:	Net
		Operating	Available					Operating	Available
		Expenses (b)	Revenue	Principal	Interest	Coverage		Expenses (b)	Revenue
2000-01	84,937	49,297	35,640	4,055	11,796	2.25	2,387	1,591	796
2001-02	83,865	56,135	27,731	4,250	11,586	1.75	2,492	1,645	847
2002-03	89,255	63,338	25,917	4,470	14,164	1.39	2,346	1,267	1,079
2003-04	90,324	66,843	23,481	4,845	14,367	1.22	2,388	1,897	491
2004-05	104,769	67,525	37,245	6,425	14,082	1.82	2,452	2,228	224
2005-06	111,467	72,669	38,798	6,705	11,882	2.09	2,630	2,021	609
2006-07	116,610	78,637	37,973	7,660	11,801	1.95	2,864	2,085	779
2007-08	118,940	87,770	31,170	4,705	11,516	1.92	3,041	2,331	710
2008-09	134,667	84,890	49,777	4,970	18,203	2.15	2,990	9,753	(6,763)
2009-10	132,007	83,385	48,622	10,710	17,106	1.75	3,062	2,604	458

Water Agency (d)						
Fiscal Year	Operating Revenue	Less:	Net	Debt Service Requirements (c)		
		Operating	Available			
		Expenses (b)	Revenue	Principal	Interest	Coverage
2002-03	\$ 38,009	10,382	27,627			
2003-04	46,873	13,724	33,149		2,118	15.65
2004-05	50,707	12,957	37,750	910	2,184	12.20
2005-06	45,037	15,881	29,156	925	2,166	9.43
2006-07	39,661	17,457 ^	22,204	945	1,195	10.38
2007-08	42,778	17,451 ^	25,327	965	3,263	5.99
2008-09	41,836	18,142 ^	23,694	990	9,434	2.27
2009-10	45,435	16,505 ^	28,930	6,975	17,393	1.19

^ Restated to exclude depreciation and amortization.

Note: Solid Waste Enterprise Fund does not have Revenue bonds

(a) Per bond resolution, Revenues include all Airport System revenues exclude certain interest earnings and restricted revenues.

(b) Total operating expenses exclusive of depreciation and amortization

(c) Includes principal and interest of Revenue bonds only. Does not include General obligation bonds or Certificates of participation.

(d) Water Agency Revenue bonds were issued June 12, 2003

Source: County's internal financial documents

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS 2000-01 THROUGH 2009-10
(amounts expressed in thousands except per capita amount)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate (%)
2000-01	1,259	\$ 35,016,668	28,460 *	222	4.2
2001-02	1,280	37,225,183	29,386 *	228	4.7
2002-03	1,310	38,649,539	29,682 *	233	5.2
2003-04	1,335	40,789,349 *	30,668 *	235	5.2
2004-05	1,370	43,742,244 *	32,382 *	238	4.5
2005-06	1,386	46,375,880 *	34,014	239	4.7
2006-07	1,407	48,313,850	35,197	238	5.3
2007-08	1,424	50,157,252	36,340	239	6.5
2008-09	1,433	54,177,837	39,076	238	11.1
2009-10	1,445	**N/A	**N/A	***N/A	12.1

*Bureau of Economic Analysis revised population and per capita personal income estimates back to the year 2000

**Not Available until April 2011

***Not Available until mid September

Source: California State Department of Finance; Bureau of Economic Analysis, Sacramento County Office of Education,
and California State Employment Development Department.

**COUNTY OF SACRAMENTO
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2010 AND JUNE 30, 2001**

Employer (a)	June 30, 2010			June 30, 2001		
	Employees (b)	Rank	Percentage	Employees (c)	Rank	Percentage
			of Total County Employment			of Total County Employment (c)
Kaiser Permanente	10,081	1	1.65%	10,530	2	1.77%
CHW / Mercy Health Care	8,279	2	1.36%	6,000	5	1.01%
Sutter / California Health Services	7,314	3	1.20%	16,600	1	2.78%
Intel Corporation	6,000	4	0.98%	5,000	9	0.84%
Wells Fargo & Co.	3,690	5	0.61%			
Raley's Inc. / Bel Air	3,401	6	0.56%	6,430	4	1.08%
PRIDE Industries	2,841	7	0.47%			
Health Net of California	2,512	8	0.41%			
Cache Creek Casino Resort	2,460	9	0.40%			
Pacific Gas and Electric Co.	2,169	10	0.36%			
Oracle Corporation				8,500	3	1.43%
Hewlett-Packard				5,800	6	0.97%
Pacific Bell & Subsidiaries (a)				5,658	7	0.95%
Horizons West Inc.				5,400	8	0.91%
Apple Computers				5,000	10	0.84%
Total	<u>48,747</u>		<u>8.00%</u>	<u>74,918</u>		<u>12.58%</u>

(a) Pacific Bell merged with AT&T in November 2005; AT&T of California, which ranked No. 6 last year, did not provide information this year.

(b) Source: Sacramento Business Journal Annual Book of Lists

(c) Source: Sacramento Area Commerce and Trade Organization

COUNTY OF SACRAMENTO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2002-03 THROUGH 2009-10

Full-time Equivalent Employees as of June 30

Function	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
General Government	1,857	823	729	901	924	1,004	954	907
Public Assistance	2,067	1,903	2,552	3,059	3,115	2,648	2,487	2,339
Public Protection	4,657	4,115	4,204	5,011	5,161	4,543	4,292	3,683
Health & Sanitation	2,816	2,594	1,334	1,729	1,760	3,150	3,063	2,661
Recreation and Culture	257	196	155	212	214	212	181	162
Education	4	4	5	2	3	3	3	2
Total	<u>11,658</u>	<u>9,635</u>	<u>8,979</u>	<u>10,914</u>	<u>11,177</u>	<u>11,560</u>	<u>10,980</u>	<u>9,754</u>

Note: 1) County Employees by function/program is only available for the last seven fiscal years due to the change in the County's functions as a result of the implementation of GASB 44.

Source: County of Sacramento Department Records

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**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2009-10**

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Function	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
General Government									
Assessor:									
Number of Parcels Assessed	444,833	451,693	465,104	468,547	467,629	495,090	507,471	510,494	506,063
Gross Total Amount of Secured Roll (amount expressed in thousand dollars)	67,219,202	74,042,245	81,527,736	91,856,798	105,593,291	120,869,403	132,409,139	134,737,596	125,707,295
Gross Total Amount of Unsecured Roll (amount expressed in thousand dollars)	3,948,912	4,025,888	4,167,021	4,192,998	4,479,276	4,805,562	5,297,882	5,892,766	5,920,223
Clerk recorders:									
Number of recorded documents	522,591	692,854	713,726	688,483	607,272	488,272	402,951	395,528	377,728
Public Assistance									
Human assistance total caseload	83,102	90,461	96,484	103,295	100,585	117,576	122,804	135,044	156,811
Percent served of children in poverty	81.30%	91.00%	90.00%	90.00%	92.40%	95.00%	95.00%	95.00%	96.20%
Senior nutrition, meals served	486,075	529,441	473,232	473,232	441,772	592,904	624,290	616,127	478,197
Housing Services provided	8,045	8,647	13,400	13,400	12,211	12,032	13,011	12,708	12,794
Employee Non-Exempt Recipients CalWORKs	51%	62%	61%	56%	50%	33%	29%	31%	30%
Public Protection									
DA:									
Filed Felonies	10,338	11,010	11,570	11,571	11,371	11,837	11,179	10,374	8,589
Filed misdemeanors	20,151	22,450	21,703	20,306	20,397	21,197	21,347	19,781	17,353
Filed Probation Violations									870
Probation:									
Cases supervised	Not Available	11,312	10,148	11,350	12,379	12,755	12,101	14,826	15,988
Institutional care for minors (days)	*117,601	163,689	181,776	178,423	191,884	194,339	180,399	165,451	*114,764
Juvenile referrals processed	11,376	11,556	13,107	12,126	13,240	12,041	11,128	12,383	11,816
Prepared adult sentencing reports	4,363	4,748	4,860	**8,452	9,052	9,420	9,110	8,955	9,658
Public Defender:									
Felony Unit Jury Trials	70	88	105	125	143	160	168	136	139
Sheriff:									
Emergency calls for service:									
Priority 0	31	54	57	55	60	58	48	149	66
Priority 1	32,266	33,754	39,815	41,179	44,996	34,177	30,841	7,851	3,698
Emergency response time (minutes):									
Priority 0	5	13	10	10	9	9.3	6.5	12.5	14.0
Priority 1	15	14	15	14	15	15.61	9.2	10.6	10.8
Processed and booked adult offenders	24,830	25,084	25,199	26,568	23,477	22,493	24,364	21,483	20,242
Physical arrests	28,446	28,265	28,707	29,197	26,029	20,745	26,209	23,181	23,237
Total miles patrolled by Sheriffs	871.5	871.5	871.5	871.5	871.5	871.5	871.5	871.5	871.5

* 2001-02 includes Youth Detention Facility only. 2002-07 also includes the Sacramento County Boys Ranch and Warren E. Thornton Youth Center (WETYC). WETYC closed as of July 1, 2009.

** 2004-2007 includes categories not tracked in 2001-2004.

Note: Operating Indicators by function/program is only available for the last eight fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2009-10**

Page 2 of 2

Function	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Health and sanitation									
Patient Treatments at Public Health Clinics	161,105	160,350	153,351	146,223	153,297	153,407	163,847	145,203	96,184
Percent of paramedic/911 medical aid unit and training programs in compliance (by inspection)	100%	100%	100%	100%	100%	100%	100%	100%	100%
Public ways and facilities									
Number of Traffic Signs Reset and Replaced	9,387	8,873	11,117	11,274	10,690	10,230	13,321	14,433	14,146
Square Feet of Graffiti Removed or Abated	260,390	252,613	271,383	257,733	269,242	233,641	304,370	349,312	341,749
Recreation and culture									
Number of Visitors/Program Participants at Effie Yeaw Nature Ctr	74,775	72,759	62,289	68,804	78,822	88,449	85,882	87,440	84,449
Number of Individuals Who Use Parks Golf Services	214,409	208,940	203,104	192,735	190,317	190,827	196,470	188,357	181,550
Education									
Library:									
Print Materials Loaned	4,503,820	4,765,549	4,646,283	4,708,765	4,525,031	4,580,021	4,841,670	5,505,198	6,338,259
Audio Visual Media Loaned	285,007	316,115	402,631	495,444	670,296	777,078	1,036,647	1,861,290	1,391,325
Library cards issued	60,059	64,733	63,596	59,848	58,068	62,767	80,562	85,308	80,429
Library Visits	N/A	2,621,931	2,697,487	2,975,128	2,761,395	2,907,427	3,049,098	2,866,175	4,362,116
Airport									
Number of Commercial Airlines	12	14	15	15	15	16	16	15	14
Number of Flights	56,940	53,290	56,940	56,940	61,685	67,525	63,875	53,324	52,504
Number of Enplaned Passengers	4,042,585	4,314,273	4,563,607	4,986,171	5,150,229	5,307,289	5,294,737	4,603,182	4,445,991
Solid Waste									
Percent of Diversion/Recycled Waste	51%	52%	61%	58%	58%	58%	63%	50%	70%
Tons Disposed	494,438	624,035	789,265	718,464	706,134	678,776	667,899	559,865	471,488
Water Agency									
Water Supply:									
Number of Water Connections	31,800	34,700	36,890	41,450	45,261 ^	46,558 ^	47,760 ^	48,438 ^	49,069
Water Delivered (acre feet)	27,600	30,140	27,877	31,105	34,422	41,764	39,867	40,605	39,428
Storm Water Utilities									
Drainage:									
Mainline and Lateral Pipes Cleaned (miles)	N/A	227	60	137	101	97.78	121.4	67.3	60.3
Parking Enterprise									
Daily Public Parking (count)	388,532	372,978	353,173	362,480	371,292	385,869	383,052	284,359	168,490
Monthly Parking Passes issued to County Employees (count) ¹	15,049	15,512	15,642	16,001	16,440	16,740	17,491	20,484	18,456
Outside Agency Usage	8,301	8,186	8,984	10,399	9,923	7,496	7,509	9,398	11,251

Note: Operating Indicators by function/program is only available for the last eight fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

¹ Revised all years prior to 2008-09 double counted. ^ Revised, recount after error correction.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2009-10**

Page 1 of 2

Function	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Public Protection									
Sheriff:									
Administration buildings	1	1	1	1	1	1	1	1	1
Aircrafts									
Operational	4	5	4	4	3	4	5	4	5
Non-Operational	2	2	1	1	2	1	0	1	0
Fixed Wing									
Sheriff	2	2	2	2	2	2	2	2	1
CAL-MMET	2	2	2	2	2	2	2	2	2
Community service centers	12	12	12	14	14	10	10	10	10
Jail and detention facilities	2	2	2	2	2	2	2	2	2
Patrol Units	450	470	474	491	391	348	362	370	305
Stations	7	7	7	7	7	5	5	5	3
Health and Sanitation									
Clinics	2	2	3	3	3	3	3	3	3
Mental Health Treatment									
Clinics	1	1	1	1	1	1	1	1	1
Public ways and facilities									
Centerline miles of roads maintained	2,742	2,308	2,340	2,171	2,171	2,203	2,203	2,209	2,208
Traffic signals *	531	486	415	415	415	422	432	450	450
Recreation and culture									
Number of Golf Courses	4	4	4	4	4	4	4	4	4
Number of Developed Parks	38	38	38	38	38	38	38	38	38
Developed Parks acreage	10,500	12,500	14,500	15,000	15,000	15,000	15,000	15,150	15,150
Education									
Number of Libraries	8	9	9	9	9	9	9	9	11

Note: 1) Capital assets and infrastructure statistics by function/program is only available for the last eight fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

2) Building includes those that are capitalized but excludes real property that is leased.

*) Revised.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2009-10**

Page 2 of 2

Function	Fiscal Year								
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Airport									
Airports	4	4	4	4	4	4	4	4	4
Licensed Vehicles:									
Cars and Light Trucks	126	116	120	108	112	120	148	149	148
Busses	45	47	55	47	44	35	41	47	39
Solid Waste									
Number of Collection Trucks	179	193	172	190	179	148	130	152	149
Number of Landfills	3	3	3	3	3	3	3	3	3
Water Agency									
Water Supply:									
Water Mains (miles)	469.5	503	566	631	651	659	718	743	753
Storage Capacity (thousands of gallons)	16,400	20,400	20,400	27,900	31,400	34,400	39,400	39,400	39,400
Drainage:									
Drainage Inlets	39,965 *	41,082 *	42,263 *	43,513 *	44,631 *	47,281 *	47,335 *	47,717 *	44,131
Drainage Manholes	22,486 *	23,114 *	23,780 *	24,483 *	25,226 *	26,219 *	26,336 *	26,699 *	25,004
Drainage Pipes (miles)	1,225 *	1,273 *	1,323 *	1,376 *	1,379 *	1,421 *	1,446 *	1,443 *	1,338
Parking Enterprise									
Structures	2	2	2	2	2	2	2	2	2

Note: 1) Capital assets and infrastructure statistics by function/program is only available for the last eight fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

2) Building includes those that are capitalized but excludes real property that is leased.

*) Revised.

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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2010**

