



ANNUAL COMPREHENSIVE FINANCIAL REPORT

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

BEN LAMERA
DIRECTOR OF FINANCE

Photo Credit: Whitney Figen, Senior Training and Development Specialist
Personnel Services

The cover image captures crows circling to roost at the end of the day above the County's Administration building in downtown Sacramento. The photo was taken around sunset, in the early winter of 2022 by Whitney Figen.

Cover Design: Cheryl Chappell, Administrative Services Officer II
Department of Finance

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2022



COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
Ben Lamera, Director of Finance

**COUNTY OF SACRAMENTO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



INTRODUCTORY SECTION

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

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

November 30, 2022

To the Citizens of Sacramento County
 Sacramento, California

Dear Citizens:

The Annual Comprehensive Financial Report (ACFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2022, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information and related budgetary schedules for the General Fund and other funds, of the County, as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and bond disclosures. The introductory section includes this transmittal letter, a copy of the Fiscal Year Ended June 30, 2021 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, a list of public officials, and acknowledgment section. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and nonmajor 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 County's MD&A and should be read in conjunction with it. The County's MD&A, which is unaudited, can be found on pages 5 - 22 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF SACRAMENTO COUNTY

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

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural

region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

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

The County has a charter form of government. It is governed by a five-member Board of Supervisors (Board), who are elected on a non-partisan basis to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 1, District 2, and District 5 are elected in gubernatorial election years (2022, 2026, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2024, 2028, etc.). District boundaries are adjusted after every federal census to equalize district population.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The national economy grew at a solid pace in FY 2021-22, with the Gross Domestic Product (GDP) increasing by an average annual growth rate of 3.9 percent for the year, as the economy continued to recover from disruptions caused by the COVID-19 pandemic. However, the annual growth rate for the second quarter of calendar year 2022 was 1.7 percent, indicating a slowdown in growth. As the Federal Open Market Committee (FOMC) continues to increase interest rates to slow historically high inflation, many economists now expect a recession in the near term. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers increased at an annual rate of 9.1 percent as of the twelve months ended on June 30, 2022, far exceeding the FOMC's target average inflation of 2 percent.

Housing Market

The U.S. Census Bureau and U.S. Department of Housing and Urban Development jointly reported that housing starts in July 2022 decreased 9.6 percent from June 2022 and were 8.1 percent below the July 2021 level. Permits for new construction, a sign of future demand, have decreased 1.3 percent from June to July 2022 but are 1.1 percent above the July 2021 level.

Active listings increased 30.7 percent nationally over the last year, according to a report from Realtor.com, while the total inventory of unsold homes increased by 3.5 percent. The median home price increased in July 2022 by 16.6 percent year-over-year nationally and the typical home spent 35 days on the market in July 2022, compared to the average 33 days during July 2021. In California, median home prices are continuing to increase through

July 2022. A report from the California Association of Realtors showed that in July 2022 the median home price was \$833,910, an increase of 2.8 percent over the last year.

According to the Federal Reserve Bank of St. Louis, the House Price Index (HPI), a broad measure of the movement of single-family property prices, in the Sacramento, Roseville, and Folsom Metropolitan Statistical Area (MSA) was 387.58 in January 2022, up from 319.88 in January 2021. According to a recent report from the California Association of Realtors, the median home price within Sacramento County was \$550,000 as of July 2022, a 7.0 percent increase over the prior year. However, consistent with rising interest rates and affordability challenges, the month to month numbers reflect a downturn in the average home sale price from \$560,000 in June to \$550,000 in July, a decrease of 1.8 percent.

In FY 2021-22, the County's property tax assessment roll increased by 5.2 percent, following an increase of 6.0 percent in FY 2020-21. This is the ninth consecutive annual increase since FY 2012-13, for a total increase over that time of over 60 percent. The County is expecting growth of 8.0 percent in FY 2022-23 property taxes, which are based on assessed values as of January 1, 2022. The recent growth in assessed values is due to a combination of factors, including construction of new homes, sales of existing property with higher values, and annual inflation of assessed values as permitted by State law. Housing market impacts resulting from increasing interest rates after January 1, 2022 would be reflected in future year assessed values.

Labor Market

According to the Bureau of Labor Statistics, the national unemployment rate decreased to 3.6 percent in June 2022, down from 6.1 percent in June 2021. The number of jobs added to nonfarm payroll from May 2022 to June 2022 was 372,000. Notable employment gains in June 2022 occurred in professional and businesses services, leisure and hospitality, and health care. Employment showed little change over the month in other major industries, including construction, retail trade, financial activities, other services, and government.

According to a report by the California State Employment Development Department Labor Market Information Division, the unemployment rate in the Sacramento, Roseville, and Arden-Arcade MSA was 3.3 percent in July 2022, down from 3.4 percent in June 2022, and below 6.8 percent from July 2021. Between July 2021 and July 2022, total jobs in the region increased 3.4 percent, or 34,800 jobs, in the areas of health services, government, and leisure and hospitality.

Tax Abatements

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

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

Mills Act which the county offers to promote the restoration and preservation of qualified historic building by private property owners. This requires the building owners maintain its historic character and to use it in a manner compatible with its historic features. The future economic impact is approximately under \$20,000 of abated revenue per year.

LONG-TERM FINANCIAL PLANNING

Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to fund General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, County staff

prepares a Five-Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition under three different scenarios: a Baseline Scenario, that staff believes is the most realistic scenario to use for planning purposes, and More Conservative and More Optimistic Scenarios. Each of the scenarios makes different assumptions about what the General Fund's discretionary revenue and Net County Cost will be over the next five years, with the following estimated results:

- The *Baseline Scenario* shows that the General Fund's unrestricted fund balance at the end of FY 2027-28 would be around \$200 million, representing a decrease of approximately \$100 million from the estimated FY 2022-23 unrestricted fund balance as Net County Cost is expected to exceed discretionary revenue in the near term.
- Under the *More Conservative Scenario*, the projected unrestricted fund balance at the end of FY 2027-28 would be a negative \$2 million. Of course, this would not actually happen. As a practical matter, the County would have to begin making significant reductions in General Fund programs earlier in the forecast period.
- Under the *More Optimistic Scenario*, the projected unrestricted fund balance at the end of FY 2027-28 would increase to approximately \$400 million.

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

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP) and a Technology Improvement Plan (TIP) for consideration by the Board of Supervisors. The most recent CIP and TIP was approved by the Board in June 2022 and identified capital and technology needs through FY 2026-27.

RELEVANT FINANCIAL POLICIES

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

General Reserves Policy

General Reserves Level Goal:

The County's goal is to have General Reserves equal to 10 percent of discretionary revenue and reimbursements. In accordance with State law, except in cases of a legally declared emergency, General Reserves may only be cancelled or decreased at the time of budget adoption. In addition to emergencies, in times of fiscal stress these funds can be used to help balance the General Fund budget as part of a plan to achieve structural balance. Any plan to achieve structural balance should include a provision to replenish the General Reserves to the 10 percent level.

General Reserves Funding Policies:

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

The FY 2022-23 Adopted Budget complied with this policy by increasing General Reserves in an amount equal to 10% of the General Fund Available Fund Balance carry-forward, for a total increase of \$24 million.

County Budget Priorities

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

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

MAJOR INITIATIVES

In the FY 2022-23 budget, Sacramento County is implementing or continuing a number of initiatives in each of the major functional areas of Social Services, Community Services, Public Safety and Justice, Administrative Services, and General Government.

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

- Continuing and new programs addressing homelessness, including implementation of Safe Stay Communities;
- Behavioral health continuum of care build-out, including Wellness Crisis Response, Assisted Outpatient Treatment, sub-acute psychiatric capacity expansion, and additional investment in substance abuse treatment;
- Foster family home recruitment;
- Public health preparedness and response;
- Development of a Social Health Information Exchange (SHIE).

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

Community Services: Major initiatives in Community Services departments include:

- Substantial investment in County road maintenance, also partially funded with the County's ARPA allocation;
- Development and adoption of the Communitywide Climate Action Plan;
- Updating the County's General Plan;
- Implementing organic waste collection in compliance with new State law;
- Retooling the development review process;
- Streamlining the Building Permit process.

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

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

Administrative Services: Major initiatives in the Administrative Services area include:

- Security enhancements at the County Administration Center;
- Investing in greater cybersecurity risk management and response capabilities;
- Initiating a multi-year implementation of a new property tax system.

General Government: Major initiatives in the General Government area include implementing a new constituent management system and increased Board of Supervisors District Office staffing to better serve constituents, as well as a Countywide Diversity, Equity and Inclusion cultural initiative.

DEPARTMENT FOCUS

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2021-22, we have selected the following activities:

Human Assistance (DHA)

- Veterans Services – The County Veterans Services Office (CVSO) resumed in-person operations while continuing to serve veterans virtually. DHA’s CVSO team employed remote technology capabilities and partnered with Veteran organizations to facilitate uninterrupted service to over 7,600 veterans resulting in over \$2.1 million in one-time retroactive payments and \$3.6 million in cumulative recurring monthly payments to Sacramento County Veterans.
- Homeless Services - DHA’s Homeless Services Division continued its collaboration with community partner agencies to support persons experiencing homelessness in Sacramento County and manage the persistent effects of the pandemic on persons experiencing homelessness. In FY 2021-22, these efforts included collaborating with city and community partners on the COVID-19 pandemic response for sheltering through Project Roomkey (PRK). PRK expanded non-congregate shelter units in motels for single adults and provided isolation units for COVID-19 positive persons experiencing homelessness with no means to isolate themselves. Over 2,000 persons have been enrolled and sheltered through the program.

Health Services

- Sacramento County Health Services led response efforts to the COVID-19 pandemic through dispensing of over 116,000 vaccine doses through various community vaccine sites and partnering with over 22 community based organizations (CBOs), which contributed to passing of Sacramento County’s vaccination goal. The department ensured that the public and decision makers had timely and up-to-date information through dashboards, community forums and regular media briefings, bringing together hundreds of health care providers, CBOs, and volunteers in a well-coordinated response to COVID-19 pandemic.
- Sacramento County Behavioral Health Services expanded services to youth through the implementation of the Family First Prevention Services Act (FFPSA) assessments for foster youth, implementation of Therapeutic Behavioral Services (TBS) procurement, expansion of wraparound services, securing of grant funding for family respite facility renovation, youth drop-in center development, early psychosis training and prevention programs, as well as the launch of Student Mental Health and Wellness 10-year plan.
- Correctional Health added 29.0 FTE medical and administrative staff in FY 2021-22 and increased the contract with UC Davis for the Outpatient Psychiatric Pod (OPP) for Enhanced Outpatient Services to an additional 15 patients. The staff and contract augmentation is consistent with the Mays Consent Decree Remedial Plan.

Personnel Services

- Launched the Countywide Leadership Development Academy, a dynamic opportunity for County leaders to enhance leadership skills, learn global

trends impacting leadership, and create cross-department networking relationships. This program extends beyond traditional training by providing application plans, coaching, and reflection points to assist with sustaining positive changes.

Probation

- The Probation Department implemented and began operating the Valley Oak Youth Academy program, supported by the Juvenile Justice Realignment Block Grant in the Youth Detention Facility, whereby Probation is responsible for care and custody, including prosocial, vocational, educational, therapeutic, and reentry services, of youth committed by the Juvenile Courts.

Jail Diversion Efforts

- Probation, the Department of Health Services, and the Public Defender's Office collaborated to open the Jail Diversion Treatment and Resource Center, which provides easily-accessible, community-based, individualized support services and linkages to those in need of substance abuse or mental health treatment while also supporting the County's goal to reduce the County Jail population.
- The Public Defender's Pretrial Support Program continues to demonstrate success and was expanded to include community based intensive mentoring and case management including housing, job training, food, clothing, and transportation services.
- The Public Defender expanded its Felony Mental Health Diversion Program to serve a greater number of people in need of mental health services. This program provides outpatient mental health services, housing and case management to people with serious mental illness who are at risk of being mentally incompetent to stand trial.

District Attorney

- The District Attorney's Office led efforts to address an epidemic increase in fentanyl-related deaths in the community, based in large part on counterfeit prescription pills that contain fentanyl. This included launching countywide Public Service Announcements highlighting the theme of "1 Pill Can Kill." The website 1PillCanKillSac.com was also created for information and resources to get help.

Community Development

- The Metro Air Park (MAP) Fee Program implementation approved by the Board in June 2020 has been a catalyst for the 1,800-acre Metro Air Park development. In August 2022 the Community Facilities District 2000-1 issued \$121.7 million of refunding and new bonds to support and incentivize the MAP track and development. In addition, the CFD formed a Enhanced Infrastructure Finance District (EIFD) in April 2022, it is currently expected that the EIFD will not have any activity until January 2024.

FINANCIAL INFORMATION

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

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

Single Audit

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The FY 2021-22 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2023.

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 Project Funds, is adopted no later than October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures. The following funds are not subject to the California Budget Act, thus do not have a legally adopted budget: 1) Inmate Welfare Special Revenue Fund; 2) Tobacco Securitization Authority of Northern California Debt Service Fund; 3) Sacramento County Public Financing Authority Debt Service Fund; 4) Improvement Bond Act of 1911 Capital Projects Fund; and 5) Jail Industry Special Revenue Fund .

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled at the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board. During FY 2021-22, amendments were made to the final adopted budget. The budget data reflected in this ACFR includes the effect of all approved budget amendments.

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, Washington Supranationals, and U.S. Treasury and Agency investments. The average yield on investments during FY 2021-22 was 0.6348 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 0.86 percent.

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

Risk Management

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

OTHER INFORMATION

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

Awards

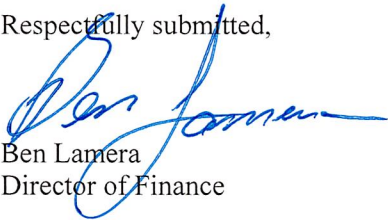
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its annual comprehensive financial reports for each of the last 33 fiscal years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Ben Lamera
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Sacramento
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



RESIDENTS

THE BOARD OF SUPERVISORS				
District 1	District 2	District 3	District 4	District 5
SUPERVISOR	SUPERVISOR	SUPERVISOR	SUPERVISOR	SUPERVISOR
Phil Serna	Patrick Kennedy	Rich Desmond	Sue Frost	Don Nottoli

COUNTY EXECUTIVE
Ann Edwards

ASSESSOR
Christina Wynn

DISTRICT ATTORNEY
Anne Marie Schubert

SHERIFF
Scott Jones

COUNTY COUNSEL
Lisa Travis

DEPUTY COUNTY EXECUTIVE¹
ADMINISTRATIVE SERVICES
David Villanueva

DEPUTY COUNTY EXECUTIVE²
PUBLIC SAFETY AND JUSTICE
Eric Jones

DEPUTY COUNTY EXECUTIVE
COMMUNITY SERVICES
Dave Defanti

DEPUTY COUNTY EXECUTIVE
SOCIAL SERVICES
Chevon Kothari

COUNTY CLERK
RECORDER
Donna Allred

FINANCE
Ben Lamera

PERSONNEL SERVICES
Sylvester Fadal

VOTER REGISTRATION
& ELECTIONS
Hang Nguyen, *Acting*

SACRAMENTO COUNTY
EMPLOYEE RETIREMENT
SYSTEM
Eric Stern

EMERGENCY SERVICES
Mary Jo Flynn-Nevens

GENERAL SERVICES
Jeff Gasaway

TECHNOLOGY
Rami Zakaria

LIBRARY JPA
Peter Coyl

SACRAMENTO COUNTY
LAFCO
Jose Henriquez

CIVIL SERVICE
Alice Dowdin Calvillo

CORONER
Rosa Vega

PUBLIC DEFENDER
Amanda Benson

PUBLIC SAFETY &
JUSTICE AGENCY
ADVISORY
COMMITTEE

COMMUNITY
CORRECTIONS
PARTNERSHIP

INSPECTOR GENERAL

PROBATION
Marlon Yarber

CONFLICT CRIMINAL
DEFENDER
Theresa Huff

COMMUNITY REVIEW
COMMISSION

CRIMINAL JUSTICE
CABINET

SUPERIOR COURT

LAW LIBRARY

AGRICULTURAL
COMMISSIONER-SEALER
OF WEIGHTS &
MEASURES

ANIMAL CARE &
REGULATION
Annette Bedsworth

ECONOMIC
DEVELOPMENT
Troy Givans, *Interim*

WASTE MANAGEMENT
& RECYCLING
Keith Goodrich, *Interim*

SANITATION DISTRICT
Christoph Dobson

AIRPORTS
Cindy Nichol

COMMUNITY
DEVELOPMENT
Troy Givans

REGIONAL PARKS
Liz Bellas

TRANSPORTATION
Ron Vicari

WATER RESOURCES
Michael Peterson

SOUTHEAST
CONNECTOR – JPA
Derek Minnema

CHILD, FAMILY AND
ADULT SERVICES
Michelle Callejas

ENVIRONMENTAL
MANAGEMENT
Jennea Monasterio

HUMAN
ASSISTANCE
Ethan Dye

SHRA
LaShelle Dozier

CHILD SUPPORT
SERVICES
Dalen Fredrickson

HEALTH SERVICES
Sandy Damiano
Interim

HOMELESS
INITIATIVES
Emily Halcon

FIRST 5 SACRAMENTO
Julie Gallelo

CLERK OF THE BOARD
Florence Evans

BUDGET & DEBT
MANAGEMENT
Amanda Thomas

PUBLIC INFORMATION
Kim Nava

LEGISLATIVE AFFAIRS
Vacant



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

**COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2022**

ELECTED:

Board of Supervisors:

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

Department Heads:

Christina Wynn	Assessor
Anne Marie Schubert	District Attorney
Scott Jones	Sheriff

APPOINTED:

Ann Edwards	County Executive
David Villanueva	Deputy County Executive
Ben Lamera	Director of Finance

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE
COUNTY OF SACRAMENTO

For the Fiscal Year Ended June 30, 2022

ACKNOWLEDGEMENT

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

Ben Lamera, Director of Finance
Joyce Renison, Deputy Director of Finance
Mark Aspesi, Assistant Auditor-Controller
Sean Stoyanowski, Senior Accounting Manager
Richard Wan, Accounting Manager
Jun Nguyen, Accounting Manager
Greg Cundari, Senior Accountant
Zongchar Moua, Senior Accountant

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FINANCIAL
SECTION**



Certified
Public
Accountants

Independent Auditor's Report

Honorable Board of Supervisors
County of Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sacramento County Employees' Retirement System (SCERS), a fiduciary component unit, which represent 67.7% of assets, 69.3% of fund balance/net position, and -0.5% of revenues/additions of the aggregate remaining fund information as of June 30, 2022. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SCERS, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes 1, 5, 7, and 8 to the basic financial statements, effective July 1, 2021, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

The County's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and bond disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Sacramento, California
November 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) annual comprehensive financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year (FY) 2021-22 by \$2,007,916 (net position). Of this amount, \$933,391 is restricted for specific purposes (restricted net position), and \$2,691,153 is the County's net investment in capital assets. The County's total net position increased by \$826,010 during the current fiscal year.
- As of June 30, 2022, the County governmental funds reported combined fund balances of \$1,245,845 for an increase of \$251,361, in comparison with the prior fiscal year. Total amounts available for spending include restricted, assigned, and unassigned fund balances, which totaled \$1,203,993 (96.6 percent), of the ending fund balance. Of this amount, \$868,544 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund increased \$191,312 to \$724,563, which equates to 26.6 percent of total General Fund expenditures for the current fiscal year.
- At the end of the fiscal year, assigned fund balance for the General Fund was a positive \$170,730 or 6.3 percent of total General Fund expenditures. Unassigned fund balance was \$164,719 or 6.1 percent of total General Fund expenditures. Restricted Fund Balance was \$347,262 or 12.8 percent of total General Fund expenditures.
- The County's investment in capital assets increased by \$315,755 or 7.8 percent in comparison with June 30, 2021 balances.
- The County's total long-term obligations had a net increase of \$207,219 in comparison with June 30, 2021 balances as the prior year balances were not restated in the MD&A, with the implementation of GASB Statement No. 87, Leases. Per Note 8 with restated balances, the County's total long-term obligations, in fact, had a net decrease of \$133,132. This net decrease was comprised of a gross decrease of \$376,963 and a gross increase of \$243,830 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, teeter notes, and pension obligation bonds. The increase resulted primarily from the issuance of a Teeter note, implementation of GASB Statement No. 87, *Leases*, and revenue bonds refunding.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

financial position of the County is improving or deteriorating.

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

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

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

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

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

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

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

evaluating a county's near-term financing requirements.

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

The County maintains 44 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements*.

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

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

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

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

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

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

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 43 - 139 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, enterprise, internal service, and custodial funds, and can be found on pages 145 - 223 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,007,916 at the close of the most recent fiscal year (see Condensed Statement of Net Position and analysis on page 9).

The County is allocated a proportion of the Sacramento County Employees' Retirement System (SCERS) pension plan net pension liability. The Net Pension Liability (NPL) is equal to the difference between the total pension liability and the pension plan's fiduciary net position. The pension plan's fiduciary net position includes the fair value of plan investments. The County's proportionate share of the SCERS NPL decreased by \$(1,986,251) in FY 2021-22 to \$403,532, primarily due to favorable investment return (about \$2.077 billion greater than expected). Deferred outflows and inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, differences between expected and actual experience, and also contributions to the plan made subsequent to the liability's measurement date. Deferred outflows of resources related to pensions decreased by \$216,870 in FY 2021-22 to \$555,756. Deferred inflows of resources related to pensions increased by \$1,500,029 in FY 2021-22 to \$1,528,539.

Governmental activities increased the County's net position by \$677,723, from \$(318,202) to \$359,521 in the current fiscal year. The County's long-term liabilities (excluding pension and OPEB) increased by \$165,573, capital assets increased by \$311,783, and current and other assets increased by \$462,668, of which \$150,000 relates to funding received from the American Rescue Plan Act (ARPA). The County's decrease in net pension related items totaled \$257,011 and total OPEB related items increased \$69. The changes in capital assets and long-term liabilities are discussed in the Capital Assets and Debt Administration section of the Management's Discussion and Analysis (MD&A).

Business-type activities increased the County's net position by \$148,287 to \$1,648,395 in the current fiscal year. See page 16 for additional comments on changes to enterprise funds net position.

Condensed Statements of Net Position
June 30, 2022 and 2021
(amount expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2022	2021 ^A	2022	2021 ^A	2022	2021 ^A
Assets:						
Current and other assets	\$ 2,329,375	1,866,707	828,931	614,443	3,158,306	2,481,150
Capital assets, net of depreciation	2,110,082	1,798,299	2,245,520	2,241,548	4,355,602	4,039,847
Total assets	4,439,457	3,665,006	3,074,451	2,855,991	7,513,908	6,520,997
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement	34,426	73,869	33,232	67,818	67,658	141,687
Deferred amounts related to refundings	20,146	24,211	27,697	30,406	47,843	54,617
Deferred outflows related to pensions	526,667	736,981	29,089	35,645	555,756	772,626
Deferred outflows related to OPEB	23,893	25,657	1,239	1,370	25,132	27,027
Total deferred outflows of resources	605,132	860,718	91,257	135,239	696,389	995,957
Liabilities:						
Current and other liabilities	950,299	832,024	142,254	173,810	1,092,553	1,005,834
Long-term debt obligations	1,656,649	1,491,076	1,239,371	1,197,725	2,896,020	2,688,801
Net pension liability	394,399	2,287,164	9,133	102,619	403,532	2,389,783
Total OPEB liability	139,988	153,943	7,218	8,381	147,206	162,324
Total liabilities	3,141,335	4,764,207	1,397,976	1,482,535	4,539,311	6,246,742
Deferred inflows of resources:						
Deferred amounts related to refundings			4,322	5,031	4,322	5,031
Deferred inflows related to pensions	1,453,497	28,057	75,042	453	1,528,539	28,510
Deferred inflows related to OPEB	63,922	51,662	4,074	3,103	67,996	54,765
Deferred inflows related to leases	26,314		35,899		62,213	
Total deferred inflows of resources	1,543,733	79,719	119,337	8,587	1,663,070	88,306
Net position:						
Net investment in capital assets	1,513,277	1,473,398	1,177,876	1,149,300	2,691,153	2,622,698
Restricted	826,031	662,416	107,360	98,434	933,391	760,850
Unrestricted	(1,979,787)	(2,454,016)	363,159	252,374	(1,616,628)	(2,201,642)
Total net position (deficit)	\$ 359,521	(318,202)	1,648,395	1,500,108	2,007,916	1,181,906

A) 2021 balances were not restated due to GASB Statement No. 87, *Leases*.

Net Position. The largest portion of the County's net position totaling \$2,691,153, reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, right-to-use assets, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, net of depreciation/amortization and less any related debt used to acquire those assets that is still outstanding). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The \$68,455, increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt. Capital asset additions, net of construction in progress transfers totaling \$230,685 were related primarily to infrastructure (roads and road improvements), building projects, additions to equipment, and additions of the the right-to-use assets due the implementation of GASB 87. The County recorded depreciation/amortization of \$254,022 against its assets in the current fiscal year.

Another significant portion of the County's net position totaling \$933,391 is restricted and represents resources that are subject to external restrictions on how they may be used. The major categories of restricted net position are bond reserves \$33,316, capital projects \$120,162, health and sanitation programs \$243,655, public protection \$152,940, public assistance \$67,528, passenger facility charges \$42,694, transportation programs \$159,285, economic development programs \$47,150, and general government programs \$21,855. The County's restricted net position increased by \$172,541 from the prior year restricted net position amount of \$760,850. The increase is primarily due to increased governmental funding in law enforcement services as well as timing of revenues and expenses relating to road and roadway projects.

The remaining balance of total net position, a negative \$1,616,628 is unrestricted. Unrestricted net position increased by \$585,014 from the prior year. The increase is primarily the result of the aforementioned changes in the County's pension and OPEB related items.

The County's total net position increased by \$826,010 during the current fiscal year, which results in an increase of 69.9 percent of total net position from prior year.

Revenues. When compared to the prior year, government-wide revenues increased approximately \$361,478 (9.7 percent). Program revenues increased by \$221,031 (9.3 percent) mostly due to an increase in operating grants and contributions of \$124,133 (8.1 percent). As an arm of the State government, a significant portion of program revenues are tied to mandated programs such as public assistance and health and sanitation programs, as well as economic development and capital projects. Total program revenues represent 63.6 percent of the County's funding.

General revenues increased by \$140,447 (10.4 percent). These revenues include general revenue which provide the Board of Supervisors with the most discretionary spending ability. Programs such as public assistance, public protection, and health and sanitation consume most of these resources. The increase in general revenues is due primarily to increases in property taxes revenue of \$43,953 (7.7 percent), sales and use tax of \$59,036 (48.8 percent) and grants and contributions not restricted to specific programs revenue \$161,595 (34.1 percent). Total general revenues represent 36.4 percent of the County's funding.

Expenses. As a service delivery entity, the County's major cost component is salaries and benefits. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 344 FTEs from 12,665 in the prior year to 13,009 at June 30, 2022. When compared to the prior year, government-wide expenses decreased \$315,780 ((8.8) percent). This decrease is primarily due to reduction of pension related items across all functions of government due to increased investment performance. The decrease was offset by an increase of \$38,928 in public ways and facilities due to timing of road related projects/activities. The table on the following page indicates the changes in net position for governmental and business-type activities.

Condensed Statements of Activities
For the Fiscal Years Ended June 30, 2022 and 2021
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2022	2021 ^A	2022	2021 ^A	2022	2021 ^A
Revenues:						
Program revenues:						
Charges for services	\$ 442,388	444,384	418,881	363,879	861,269	808,263
Operating grants and contributions	1,601,501	1,511,575	53,913	19,706	1,655,414	1,531,281
Capital grants and contributions	29,901	30,828	55,947	11,128	85,848	41,956
General revenue:						
Taxes:						
Property	618,235	574,282			618,235	574,282
Transient occupancy	6,660	5,240			6,660	5,240
Sales and use	180,102	121,066			180,102	121,066
Unrestricted investment earnings	(371)	15,151	(2,248)	3,353	(2,619)	18,504
Grants and contributions not restricted to specific programs	636,048	474,453			636,048	474,453
Pledged tobacco settlement	17,690	16,650			17,690	16,650
Miscellaneous	35,640	141,114			35,640	141,114
Total revenues	<u>3,567,794</u>	<u>3,334,743</u>	<u>526,493</u>	<u>398,066</u>	<u>4,094,287</u>	<u>3,732,809</u>
Expenses:						
General government	174,831	195,548			174,831	195,548
Public assistance	733,858	709,042			733,858	709,042
Public protection	889,632	1,145,784			889,632	1,145,784
Health and sanitation	810,739	903,661			810,739	903,661
Public ways and facilities	176,375	137,447			176,375	137,447
Recreation and culture	42,941	41,593			42,941	41,593
Education	1,904	1,116			1,904	1,116
Interest and fiscal charges	67,058	78,271			67,058	78,271
Airports			208,680	204,996	208,680	204,996
Solid Waste			95,808	96,778	95,808	96,778
Water Agency			61,935	64,997	61,935	64,997
Parking Enterprise			1,708	2,279	1,708	2,279
County Transit			2,808	2,545	2,808	2,545
Total expenses	<u>2,897,338</u>	<u>3,212,462</u>	<u>370,939</u>	<u>371,595</u>	<u>3,268,277</u>	<u>3,584,057</u>
Changes in net position before transfers	670,456	122,281	155,554	26,471	826,010	148,752
Transfers	7,267	7,042	(7,267)	(7,042)		
Changes in net position	677,723	129,323	148,287	19,429	826,010	148,752
Net position (deficit), beginning of year	(318,202)	(447,525)	1,500,108	1,480,679	1,181,906	1,033,154
Net position (deficit), end of year	<u>\$ 359,521</u>	<u>(318,202)</u>	<u>1,648,395</u>	<u>1,500,108</u>	<u>2,007,916</u>	<u>1,181,906</u>

A) 2021 balances were not restated due to GASB Statement No. 87, *Leases*.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2022, the County's governmental funds reported combined fund balances of \$1,245,845, an increase of \$251,361 in comparison with the prior year's total ending fund balance of \$994,484. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

- *Nonspendable fund balance*, \$41,852, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventories of \$2,560; 2) prepaid items of \$30,802; 3) long-term receivables/advances of \$1,594; 4) legally required Teeter Tax program loss reserves of \$6,268; and 5) Teeter Tax delinquencies of \$628.
- *Restricted fund balance*, \$868,544, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation. Examples of restrictions on funds are those for legislated amounts restricted for 1) health and sanitation of \$235,027; 2) capital projects of \$117,609; 3) public ways and facilities of \$155,144; 4) public protection of \$152,939; 5) debt service of \$54,795; 6) economic development of \$47,150; and 7) public assistance \$67,528.
- *Assigned fund balance*, \$170,730, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 96.6 percent, or \$1,203,993, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$41,852, \$868,544 is available for appropriation for restricted purposes, \$170,730 is assigned for County Board of Supervisors approved uses, and \$164,719 is unassigned.

The increase of \$251,361 in the governmental funds combined fund balance is attributable to an increase in the General Fund totaling \$191,312, special revenue funds totaling \$50,433 and \$12,503 in the capital project funds, offset by a decrease in debt service funds totaling \$2,887.

The General Fund is the principal operating fund of the County. The General Fund's total fund balance increased by 35.9 percent, or \$191,312, to \$724,563 at June 30, 2022. The nonspendable portion of fund balance was \$41,852, which is an increase of \$17,523 from the prior year balance of \$24,329 and the spendable portion was \$682,711, an increase of \$173,789 from the prior year spendable balance of \$508,922. General Fund revenues increased by \$230,632, while expenditures increased by \$113,891 when compared to FY 2020-21. See analysis beginning on page 13 for analysis of significant changes in revenues and expenditures for the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 26.6 percent of total General Fund expenditures while spendable fund balance equates to 25.1 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$347,262, or 50.9 percent, is restricted.

Other governmental funds: The total fund balances of the remaining governmental funds increased 13.0 percent, or \$60,049, to \$521,282. Other governmental funds revenues increased by \$30,642, while expenditures increased by \$31,751. See analysis beginning below for significant changes in revenues and expenditures for other governmental funds.

Revenues for total governmental funds totaled \$3,558,438 in FY 2021-22, which represents an increase of \$261,274 or 7.9 percent from FY 2020-21.

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

Revenues Classified by Source Governmental Funds (amounts expressed in thousands)						
Revenue by Source	FY 2022		FY 2021		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 804,997	22.62 %	700,588	21.25 %	104,409	14.90 %
Use of money and property	2,564	0.07 %	15,394	0.47 %	(12,830)	(83.34)%
Licenses and permits	76,472	2.15 %	86,176	2.61 %	(9,704)	(11.26)%
Intergovernmental	2,256,029	63.40 %	1,977,677	59.99 %	278,352	14.07 %
Charges for sales and services	327,276	9.20 %	313,193	9.50 %	14,083	4.50 %
Fines, forfeitures and penalties	38,571	1.08 %	43,625	1.32 %	(5,054)	(11.59)%
Pledged tobacco settlement	17,044	0.48 %	15,751	0.48 %	1,293	8.21 %
Contributions from property owners			4,007	0.12 %	(4,007)	100.00 %
Miscellaneous	35,485	1.00 %	140,753	4.27 %	(105,268)	(74.79)%
Total	\$ 3,558,438	100.00 %	3,297,164	100.01 %	261,274	7.92 %

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

- Taxes increased \$104.4 million, of which the General Fund had an increase of \$94.5 million. The increase is primarily due to \$41.8 million increase in property tax revenue due to an increase in assessed property values and \$59 million in Sales/Use Taxes revenues due to increased spending during the fiscal year.
- Use of money and property decreased by \$12.8 million primarily due to the fair value adjustment. The decrease is comprised of a decrease in the General Fund totaling \$7.8 million and \$5.0 million for other governmental funds. The County's fair value adjustment decreased from 100.5% in FY 2020-21 to 99.1% in FY 2021-22.
- Intergovernmental increased \$278.4 million in FY 2021-22. Intergovernmental revenues for the General Fund increased by \$229.7 million and increased by \$48.7 million for other governmental funds. The primary reasons for the increase in the General Fund is due to the County receiving increased funding from the following services: Proposition 172 \$29 million; 1991 & 2011 Realignment \$97.1 million; ARPA \$11.4 million; \$65.3 million for the Emergency Rental Assistance Program; \$62.7 million reclassification of revenues from miscellaneous in FY 2020-21. These increases were offset by decrease in CARES Act revenue of \$59.1 million across General Fund departments as this was one time funding and all revenue had been recognized in FY 2020-21. The increase from other governmental funds is caused by \$4.7 million from federal construction monies for road projects; \$13.5 million from highway user tax; \$6.9 million in ARPA; \$18.3 million in federal Environmental Services Cooperative

Agreement (ESCA) grant revenue for the McClellan Business park.

- Licenses and permits decreased \$9.7 million, with nearly 100 percent of the decrease relating to other governmental funds. The decrease is primarily due to drop in permits issued relating to various roadway projects in FY 2021-22.
- Charges for sales and services increased by \$14.1 million. The increase is comprised of a decrease of \$19.5 million in the General Fund and an increase of \$33.6 million in other governmental funds. The primary reason for the decrease in the General Fund is due to \$17.9 million in decreased revenues for institutional care for the Sheriff's office. The primary reason for the increase in other governmental funds is due to \$30.3 million of revenues were reclassified from miscellaneous revenue to charges for services in FY 2021-22 relating to building maintenance charges, capital construction fund projects, and recycling and recovery sales.
- Contributions from property owners decreased by \$4.0 million as there was no new special assessment debt issued in FY 2021-22; 100 percent of the decrease relates to other governmental funds.
- Miscellaneous revenues decreased by \$105.3 million in FY 2021-22. The decrease is comprised of a decrease in the General Fund totaling \$63.1 million and a decrease in other governmental funds totaling \$42.1 million. The primary reason for the decrease in the General Fund is due to improved classification of \$62.7 million of revenues from miscellaneous to intergovernmental. The decrease for the other governmental funds is primarily caused by the following: \$30.3 million is due to the reclassification of revenues from miscellaneous to charges for services relating to building maintenance charges, capital construction projects; and an \$11 million decrease in Teeter Plan revenues.

Expenditures for governmental funds totaled \$3,351,062 in FY 2021-22, which represents an increase of \$145,642 or 4.5 percent from FY 2020-21. 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 2022		FY 2021		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 190,843	5.70 %	180,464	5.63 %	10,379	5.75 %
Public assistance	754,437	22.51 %	685,610	21.39 %	68,827	10.04 %
Public protection	1,050,490	31.34 %	1,007,918	31.45 %	42,572	4.22 %
Health and sanitation	841,339	25.11 %	871,488	27.19 %	(30,149)	(3.46)%
Public ways and facilities	174,714	5.21 %	157,358	4.91 %	17,356	11.03 %
Recreation and culture	44,216	1.32 %	38,617	1.20 %	5,599	14.50 %
Education	1,618	0.05 %	1,518	0.05 %	100	6.59 %
Capital outlay	47,119	1.41 %	53,407	1.67 %	(6,288)	(11.77)%
Debt service:						
Principal	177,913	5.31 %	132,148	4.12 %	45,765	34.63 %
Interest and fiscal charges	68,373	2.04 %	74,200	2.31 %	(5,827)	(7.85)%
Bond issuance costs			2,692	0.08 %	(2,692)	100.00 %
Total	<u>\$ 3,351,062</u>	<u>100.00 %</u>	<u>3,205,420</u>	<u>100.00 %</u>	<u>145,642</u>	<u>4.54 %</u>

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

- Public protection increased by \$42.6 million. The increase is comprised of an increase in the General Fund totaling \$36.1 million and an increase in other governmental funds totaling \$6.5 million. The increase in the General Fund is primarily due to a \$39.5 million increase in salaries and benefits resulting from Cost of Living Adjustments (COLAs) and equity adjustments. The increase was offset by decreases of the following: 1) \$2.4 million relating to lease expenditures for the probation department; and 2) decrease of \$0.7 million relating to liability insurance cost for the Sheriff department. The other governmental funds increase is primarily due to 1) \$1.9 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) a \$0.9 million increase in liability insurance cost; 3) \$1.5 million increase in technology support wage cost and on call building plan support; and 4) increase of \$0.7 million relating to construction support services.
- Public assistance increased by \$68.8 million, with 100% of the increase within the General Fund. The increase is primarily due to 1) \$52.8 million associated with the Emergency Rental Assistance Program; 2) \$8.9 million increase in salaries and benefits resulting from COLAs and equity adjustments; and 3) \$1.8 million increase in Refugee Cash Assistance program to aid local refugees from Afghanistan.
- Health and sanitation decreased by \$30.1 million. The General Fund decrease totaled \$32.4 million and other governmental funds increased \$2.3 million. The decrease in the General Fund is primarily attributable to \$15.8 million in provider payments; and a decrease of \$15.1 million in contributions made to local agencies. The other governmental funds increase is primarily due to \$1.5 million in reimbursement credits applied to various water projects.

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

	FY 2022	FY 2021	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 230,428	199,160	31,268	15.70 %
Transfers out	(212,613)	(181,740)	(30,873)	16.99 %
Issuance of debt	26,170	25,131	1,039	4.13 %
Premiums on debt issued		38,224	(38,224)	100.00 %
Refunding debt issued		263,207	(263,207)	100.00 %
Payment to refunded bonds escrow agent		(312,720)	312,720	100.00 %
Total other financing sources (uses)	\$ 43,985	31,262	12,723	40.70 %

- Transfers in/out: Increase in net transfers is primarily due to increased debt service activity and capital projects.
- Issuance of debt: Increase is due to the issuance of a Teeter note resulting from a slight reduction in property tax collections, as well as the timing of property tax collections.
- Premiums on debt issued/refunding debt issued: No refunding debt was issued in FY 2021-22. While in FY 2020-21, the County and the Tobacco Authority issued the 2021 Tobacco Revenue Bonds, 2020 Certificates of Participation, and the 2020 Sunrise Recreation & Park District Certificates of Participation at a premium totaling \$301,431.
- Payment to refunded bonds escrow agent: No refunding debt was issued in FY 2021-22. While in FY 2020-21 the proceeds from the 2021 Tobacco

Revenue Bonds were used to defease the 2005 Tobacco Revenue Bonds. The 2020 Certificates of Participation were used to defease the 2010 Certificates of Participation and 2006 Sunrise Recreation & Park District Certificates of Participation.

Enterprise funds. The County's enterprise funds reported an increase in net position totaling \$141,830. The following provides an explanation of the operating and nonoperating activities that changed significantly over the prior year:

- Airport operating revenues increased from \$150.1 million to \$201.3 million mostly due to increased concessions revenue of \$37.6 million and increased travel demand. Operating expenses increased by \$6.1 million due to an increase in services and supplies of \$14.1 million offset by a decrease in payroll expenses of \$9.2 million. Net nonoperating revenues increased by \$41.0 million primarily due to an increase of \$34.1 million in intergovernmental revenue, as Airports recognized ARPA and Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) grant revenues and a \$9.2 million increase in passenger facility charges.
- The Solid Waste operating income (loss) increased from an operating loss of \$2.0 million in FY 2020-21 to an operating income of \$20.1 million in FY 2021-22, a net increase of \$22.1 million. Operating revenues increased by \$23.0 million mainly consisting of an increase in service charges of \$12.5 million, as rates for curbside collection were raised, and an increase in tipping fees of \$7.8 million from increased disposal charges in an effort to be able to meet the goals of reducing short-lived greenhouse gases, as prescribed by Senate Bill 1383. Operating expenses and net nonoperating revenues (expenses) stayed fairly consistent from prior year.
- The Water Agency had its operating income decrease from \$39.7 million in FY 2020-21 to \$13.8 million in FY 2021-22. Operating revenues decreased by \$42.3 million due to a change in the classification of developer fees to nonoperating revenues, while there was an increase of \$14.4 million due to a \$12.6 million increase from development and commercial service fees and a \$1.3 million increase in other fees charged. Operating expenses decreased by \$2.6 million due to a decline of \$4.4 million in payroll cost, offset by increased overhead charges of \$0.8 million and increased services and supplies expense of \$0.4 million. Net nonoperating revenues (expenses) increased \$41.8 million due to the aforementioned classification of developer fees from operating revenues.

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

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

	Major Enterprise Funds			Nonmajor Enterprise Funds		Total
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit	
Operating revenues	\$ 201,294	119,174	65,080	2,233	69	387,850
Operating expenses	(177,655)	(99,062)	(51,309)	(1,892)	(2,808)	(332,726)
Operating income (loss)	23,639	20,112	13,771	341	(2,739)	55,124
Nonoperating revenues (expenses)	45,421	742	32,306	49	2,398	80,916
Income (loss) before capital contributions and transfers	69,060	20,854	46,077	390	(341)	136,040
Transfers in (out)	(2,903)	(3,201)	(1,139)	(24)		(7,267)
Capital contributions	7,552		5,174		331	13,057
Changes in net position	\$ 73,709	17,653	50,112	366	(10)	141,830

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget resulted in a \$342.0 million increase in expenditures. The increase is due to increases in budgeted salary and benefit costs, budgeting for ARPA eligible projects and programs, and various other adjustments. Changes are briefly summarized as follows:

General Government: Increased by \$94.8 million due to a \$58.9 million increase in appropriation for contingency resulting primarily from semi-discretionary revenues coming in higher than anticipated, as well as increased investments in capital improvements and a new property tax system.

Public Assistance: Increased by \$134.4 million primarily due to increases in budgeted salary and benefit costs, realignment expenditures, and re-budgeting and expansion of programs in response to COVID-19 and homelessness including the Emergency Rental Assistance Program, Project Roomkey, and ARPA funded programs.

Public Protection: Increased by \$27.2 million primarily due to increases in budgeted salary and benefit costs, increases in semi-discretionary fund expenditures resulting from higher than anticipated revenues, and program enhancements. Enhancements include 15.0 FTE positions for the Sheriff’s 911 call center and the budgeting of new grant funds; additional funding for the Conflict Criminal Defender to handle increased workload resulting from the COVID-19 pandemic; and additional grant funding for the Office of Emergency Services.

Health and Sanitation: Increased by \$84.3 million primarily due to COVID-19 related expenditures, including ARPA allocations, and increased budgeted salary and benefit costs. Mental Health Services funded services were also expanded; which include mental health outpatient treatment, respite services, and full service partnership programs that provide high intensity mental health treatment.

Recreation and Culture: Increased by \$1.3 million primarily due to the addition of 5.0 FTE positions in Regional Parks to help with fire fuel reduction efforts in the American River Parkway, increases in the Golf program related to increased patronage, and increases in budgeted salary and benefit costs.

Actual revenues for the General Fund were \$56.5 million less than the final budgetary estimates. The under-collection of revenues is due primarily to a \$89.0 million decrease in intergovernmental revenue, including budgeted ARPA funding, caused by timing in program implementation, reduced caseloads, and difficulty filling positions resulting in fewer eligible expenditures; a \$30.7 million difference in miscellaneous revenues, primarily in the social services and public assistance departments, due to the majority of the actual revenues being more appropriately recognized in the intergovernmental and charges for services revenue categories; and a net \$6.8 million difference in interest earnings due to poor investment returns. These under-collections are partially offset by a \$69.2 million over-collection in Property, Sales and Use and Transient Occupancy Tax revenues; and modest over-collections in other areas.

Actual expenditures were \$472.7 million less than budgetary estimates. Expenditures less than budget were due to reduced general government (\$104.3 million), public assistance (\$136.0 million), public protection (\$79.1 million), and health and sanitation (\$180.4 million) program costs resulting primarily from the timing of program and project implementations; difficulty filling positions and receiving supplies due to COVID-19; inability to provide certain services due to the pandemic; and reductions in caseloads. Additionally, there were miscellaneous decreases in expenditures across other programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$4,355,602, net of accumulated depreciation/amortization. This investment in capital assets includes land and easements, leases, computer software and other intangibles, water facility rights, infrastructure, building and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current year was 7.80 percent.

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

Schedule of Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2022	2021	2022	2021	2022	2021	Percent of Change
Nondepreciable:							
Land	\$ 135,666	134,615	135,737	135,737	271,403	270,352	0.39 %
Construction in progress	47,829	37,832	115,391	103,769	163,220	141,601	15.27 %
Permanent easement	19,131	17,661	57	57	19,188	17,718	8.30 %
Water facility rights			199,499	198,306	199,499	198,306	0.60 %
Other intangibles			1,904	1,904	1,904	1,904	0.00 %
Intangible assets under project	66	66			66	66	0.00 %
Depreciable/amortizable:							
Buildings and improvements	351,881	370,432	1,548,104	1,581,329	1,899,985	1,951,761	(2.65)%
Infrastructure	1,167,881	1,139,229	182,155	171,124	1,350,036	1,310,353	3.03 %
Equipment	93,194	97,129	50,361	48,221	143,555	145,350	(1.23)%
Computer software	2,516	1,335	206	334	2,722	1,669	63.09 %
Water facility rights			741	767	741	767	(3.39)%
Right-to-use leased buildings	290,185		5,056		295,241		
Right-to-use leased equipment	1,733		6,309		8,042		
Total	\$ 2,110,082	1,798,299	2,245,520	2,241,548	4,355,602	4,039,847	7.82 %

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

- **Buildings and improvements:** Decreased in total by approximately \$51.8 million. This is due to depreciation of \$27.0 million in governmental activities, \$51.6 million in Airports, \$5.2 million in Solid Waste, and \$15.6 million in the Water Agency Enterprise Fund. The decreases were offset by increases in completed projects in the governmental funds of \$8.5 million, which included \$1.6 million for remodeling of the Sheriff Administration Building on the 1st floor, and \$6.9 million in other various projects throughout the County. Airports capitalized \$34.0 million in project costs, \$12.4 million for the upgrade of the airfield apron, \$14.7 million on the new Aircraft Rescue and Fire Fighting (ARFF) Facility Replacement, \$1.4 million for the North Campus Switchgear Electrical improvements, and \$5.5 million in various projects. Solid Waste completed \$1.9 million in project costs for the Kiefer Landfill Gas and Leachate Management System Improvements and other ancillary projects. The Water Agency Enterprise Fund concluded \$13.2 million in structural improvements.
- **Infrastructure:** Increased in total by approximately \$39.7 million. This is due to increases in completed projects for the Road Fund of \$87.7 million. This included \$41.6 million of total construction completed and \$49.1 million of expenditures by other governmental agencies and private parties such as Fee Districts, Measure A- Sales Tax, Roadway Fee Districts, Subdividers, and roadway costs incurred including the following community facility districts: Florin Vineyard, Vineyard Roadways, and Metro Air Park. The Water Agency also completed infrastructure projects totaling \$16.0 million. These increases were offset by depreciation of \$66.3 million in governmental activities.
- **Construction in progress:** Increased in total by approximately \$21.6 million. This is due to increases to construction projects totaling \$11.00 million for governmental activities, \$17.8 million for Airports, \$3.5 million for Solid Waste, and \$31.0 million for the Water Agency Enterprise Fund. A combination of decreases in governmental activities projects being capitalized to building costs and infrastructure of \$14.4 million, as well as

decreases in other projects being capitalized to building costs and infrastructure for Airports of \$22.6 million and the Water Agency Enterprise Fund for \$18.1 million offset the increases.

- Right-to-use leased assets: Due to the implementation of GASB Statement No. 87 - *Leases*, right-to-use leased buildings and equipment were added as capital assets, contributing to an overall increase of \$303.3 million.

Additional information on the County's capital assets can be found in Note 5 on pages 88 - 90.

The County has entered into several agreements related to the construction of capital projects. For governmental funds, \$9.5 million relates to Phase 3 of the Hazel Avenue Improvement Project, \$7.8 million for Elk Grove - Florin Road Bridge and Widening Project, \$5.3 million for the Main Jail Annex Criteria Architect Services, and \$44.4 million relating to various projects throughout the County. The Water Agency Enterprise Fund had \$32.5 million in agreements related to the construction of capital projects at June 30, 2022. Of this amount, \$9.9 million corresponds to the Arden Service Area Distribution System Pipe Realignment and Meter Installation Project, \$2.4 million to the North Vineyard Station Open Space Preserve Trail and Landscaping Project, and \$10.3 million for other various construction projects. Airport has \$14.6 million relates to the extension of Elkhorn Boulevard and an additional \$9.2 million relates to the expansion of Sacramento Airport Cargo Apron. Airport has an additional \$4.9 million in various projects for replacements and upgrades. Solid Waste has projects of \$6.5 million in organic material diversion services, \$2.3 million for Kiefer Landfill gas recovery operations and maintenance, and \$11.3 million in various constructions projects. Total commitments can be found in Note 12 on page 115.

Debt Administration. At June 30, 2022, the County's governmental activities had long-term obligations, totaling \$1.7 billion. Of this amount, \$119.7 million are certificates of participation, \$271.2 million are revenue bonds for the securitization of the tobacco settlement agreement and revenue bonds issued by the Public Financing Authority to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento with associated accreted interest totaling \$7.3 million, and \$71.4 million as litigation liability. Other significant long-term obligations include \$22.2 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$625.2 million in pension obligation bonds, and \$36.0 million associated accreted interest for pension obligation bonds. In addition, compensated absences amounted to \$142.5 million, financing obligations were \$17.6 million, lease liabilities were \$298.0 million and a net premium/discount of \$43.3 million on bonds issued. The remaining represents various other debt obligations.

Business-type activities had long-term obligations of approximately \$1.2 billion. This includes \$887.5 million of Airports and Water Agency revenue bonds; \$325.7 million relating to revenue bond premiums, Airports PFC and subordinate debt, and Sacramento County Water Agency reimbursement agreements and water rights. More detail on the Water Agency's 2022A Revenue Bonds issuance can be found in Note 8 on pages 95-108.

For the fiscal year ended June 30, 2022, the County's total long-term obligations had a net increase of \$207.2 million. The net increase is primarily a result of scheduled principal retirements of pension obligation bonds and associated accreted interest in the amount of \$99.6 million, a litigation liability payment of \$5.4 million, a net decrease in lease liability of \$31.0 million, a net decrease in unamortized amounts of \$7.6 million and a net decrease in certificates of participation of \$9.9 million. The decreases were offset by a \$25.4 million increase related to newly issued revenue bonds and associated accreted interest and an increase in compensated absences of \$1.3 million.

Due to the implementation of GASB Statement No. 87 - *Leases* in fiscal year ended June 30, 2022, the County recognized an increase of \$309.4 million in lease liabilities.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2022	2021	2022	2021	2022	2021	Amount	Percent
Governmental activities:								
Compensated absences	\$ 142,457	141,661	8,833	8,364	151,290	150,025	1,265	0.84 %
Certificates of participation	119,718	129,661			119,718	129,661	(9,943)	(7.67)%
Teeter notes	22,151	22,523			22,151	22,523	(372)	(1.65)%
Pension obligation bonds	625,201	712,785			625,201	712,785	(87,584)	(12.29)%
Accreted interest	35,969	47,960			35,969	47,960	(11,991)	(25.00)%
Revenue bonds	271,194	284,217	887,525	851,669	1,158,719	1,135,886	22,833	2.01 %
Accreted interest	7,313	4,731			7,313	4,731	2,582	54.58 %
Other long-term debt	2,393	2,838			2,393	2,838	(445)	(15.68)%
Litigation liability	71,411	76,825			71,411	76,825	(5,414)	(7.05)%
Financing obligations	17,600	22,503	5,823		23,423	22,503	920	4.09 %
Lease liability	297,937		11,460		309,397		309,397	0.00 %
Unamortized amounts								
Issuance premiums	44,987	47,350	109,702	115,228	154,689	162,578	(7,889)	(4.85)%
Issuance discounts	(1,682)	(1,978)			(1,682)	(1,978)	296	(14.96)%
PFC and subordinate revenue bonds			214,390	220,095	214,390	220,095	(5,705)	(2.59)%
Reimbursement agreements			1,638	1,966	1,638	1,966	(328)	(16.68)%
Water rights - SMUD assignment				403		403	(403)	(100.00)%
	<u>\$ 1,656,649</u>	<u>1,491,076</u>	<u>1,239,371</u>	<u>1,197,725</u>	<u>2,896,020</u>	<u>2,688,801</u>	<u>207,219</u>	<u>7.71 %</u>

On November 10, 2021, S&P Global Ratings upgraded the Sacramento County Water Financing Authority's (Authority) Revenue Bonds, to "AA-" from "A+". At the same time, S&P Global Ratings assigned its "AA-" long-term rating to the Authority's \$81.2 million Water Infrastructure Finance and Innovation Act (WIFIA) loan. The outlook is stable.

On November 19, 2021 S&P Global Ratings upgraded the Sacramento County Airport System Revenue Bonds, from "A" to "A+" for the senior lien bonds and from "A-" to "A" for the subordinate lien bonds. The outlook was listed as stable.

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

Economic Factors and Next Year's Budget and Rates

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

- Property tax revenue from all sources (secured, unsecured, delinquent, in lieu of Vehicle License Fee, supplemental), budgeted for FY 2022-23 in the amount of \$564,869, are projected to increase over the FY 2021-22 Adopted Budget by \$42,637 (8.2 percent). The FY 2022-23 projection is a \$39,576 (7.5 percent) increase over FY 2021-22 actual levels.
- Sales and use tax revenue budgeted for FY 2022-23 in the amount of \$142,625 is projected to increase from the FY 2021-22 Adopted Budget by \$40,616 (39.8 percent). The FY 2022-23 projection is a \$1,707 (1.2 percent) increase from the FY 2021-22 actual levels.

- Utility user tax revenue budgeted for FY 2022-23 in the amount of \$20,610 is projected to increase from the FY 2021-22 Adopted Budget by \$110 (0.5 percent). The FY 2022-23 projection is a \$128 (0.6 percent) increase from the FY 2021-22 actual level.
- Proposition 172 revenue budgeted for FY 2022-23 in the amount of \$174,267 is projected to increase from the FY 2021-22 Adopted Budget by \$7,325 (4.4 percent). The FY 2022-23 projection is a \$2,894 (1.6 percent) decrease from the FY 2021-22 actual level.
- Non-CalWORKS Realignment revenue budgeted for FY 2022-23 in the amount of \$666,377 is projected to increase from the FY 2021-22 Adopted Budget by \$71,266 (12.0 percent). The FY 2022-23 projection is a \$67,276 (11.2 percent) increase from the FY 2021-22 actual level.

The County anticipates the need for increased expenditures as a result of COVID-19; both due to public health and other costs associated with the County's response to the emergency and increased public assistance costs due to the economic impacts of COVID-19 on residents of the County. The County has received \$300 million of ARPA funding with \$18.3 million having been expended as of June 30, 2022. The remaining ARPA funding will be expended on qualifying purposes in future years.

Request for Information

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FINANCIAL
SECTION**

**BASIC FINANCIAL
STATEMENTS**

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Assets:				
Current assets:				
Cash and investments	\$ 1,772,059	413,076	2,185,135	23,389
Restricted cash and investments		24,750	24,750	
Receivables, net of allowance for uncollectibles:				
Billed	83,936	32,979	116,915	
Interest	4,703	1,746	6,449	
Intergovernmental	348,684	3,148	351,832	2,088
Leases	1,761	6,923	8,684	
Prepaid items	32,988	212	33,200	
Internal balances	(48,568)	48,568		
Inventories	4,321	767	5,088	
Total current assets	<u>2,199,884</u>	<u>532,169</u>	<u>2,732,053</u>	<u>25,477</u>
Noncurrent assets:				
Restricted assets		267,179	267,179	
Loan receivable from County Successor Agency	53,896		53,896	
Loan receivable from City Successor Agency	4,866		4,866	
Long-term receivables	43,102		43,102	
Long-term receivable, leases	24,823	29,238	54,061	
Prepaid bond insurance	2,804	345	3,149	
Capital assets:				
Land and other nondepreciable assets	202,692	452,588	655,280	
Buildings and improvements, infrastructure, equipment and intangibles, net	1,907,390	1,792,932	3,700,322	536
Total capital assets, net	<u>2,110,082</u>	<u>2,245,520</u>	<u>4,355,602</u>	<u>536</u>
Total noncurrent assets	<u>2,239,573</u>	<u>2,542,282</u>	<u>4,781,855</u>	<u>536</u>
Total assets	<u>4,439,457</u>	<u>3,074,451</u>	<u>7,513,908</u>	<u>26,013</u>
Deferred outflows of resources:				
Accumulated decrease in fair value of SWAP agreement	34,426	33,232	67,658	
Deferred amounts related to refunding	20,146	27,697	47,843	
Deferred outflows related to pensions	526,667	29,089	555,756	701
Deferred outflows related to OPEB	23,893	1,239	25,132	15
Total deferred outflows of resources	<u>605,132</u>	<u>91,257</u>	<u>696,389</u>	<u>716</u>
Total assets and deferred outflows of resources	<u>5,044,589</u>	<u>3,165,708</u>	<u>8,210,297</u>	<u>26,729</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Liabilities:				
Current liabilities:				
Warrants payable	\$ 20,966	2,754	23,720	1,735
Accrued liabilities	169,268	42,528	211,796	
Current portion of interest payable		231	231	
Intergovernmental payable	47,383	36	47,419	1,500
Accrued interest payable	14,251		14,251	
Current portion of insurance claims payable	45,085		45,085	
Current portion of long-term debt obligations	192,894	22,288	215,182	108
Current liabilities payable from restricted assets		18,346	18,346	
Unearned revenues	399,717	4,688	404,405	
Total current liabilities	<u>889,564</u>	<u>90,871</u>	<u>980,435</u>	<u>3,343</u>
Noncurrent liabilities:				
Insurance claims payable	219,203		219,203	
Long-term debt obligations	1,463,755	1,217,083	2,680,838	779
Derivative instrument liability	34,426	33,232	67,658	
Landfill closure and postclosure care		40,439	40,439	
Net pension liability	394,399	9,133	403,532	145
Total OPEB liability	139,988	7,218	147,206	122
Total noncurrent liabilities	<u>2,251,771</u>	<u>1,307,105</u>	<u>3,558,876</u>	<u>1,046</u>
Total liabilities	<u>3,141,335</u>	<u>1,397,976</u>	<u>4,539,311</u>	<u>4,389</u>
Deferred inflows of resources:				
Deferred inflows related to refunding		4,322	4,322	
Deferred inflows related to pensions	1,453,497	75,042	1,528,539	1,956
Deferred inflows related to OPEB	63,922	4,074	67,996	79
Deferred inflows related to leases	26,314	35,899	62,213	
Total deferred inflows of resources	<u>1,543,733</u>	<u>119,337</u>	<u>1,663,070</u>	<u>2,035</u>
Total liabilities and deferred inflows of resources	<u>4,685,068</u>	<u>1,517,313</u>	<u>6,202,381</u>	<u>6,424</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 3 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission
Net position:				
Net investment in capital assets	\$ 1,513,277	1,177,876	2,691,153	
Restricted for:				
Bond reserves		33,316	33,316	
Landfill closure		10,042	10,042	
Kiefer Wetlands Preserve		1,148	1,148	
Debt service		133	133	
Passenger facility charges		42,694	42,694	
Customer facility charges		14,497	14,497	
Capital projects	117,955	2,207	120,162	
General government	21,855		21,855	
Public protection	152,940		152,940	
Public assistance	67,528		67,528	
Health and sanitation programs	243,655		243,655	
Transportation	158,192	1,093	159,285	
Lighting and landscape maintenance	4,412		4,412	
Economic development	47,150		47,150	
Other	12,344		12,344	
Endowments				
Expendable		201	201	
Nonexpendable		2,029	2,029	
Unrestricted	(1,979,787)	363,159	(1,616,628)	20,305
Total net position	<u>\$ 359,521</u>	<u>1,648,395</u>	<u>2,007,916</u>	<u>20,305</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Function/Programs	Primary Government						Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		First 5 Commission
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities:							
General government	\$ 174,831	107,292	16,497		(51,042)	(51,042)	
Public assistance	733,858		741,879		8,021	8,021	
Public protection	889,632	171,689	147,029	2,871	(568,043)	(568,043)	
Health and sanitation	810,739	38,679	627,389	693	(143,978)	(143,978)	
Public ways and facilities	176,375	110,482	68,336	26,337	28,780	28,780	
Recreation and culture	42,941	14,246	371		(28,324)	(28,324)	
Education	1,904				(1,904)	(1,904)	
Interest and fiscal charges	67,058				(67,058)	(67,058)	
Total governmental activities	<u>2,897,338</u>	<u>442,388</u>	<u>1,601,501</u>	<u>29,901</u>	<u>(823,548)</u>	<u>(823,548)</u>	
Business-type activities:							
Airports	208,680	232,166	50,452	7,552		81,490	81,490
Solid waste	95,808	119,319	1,073			24,584	24,584
Water agency	61,935	65,086		48,064		51,215	51,215
Parking enterprise	1,708	2,241				533	533
County transit	2,808	69	2,388	331		(20)	(20)
Total business-type activities	<u>370,939</u>	<u>418,881</u>	<u>53,913</u>	<u>55,947</u>		<u>157,802</u>	<u>157,802</u>
Total primary government	<u>\$ 3,268,277</u>	<u>861,269</u>	<u>1,655,414</u>	<u>85,848</u>	<u>(823,548)</u>	<u>157,802</u>	<u>(665,746)</u>
Component unit:							
First 5 commission	\$ 17,847		18,196				349
General Revenues:							
Taxes:							
Property taxes					618,235	618,235	
Transient occupancy					6,660	6,660	
Sales/Use taxes					180,102	180,102	
Unrestricted investment earnings					(371)	(2,248)	(207)
Grants and contributions not restricted to specific programs					636,048	636,048	
Pledged tobacco settlement					17,690	17,690	
Miscellaneous					35,640	35,640	
Transfers					7,267	(7,267)	
Total general revenues and transfers					<u>1,501,271</u>	<u>(9,515)</u>	<u>1,491,756</u>
Changes in net position					677,723	148,287	826,010
Net position (deficit), beginning of year					(318,202)	1,500,108	1,181,906
Net position, end of year					<u>\$ 359,521</u>	<u>1,648,395</u>	<u>2,007,916</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 927,249	500,274	1,427,523
Receivables, net of allowance for uncollectibles:			
Billed	65,668	18,191	83,859
Interest	2,953	1,721	4,674
Intergovernmental	321,821	26,760	348,581
Leases	99	1,450	1,549
Prepaid items	30,802		30,802
Inventories	2,560		2,560
Loan receivable from County Successor Agency		53,896	53,896
Loan receivable from City Successor Agency		4,866	4,866
Long-term receivables	11,313	31,671	42,984
Long-term receivable, leases	5,391	18,349	23,740
Total assets	\$ 1,367,856	657,178	2,025,034
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Warrants payable	\$ 11,203	3,195	14,398
Accrued liabilities	128,211	30,743	158,954
Intergovernmental payable	37,146	10,236	47,382
Unearned revenues	390,876	1,068	391,944
Total liabilities	567,436	45,242	612,678
Deferred inflows of resources:			
Unavailable revenues	70,440	71,045	141,485
Deferred inflows related to leases	5,417	19,609	25,026
Total deferred inflows of resources	75,857	90,654	166,511
Fund balances:			
Nonspendable	41,852		41,852
Restricted	347,262	521,282	868,544
Assigned	170,730		170,730
Unassigned	164,719		164,719
Total fund balances	724,563	521,282	1,245,845
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,367,856	657,178	2,025,034

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

COUNTY OF SACRAMENTO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 1,245,845
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	2,036,589
Accrued interest payable is not reported in the funds.	(14,251)
Prepaid bond insurance of the governmental activities are not current financial resources and, therefore are not reported in the funds.	2,804
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred amounts related to refunding, are not due and payable in the current period nor represent current financial resources and therefore are not reported in the funds.	(1,612,485)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as unavailable revenues in the funds.	141,485
Net pension liability including related deferred outflows and inflows of resources are not reported in the funds.	(1,252,692)
Total OPEB liability including related deferred outflows and inflows of resources are not reported in the funds.	(168,330)
Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications, and department of technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement net position.	<u>(19,444)</u>
Net position of governmental activities	<u>\$ 359,521</u>

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 744,507	60,490	804,997
Use of money and property	2,178	386	2,564
Licenses and permits	12,630	63,842	76,472
Intergovernmental	2,108,837	147,192	2,256,029
Charges for sales and services	133,171	194,105	327,276
Fines, forfeitures and penalties	21,829	16,742	38,571
Pledged tobacco settlement		17,044	17,044
Miscellaneous	29,282	6,203	35,485
Total revenues	<u>3,052,434</u>	<u>506,004</u>	<u>3,558,438</u>
Expenditures:			
Current:			
General government	137,717	53,126	190,843
Public assistance	754,437		754,437
Public protection	971,907	78,583	1,050,490
Health and sanitation	797,834	43,505	841,339
Public ways and facilities		174,714	174,714
Recreation and culture	25,105	19,111	44,216
Education	436	1,182	1,618
Capital outlay		47,119	47,119
Debt service:			
Principal	30,008	147,905	177,913
Interest and fiscal charges	3,623	64,750	68,373
Total expenditures	<u>2,721,067</u>	<u>629,995</u>	<u>3,351,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>331,367</u>	<u>(123,991)</u>	<u>207,376</u>
Other financing sources (uses):			
Transfers in	19,269	211,159	230,428
Transfers out	(162,527)	(50,086)	(212,613)
Issuance of long-term debt	3,203	22,967	26,170
Total other financing sources (uses)	<u>(140,055)</u>	<u>184,040</u>	<u>43,985</u>
Changes in fund balances	191,312	60,049	251,361
Fund balances - beginning	533,251	461,233	994,484
Fund balances - ending	<u>\$ 724,563</u>	<u>521,282</u>	<u>1,245,845</u>

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

COUNTY OF SACRAMENTO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

Changes in fund balances - total governmental funds	\$ 251,361
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.	(11,077)
Change in accrued interest payable.	2,683
Change in prepaid bond insurance.	(495)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	152,712
Pension related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	238,301
OPEB related expenses, including changes in deferred inflows and outflows of resources, reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(349)
Some revenues will not be collected up to 120 days after the year-end, and therefore are not considered "available" and are reported as deferred inflows of resources in the governmental funds. Unavailable revenues decreased by this amount during the year.	12,291
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>32,296</u>
Change in net position of governmental activities	<u><u>\$ 677,723</u></u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 663,345	675,318	744,507	69,189
Use of money and property	8,934	8,934	2,178	(6,756)
Licenses and permits	11,151	11,315	12,630	1,315
Intergovernmental	1,891,680	2,197,877	2,108,837	(89,040)
Charges for sales and services	130,963	132,264	133,171	907
Fines, forfeitures and penalties	21,912	23,331	21,829	(1,502)
Miscellaneous	53,815	59,932	29,282	(30,650)
Total revenues	<u>2,781,800</u>	<u>3,108,971</u>	<u>3,052,434</u>	<u>(56,537)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	6,439	21,558	17,534	4,024
Finance	94,637	157,617	75,423	82,194
Counsel	5,151	5,727	4,856	871
Human resources	15,014	15,737	13,258	2,479
Elections	16,638	17,133	17,029	104
Other	9,296	24,222	9,617	14,605
Total general government	<u>147,175</u>	<u>241,994</u>	<u>137,717</u>	<u>104,277</u>
Public assistance:				
Administration	378,195	497,374	388,307	109,067
Aid programs	339,925	352,897	331,256	21,641
Other	37,883	40,130	34,874	5,256
Total public assistance	<u>756,003</u>	<u>890,401</u>	<u>754,437</u>	<u>135,964</u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public protection:				
Judicial	\$ 166,493	170,957	162,192	8,765
Police protection	398,141	411,580	389,645	21,935
Detention and correction	391,902	394,517	360,533	33,984
Protection and inspection	5,359	5,393	5,006	387
Other	61,917	68,520	54,531	13,989
Total public protection	<u>1,023,812</u>	<u>1,050,967</u>	<u>971,907</u>	<u>79,060</u>
Health and sanitation	893,877	978,192	797,834	180,358
Recreation and culture	30,539	31,807	25,105	6,702
Education	427	445	436	9
Debt Service:				
Principal			30,008	(30,008)
Interest and fiscal charges			3,623	(3,623)
Total expenditures	<u>2,851,833</u>	<u>3,193,806</u>	<u>2,721,067</u>	<u>472,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,033)</u>	<u>(84,835)</u>	<u>331,367</u>	<u>416,202</u>
Other financing sources (uses):				
Transfers in	22,985	19,269	19,269	
Transfers out	(165,759)	(162,527)	(162,527)	
Issuance of long-term debt			3,203	3,203
Total other financing sources (uses)	<u>(142,774)</u>	<u>(143,258)</u>	<u>(140,055)</u>	<u>3,203</u>
Changes in fund balance	(212,807)	(228,093)	191,312	419,405
Fund balance - beginning	533,251	533,251	533,251	
Fund balance - ending	<u>\$ 320,444</u>	<u>305,158</u>	<u>724,563</u>	<u>419,405</u>

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022
 (amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Assets:						
Current assets:						
Cash and investments	\$ 234,676	58,790	111,626	7,984	413,076	344,536
Restricted cash and investments	24,336	414			24,750	
Receivables, net of allowance for uncollectibles:						
Billed	10,399	16,212	6,355	13	32,979	77
Interest	1,082	254	381	29	1,746	29
Intergovernmental	166	521	158	2,303	3,148	103
Leases	6,549	190	184		6,923	212
Prepaid items	212				212	2,186
Inventories	705	62			767	1,761
Total current assets	<u>278,125</u>	<u>76,443</u>	<u>118,704</u>	<u>10,329</u>	<u>483,601</u>	<u>348,904</u>
Noncurrent assets:						
Restricted assets	129,386	21,258	116,535		267,179	
Prepaid bond insurance	345				345	
Long-term receivables						118
Long-term receivable, leases	18,632	2,773	7,833		29,238	1,083
Capital assets:						
Land and other nondepreciable assets	97,496	43,762	310,031	1,299	452,588	
Buildings and improvements, infrastructure, equipment and intangibles, net	<u>1,103,681</u>	<u>120,836</u>	<u>566,882</u>	<u>1,533</u>	<u>1,792,932</u>	<u>73,493</u>
Total capital assets	<u>1,201,177</u>	<u>164,598</u>	<u>876,913</u>	<u>2,832</u>	<u>2,245,520</u>	<u>73,493</u>
Total noncurrent assets	<u>1,349,540</u>	<u>188,629</u>	<u>1,001,281</u>	<u>2,832</u>	<u>2,542,282</u>	<u>74,694</u>
Total assets	<u>1,627,665</u>	<u>265,072</u>	<u>1,119,985</u>	<u>13,161</u>	<u>3,025,883</u>	<u>423,598</u>
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement			33,232		33,232	
Deferred outflows related to refunding	27,339		358		27,697	
Deferred outflows related to pensions	13,585	9,858	5,534	112	29,089	31,877
Deferred outflows related to OPEB	589	421	223	6	1,239	1,034
Total deferred outflows of resources	<u>41,513</u>	<u>10,279</u>	<u>39,347</u>	<u>118</u>	<u>91,257</u>	<u>32,911</u>
Total assets and deferred outflows of resources	<u>1,669,178</u>	<u>275,351</u>	<u>1,159,332</u>	<u>13,279</u>	<u>3,117,140</u>	<u>456,509</u>

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022
 (amounts expressed in thousands)**

Page 2 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Liabilities:						
Current liabilities:						
Warrants payable	\$ 859	1,060	676	159	2,754	6,568
Accrued liabilities	21,672	12,663	8,072	121	42,528	10,314
Current portion of interest payable		231			231	
Intergovernmental payable				36	36	1
Current portion of insurance claims payable						45,085
Current portion of long-term debt obligations	6,333	4,665	11,285	5	22,288	6,230
Current liabilities payable from restricted assets	18,346				18,346	
Unearned revenues	4,688				4,688	7,773
Total current liabilities	<u>51,898</u>	<u>18,619</u>	<u>20,033</u>	<u>321</u>	<u>90,871</u>	<u>75,971</u>
Noncurrent liabilities:						
Insurance claims payable						219,203
Long-term debt obligations	824,753	15,411	376,890	29	1,217,083	17,788
Derivative instrument liability			33,232		33,232	
Landfill closure and postclosure care		40,439			40,439	
Net pension liability	6,007	1,949	1,156	21	9,133	6,945
Total OPEB liability	3,243	2,644	1,284	47	7,218	7,789
Total noncurrent liabilities	<u>834,003</u>	<u>60,443</u>	<u>412,562</u>	<u>97</u>	<u>1,307,105</u>	<u>251,725</u>
Total liabilities	<u>885,901</u>	<u>79,062</u>	<u>432,595</u>	<u>418</u>	<u>1,397,976</u>	<u>327,696</u>
Deferred inflows of resources:						
Deferred inflows related to refunding	1,303		3,019		4,322	
Deferred inflows related to pensions	34,393	25,265	15,046	338	75,042	93,469
Deferred inflows related to OPEB	1,884	1,440	708	42	4,074	4,932
Deferred inflows related to leases	25,057	2,924	7,918		35,899	1,288
Total deferred inflows of resources	<u>62,637</u>	<u>29,629</u>	<u>26,691</u>	<u>380</u>	<u>119,337</u>	<u>99,689</u>
Total liabilities and deferred inflows of resources	<u>948,538</u>	<u>108,691</u>	<u>459,286</u>	<u>798</u>	<u>1,517,313</u>	<u>427,385</u>

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Net position:						
Net investment in capital assets	\$ 439,038	146,834	589,172	2,832	1,177,876	61,787
Restricted for:						
Bond reserves	33,316				33,316	
Landfill closure		10,042			10,042	
Kiefer Wetlands Preserve		1,148			1,148	
Debt service	133				133	
Capital projects				2,207	2,207	
Passenger facility charges	42,694				42,694	
Customer facility charges	14,497				14,497	
Transportation				1,093	1,093	
Endowments:						
Expendable	201				201	
Nonexpendable	2,029				2,029	
Unrestricted	188,732	8,636	110,874	6,349	314,591	(32,663)
Total net position (deficit)	\$ 720,640	166,660	700,046	12,481	1,599,827	29,124
Adjustment to reflect internal service fund activities related to enterprise funds					48,568	
Net position of business-type activities					\$ 1,648,395	

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating revenues:						
Charges for sales and services	\$ 201,279	117,724	61,766	2,302	383,071	353,570
Other	15	1,450	3,314		4,779	4,953
Total operating revenues	<u>201,294</u>	<u>119,174</u>	<u>65,080</u>	<u>2,302</u>	<u>387,850</u>	<u>358,523</u>
Operating expenses:						
Salaries and benefits	35,394	29,963	11,166	274	76,797	86,262
Services and supplies	85,264	51,457	14,933	1,731	153,385	121,177
Cost of sales and services	862			1,944	2,806	3,354
Depreciation and amortization	55,650	15,350	20,920	562	92,482	20,083
Claim payments and actuarial estimates						76,833
Landfill closure costs		2,292			2,292	
Other	485		4,290	189	4,964	1,371
Total operating expenses	<u>177,655</u>	<u>99,062</u>	<u>51,309</u>	<u>4,700</u>	<u>332,726</u>	<u>309,080</u>
Operating income (loss)	<u>23,639</u>	<u>20,112</u>	<u>13,771</u>	<u>(2,398)</u>	<u>55,124</u>	<u>49,443</u>
Nonoperating revenues (expenses):						
Use of money and property	(2,475)	(476)	652	51	(2,248)	(2,935)
Intergovernmental	50,452	1,073		2,388	53,913	
Passenger facility charges	22,866				22,866	
Customer facility charges	5,067				5,067	
Development fees			42,890		42,890	
Interest expense	(33,428)		(11,242)		(44,670)	(13)
Other revenues (expenses)	2,939	145	6	8	3,098	2,806
Total nonoperating revenues (expenses)	<u>45,421</u>	<u>742</u>	<u>32,306</u>	<u>2,447</u>	<u>80,916</u>	<u>(142)</u>
Income before transfers and capital contributions	69,060	20,854	46,077	49	136,040	49,301
Transfers out	(2,903)	(3,201)	(1,139)	(24)	(7,267)	(10,548)
Capital contributions	7,552		5,174	331	13,057	
Changes in net position	<u>73,709</u>	<u>17,653</u>	<u>50,112</u>	<u>356</u>	<u>141,830</u>	<u>38,753</u>
Net position (deficit), beginning of year	646,931	149,007	649,934	12,125		(9,629)
Net position, end of year	<u>\$ 720,640</u>	<u>166,660</u>	<u>700,046</u>	<u>12,481</u>		<u>29,124</u>
Adjustment to reflect internal service fund activities related to enterprise funds					6,457	
Change in net position of business-type activities					<u>\$ 148,287</u>	

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 204,002	104,797	61,204	2,301	372,304	6,708
Receipts from interfund services provided						350,924
Receipts for other operating activities	2,857	9,815	3,314		15,986	2,924
Payments to suppliers	(63,382)	(50,849)	(15,584)	(3,817)	(133,632)	(174,782)
Payments to employees	(40,306)	(34,117)	(13,496)	(348)	(88,267)	(105,988)
Payments for other operating activities		(2,058)		(190)	(2,248)	1,617
Payments for interfund services used	(24,944)	(3,569)			(28,513)	(17,490)
Net cash provided by (used for) operating activities	<u>78,227</u>	<u>24,019</u>	<u>35,438</u>	<u>(2,054)</u>	<u>135,630</u>	<u>63,913</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Receipt on advances to other funds						5,096
Transfers to other funds	(2,903)	(3,201)	(1,139)	(24)	(7,267)	(10,548)
Intergovernmental revenue	50,333	2,699		2,339	55,371	
Other nonoperating revenue						397
Net cash provided by (used for) noncapital financing activities	<u>47,430</u>	<u>(502)</u>	<u>(1,139)</u>	<u>2,315</u>	<u>48,104</u>	<u>(5,055)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Payment to escrow agent for bond defeasance	(37,811)				(37,811)	
Passenger facility charges	23,465				23,465	
Customer facility charges	4,950				4,950	
Capital contributions	10,405			15	10,420	
Development fees			41,170		41,170	
Acquisition and construction of capital assets	(32,634)	(6,625)	(29,192)	(88)	(68,539)	(20,174)
Bond proceeds			90,167		90,167	
Principal paid on long-term obligations	(5,705)	(431)	(11,081)		(17,217)	
Interest paid on long-term obligations	(38,470)	(35)	(14,087)		(52,592)	(14)
Proceeds from the sale of capital assets	114	516			630	2,420
Arbitrage paid			(255)		(255)	
Payment to escrow agent for bond defeasance			(377)		(377)	
Donations for art endowment	2,022				2,022	
Net cash provided by (used for) capital and related financing activities	<u>(73,664)</u>	<u>(6,575)</u>	<u>76,345</u>	<u>(73)</u>	<u>(3,967)</u>	<u>(17,768)</u>

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (amounts expressed in thousands)**

Page 2 of 3

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments			(57,737)		(57,737)	
Interest received and fair value adjustment on cash and investments	\$ (2,846)	(338)	2,167	43	(974)	(2,958)
Net cash provided by (used for) investing activities	<u>(2,846)</u>	<u>(338)</u>	<u>(55,570)</u>	<u>43</u>	<u>(58,711)</u>	<u>(2,958)</u>
Net increase in cash and cash equivalents	49,147	16,604	55,074	231	121,056	38,132
Cash and cash equivalents, beginning of year	336,947	63,858	92,755	7,753	501,313	306,404
Cash and cash equivalents, end of year	<u>\$ 386,094</u>	<u>80,462</u>	<u>147,829</u>	<u>7,984</u>	<u>622,369</u>	<u>344,536</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 234,676	58,790	111,626	7,984	413,076	344,536
Restricted cash and investments	24,336	414			24,750	
Restricted noncurrent assets	129,386	21,258	116,535		267,179	
Less: Long-term investments included in restricted assets	<u>(2,304)</u>		<u>(80,332)</u>		<u>(82,636)</u>	
Cash and cash equivalents	<u>\$ 386,094</u>	<u>80,462</u>	<u>147,829</u>	<u>7,984</u>	<u>622,369</u>	<u>344,536</u>

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 23,639	20,112	13,771	(2,398)	55,124	49,443
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	55,650	15,350	20,920	562	92,482	20,083
Provision for uncollectible accounts	(49)				(49)	
Other nonoperating revenue	2,856				2,856	
Other nonoperating expense		(6,128)	630		(5,498)	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	2,845	(3,812)	(461)	(1)	(1,429)	208
Intergovernmental	(13)	9	(100)		(104)	72
Due from other funds						220
Prepaid items	(108)				(108)	1,489
Inventories	75				75	(380)
Warrants payable	(1,344)	416	486	(255)	(697)	2,553
Accrued liabilities	29	387	2,608	115	3,139	12
Intergovernmental payable				5	5	(16)
Due to other funds						887
Unearned revenues	(88)				(88)	2,052
Landfill closure and postclosure care		2,003			2,003	
Compensated absences	43	69	208		320	(425)
Insurance claims payable						6,704
Net pension liability and related deferred outflows and inflows	(5,234)	(4,409)	(2,625)	(71)	(12,339)	(18,708)
Total OPEB liability and related deferred outflows and inflows	(74)	22	1	(11)	(62)	(281)
Total adjustments	54,588	3,907	21,667	344	80,506	14,470
Net cash provided by (used for) operating activities	\$ 78,227	24,019	35,438	(2,054)	135,630	63,913
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets			5,174		5,174	
Amortization of bond premiums	6,418		2,599		9,017	
Capital assets purchases using long-term debt	3,415				3,415	
Capital grants receivable	2,853				2,853	
Amortization of deferred outflows and inflows - bonds	2,281		473		2,754	

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

**COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Assets:					
Cash and investments	\$ 11,355	3,865,343	5,518	665,336	206,721
Other cash and cash equivalents	138,585				
Short-term investments with fiscal agents	380,751				
Receivables, net of allowance for uncollectibles:					
Billed					1,703
Interest		11,500	21		1,586
Intergovernmental					57
Member and employer contributions	29,617				
Accrued investment income	22,476				
Investment sales and other	194,525				
Investments					
Equity	3,900,492				
Fixed income	2,225,639				
Real assets	1,037,564				
Real estate	1,090,302				
Absolute return	955,803				
Private credit	330,188				
Private equity	1,764,212				
Securities lending collateral	250,331				
Prepaid items					102
Other assets	1,267				
Buildings and improvements, equipment and intangibles, net	21,433				
Total assets	12,354,540	3,876,843	5,539	665,336	210,169

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

**COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Liabilities					
Warrants payable	2,074				15,756
Accrued liabilities	37,292		437		13,772
Intergovernmental payable			1,738		
Current lease liability	444				
Long-term lease liability	5,287				
Investment purchases and other	234,559				
Securities lending obligation	244,533				
Other long-term liabilities			4,312		
Loan due to County Public Financing Authority					
Due within one year			2,180		
Due after one year			51,716		
Total liabilities	524,189		60,383		29,528
Net position (deficit) restricted for:					
Pension	11,830,351				
Pool participants		3,876,843			
Individuals, organizations and other governments			(54,844)	665,336	180,641
Total net position (deficit)	\$ 11,830,351	3,876,843	(54,844)	665,336	180,641

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

**COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
Additions:					
Property taxes	\$		6,549		3,783,403
Contributions on pooled investments		10,377,131			1,241,680
Contributions on non-pooled investments				4,972,639	
Member contributions	132,526				
Employer contributions	306,335				
Securities lending income, net	1,619				
Investment income (loss), net	(549,405)	55,885		542	34,777
Miscellaneous	2,990				
Total additions	(105,935)	10,433,016	6,549	4,973,181	5,059,860
Deductions:					
Distributions to taxing entities				4,843,817	3,770,149
Distributions from pooled investments		9,815,808			1,266,504
Benefits paid	614,345				
Withdrawal/refunds of contributions	4,547				
Administrative expenses	8,971				17,041
Services and supplies			266		
Other			2,306		
Interest expense			3,451		
Total deductions	627,863	9,815,808	6,023	4,843,817	5,053,694
Changes in net position	(733,798)	617,208	526	129,364	6,166
Net position (deficit), beginning of year	12,564,149	3,259,635	(55,370)	535,972	174,475
Net position (deficit), end of year	\$ 11,830,351	3,876,843	(54,844)	665,336	180,641

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FINANCIAL SECTION

NOTES TO BASIC FINANCIAL STATEMENTS

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Scope of Financial Reporting Entity

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

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

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

Blended Component Units:

Lighting and Landscape Maintenance Districts Special Revenue Fund:

County Service Area Number One
Sacramento County Landscape Maintenance District

Park Districts and Park Service Areas Special Revenue Fund:

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

Other Special Revenue Funds:

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

Enterprise Fund:

Water Agency Water Supply

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

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

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

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

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

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

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

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Discretely Presented Component Unit:

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

Excluded from the Reporting Entity:

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

**COUNTY OF SACRAMENTO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (amounts expressed in thousands)**

Joint Power Authorities or Jointly Governed Organizations

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

AGENCY

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

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

PURPOSE

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

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

Joint Ventures

The Sacramento County Water Enterprise Fund entered into a joint venture in 2002 with the East Bay Municipal Utility District establishing the Freeport Regional Water Authority (FRWA). The purpose of the FRWA was to construct a joint regional surface water supply project on the Sacramento River near the community of Freeport and adjacent to the City of Sacramento. The Sacramento County Water Enterprise Fund has no equity interest in the FRWA. As of June 30, 2022, this entity reported a net position of \$339.3 million. Copies of the FRWA's financial statements may be obtained from the FRWA Authority Treasurer, MS #801, P.O. Box 24055, Oakland, CA 94623-1055.

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

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

Fund Financial Statements:

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

The Solid Waste fund is used to account for the costs of the Solid Waste collection business, including the Solid Waste disposal site and transfer stations. The County has elected to report this fund as a major fund for consistency purposes.

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

The County also reports the following fund types:

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

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

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

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

Pension Trust fund is a fiduciary component unit used by the County to report its arrangement with SCERS to report assets, liabilities and activities of the Sacramento County Employees' Retirement System.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Implementation of New Governmental Accounting Standards

GASB Statement No. 87, Leases

Effective July 1, 2021, the County implemented Statement No. 87. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This standard required the County to report all leases that were previously classified as operating leases on the statement of net position/ balance sheet with leased assets, lease liabilities, inflows of

COUNTY OF SACRAMENTO
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resources or outflows of resources based on the payment provisions of the contract. See NOTE 5 - CAPITAL ASSETS, NOTE 7 - LEASES, and NOTE 8 - LONG-TERM OBLIGATIONS starting on pages 88, 92, and 95 respectively for additional disclosure details relating to leases.

GASB Statement No. 92, Omnibus 2020

Effective July 1, 2021, the County implemented Statement No. 92. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements. This standard had no material impact to the County.

GASB Statement No. 93, Replacement of Interbank Offered Rates.

Effective July 1, 2021, the County implemented Statement No. 93. The objective of this statement is to provide guidance to state and local governments on the transition away from existing Interbank Offered Rates (IBOR) to other reference rates. However, with the London Interbank Offered Rate (LIBOR) still being classified as an acceptable reporting rate there was no material impact to the County's Annual Comprehensive Financial Report (ACFR) at this time.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

Effective July 1, 2021, the County implemented Statement No. 97. The objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard required the County to provide additional note disclosures relating to the plans mentioned above, see NOTE 14 - RETIREMENT PLAN and NOTE 15 - POSTEMPLOYMENT HEALTH CARE BENEFITS for those additional disclosures.

GASB Statement No. 98, The Annual Comprehensive Financial Report

Effective July 1, 2021, the County implemented Statement No. 98. The objective of this statement is to replace the title of the Comprehensive Annual Financial Report with Annual Comprehensive Financial Report.

GASB Statement No. 99, Omnibus 2022 Paragraphs 26-32

Effective July 1, 2021, the County implemented Statement No. 99 paragraphs 26-32 with the remaining paragraphs to be implemented in following years. The objective of this statement and these paragraphs are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issued that have been identified during implementation of certain GASB statements. These paragraphs of this standard had no material impact to the County.

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

Cash and Cash Equivalents

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

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for FY 2021-22 is July 1 and the lien date is January 1 (unsecured property taxes are due in one installment and become delinquent after August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

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

A description of the debt related to the Teeter Plan can be found in NOTE 8 - LONG-TERM OBLIGATIONS, which begins on page 95.

Deferred Outflows/Inflows of Resources

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

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

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

Intergovernmental Revenues

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

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

Interfund Transactions

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

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

Inventories

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

Prepaid Items

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

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

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

Capital Assets

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

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

Compensated Absences

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

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

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

Long-Term Obligations

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

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

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line basis over the life of related debt.

Fund Equity

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

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

Fund Balance Policy

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

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

Net Position

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

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

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of these assets, and deferred inflows of resources reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose, or not related to the net investment in capital assets.

Use of Estimates in the Preparation of Financial Statements

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

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

As of June 30, 2022, the Liability, Workers' Compensation and Department of Technology ISF have deficit net position of \$22,764, \$80,712 and \$9,607, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability and workers' compensation programs. The County is collecting additional amounts from the departments to eliminate the deficit in net position. The deficit in the Department of Technology ISF is primarily the result of the fund's net pension liability and total OPEB liability.

Investments/Fair Value

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

Pension

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

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

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

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

Other Postemployment Benefits (OPEB)

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

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

Total fund balances of the County's governmental funds of \$1,245,845 differs from net position of governmental activities of \$359,521 because of the the long-term economic focus in the statement of net position versus the current financial resources measurement focus in the governmental funds balance sheet. The effect of the differences is illustrated below:

Balance Sheet/Statement of Net Position

	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 1,427,523		344,536		1,772,059
Receivables, net of allowance for uncollectibles:					
Billed	83,859		77		83,936
Interest	4,674		29		4,703
Intergovernmental	348,581		103		348,684
Leases	1,549		212		1,761
Prepaid items	30,802		2,186		32,988
Due from other funds/internal balances			(48,568)		(48,568)
Inventories	2,560		1,761		4,321
Total current assets	<u>1,899,548</u>		<u>300,336</u>		<u>2,199,884</u>
Noncurrent assets:					
Loan receivable from County Successor Agency	53,896				53,896
Loan receivable from City Successor Agency	4,866				4,866
Long-term receivables	42,984		118		43,102
Long term receivable, leases	23,740		1,083		24,823
Prepaid bond insurance		2,804			2,804
Capital assets:					
Land and other nondepreciable assets		202,692			202,692
Buildings and improvements, infrastructure, equipment and intangibles, net		1,833,897	73,493		1,907,390
Total capital assets		<u>2,036,589</u>	<u>73,493</u>		<u>2,110,082</u>
Total noncurrent assets	<u>125,486</u>	<u>2,039,393</u>	<u>74,694</u>		<u>2,239,573</u>
Total assets	<u>2,025,034</u>	<u>2,039,393</u>	<u>375,030</u>		<u>4,439,457</u>
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement		34,426			34,426
Deferred amounts related to refunding		20,146			20,146
Deferred outflows related to pensions		494,790	31,877		526,667
Deferred outflows related to OPEB		22,859	1,034		23,893
Total deferred outflows of resources		<u>572,221</u>	<u>32,911</u>		<u>605,132</u>
Total assets and deferred outflows of resources	<u>2,025,034</u>	<u>2,611,614</u>	<u>407,941</u>		<u>5,044,589</u>

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	Total Governmental Funds Balance Sheet	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities:					
Current liabilities:					
Warrants payable	\$ 14,398		6,568		20,966
Accrued liabilities	158,954		10,314		169,268
Intergovernmental payable	47,382		1		47,383
Accrued interest payable		14,251			14,251
Current portion of insurance claims payable			45,085		45,085
Current portion of long-term debt obligations		186,664	6,230		192,894
Unearned revenues	391,944		7,773		399,717
Total current liabilities	<u>612,678</u>	<u>200,915</u>	<u>75,971</u>		<u>889,564</u>
Noncurrent liabilities:					
Insurance claims payable			219,203		219,203
Long-term debt obligations		1,445,967	17,788		1,463,755
Derivative instrument liability		34,426			34,426
Net pension liability		387,454	6,945		394,399
Total OPEB liability		132,199	7,789		139,988
Total noncurrent liabilities		<u>2,000,046</u>	<u>251,725</u>		<u>2,251,771</u>
Total liabilities	<u>612,678</u>	<u>2,200,961</u>	<u>327,696</u>		<u>3,141,335</u>
Deferred inflows of resources:					
Unavailable revenues	141,485	(141,485)			
Deferred inflows related to pensions		1,360,028	93,469		1,453,497
Deferred inflows related to OPEB		58,990	4,932		63,922
Deferred inflows related to leases	25,026		1,288		26,314
Total deferred inflows of resources	<u>166,511</u>	<u>1,277,533</u>	<u>99,689</u>		<u>1,543,733</u>
Total liabilities and deferred inflows of resources	<u>779,189</u>	<u>3,478,494</u>	<u>427,385</u>		<u>4,685,068</u>
Fund balances/net position:					
Nonspendable	41,852			(41,852)	
Restricted	868,544			(868,544)	
Assigned	170,730			(170,730)	
Unassigned	164,719			(164,719)	
Net investment in capital assets		2,036,589	61,787	(585,099)	1,513,277
Restricted				826,031	826,031
Unrestricted		(2,903,469)	(81,231)	1,004,913	(1,979,787)
Total fund balances / net position	<u>\$ 1,245,845</u>	<u>(866,880)</u>	<u>(19,444)</u>		<u>359,521</u>

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

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

Cost of capital assets	\$ 4,725,601
Right-to-use assets	329,478
Accumulated depreciation/amortization	<u>(3,018,490)</u>
Total	<u>2,036,589</u>
Accrued interest payable	(14,251)
Prepaid bond insurance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net position.	2,804
Long-term liabilities and related deferred outflows of resources applicable to the County's governmental activities are not due and payable in the current period or represent current financial resources and accordingly, are not reported as fund liabilities. All liabilities, both current, long-term and deferred outflows, are reported in the statement of net position.	
Compensated absences	(130,146)
Bonds, notes, COPs, leases, other payables	(1,387,792)
Derivative instrument liability	(34,426)
Accreted interest	(43,282)
Accumulated decrease in fair value of SWAP agreement	34,426
Deferred amounts related to refunding	20,146
Litigation liability	<u>(71,411)</u>
Total	<u>(1,612,485)</u>
Net Pension Liability:	
Deferred outflows related to pensions	494,790
Net pension liability	(387,454)
Deferred inflows related to pensions	<u>(1,360,028)</u>
Total	<u>(1,252,692)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	22,859
Total OPEB liability	(132,199)
Deferred inflows related to OPEB	<u>(58,990)</u>
Total	<u>(168,330)</u>

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

Unavailable revenues	\$ 141,485
Total	<u>\$ (866,880)</u>
(2) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The assets and deferred outflows of resources, and liabilities and deferred inflows of resources, of certain internal service funds are included in governmental activities in the statement of net position.	<u>\$ 19,444</u>

The net change in fund balances for governmental funds of \$251,361 differs from the change in net position for governmental activities of \$677,723 reported in the statement of activities. The differences arise from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is as follows:

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

	<u>Total Governmental Funds</u>	<u>Capital- Related Items (3)</u>	<u>Long-term Revenues, Expenses (4)</u>	<u>Internal Service Funds (5)</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
Revenues:						
Taxes:						
Property	\$ 618,235					618,235
Transient occupancy	6,660					6,660
Sales / use taxes	180,102					180,102
Use of money and property	2,564			(2,935)		(371)
Licenses and permits	76,472				(76,472)	
Intergovernmental	2,256,029		10,901		(2,266,930)	
Charges for sales and services	327,276		69		115,043	442,388
Operating grants and contributions					1,601,501	1,601,501
Capital grants and contributions					29,901	29,901
Grants and contributions not restricted to specific programs			520		635,528	636,048
Fines, forfeitures and penalties	38,571				(38,571)	
Pledged tobacco settlement	17,044		646			17,690
Miscellaneous	35,485		155			35,640
Total revenues	<u>3,558,438</u>		<u>12,291</u>	<u>(2,935)</u>		<u>3,567,794</u>

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

	Total Governmental Funds	Capital- Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Expenditures/expenses						
Current:						
General government	\$ 190,843	9,700	(20,852)	(4,860)		174,831
Public assistance	754,437	16,137	(28,456)	(8,260)		733,858
Public protection	1,050,490	11,944	(153,002)	(19,800)		889,632
Health and sanitation	841,339	10,266	(34,214)	(6,652)		810,739
Public ways and facilities	174,714	8,517	(4,147)	(2,709)		176,375
Recreation and culture	44,216	1,116	(1,919)	(472)		42,941
Education	1,618	516	3	(233)		1,904
Capital outlay	47,119	(47,119)				
Debt service:						
Principal	177,913		(177,913)			
Interest and fiscal charges	68,373		1,478	(2,793)		67,058
Total expenditures/expenses	<u>3,351,062</u>	<u>11,077</u>	<u>(419,022)</u>	<u>(45,779)</u>		<u>2,897,338</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>207,376</u>	<u>(11,077)</u>	<u>431,313</u>	<u>42,844</u>		<u>670,456</u>
Other financing sources (uses):						
Transfers in	230,428					230,428
Transfers out	(212,613)			(10,548)		(223,161)
Issuance of long-term debt	26,170		(26,170)			
Total other financing sources (uses)	<u>43,985</u>		<u>(26,170)</u>	<u>(10,548)</u>		<u>7,267</u>
Changes in fund balances/net position	251,361	(11,077)	405,143	32,296		677,723
Fund balances/net position (deficit) - beginning	994,484	2,047,666	(3,308,612)	(51,740)		(318,202)
Fund balances/net position (deficit) - ending	<u>\$ 1,245,845</u>	<u>2,036,589</u>	<u>(2,903,469)</u>	<u>(19,444)</u>		<u>359,521</u>

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

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

Capital expenditures	\$ 127,177
Right-to-use assets	3,203
Depreciation/amortization expense	<u>(141,457)</u>
Total	<u><u>\$ (11,077)</u></u>

(4) Bond issuance costs are expended in governmental funds when paid, and prepaid insurance is capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities.

\$ (495)

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

Certificate of participation	9,943
Teeter notes	23,339
Revenue bonds	13,023
Pension obligation bonds	87,584
Accreted interest	12,458
Financing obligations	1,381
Lease liability	31,566
Litigation liability	5,414
Other long-term debt	<u>711</u>
Total	<u><u>185,419</u></u>

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

Teeter notes	\$ (22,967)
Leases issued	<u>(3,203)</u>
Total	<u><u>(26,170)</u></u>

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

Change in compensated absences	(1,223)
Accreted interest	(3,049)
Current year other long-term debt	(266)
Amortization of deferred amount on refunded debt	(4,066)
Amortization of issuance premiums/discounts	<u>2,067</u>
Total	<u><u>(6,537)</u></u>

Net effect of long-term debt and related items 152,712

Changes in net pension liability and related deferred outflows/inflows 238,301

Changes in total other postemployment benefits (OPEB) liability and related deferred outflows/inflows (349)

Some revenues will not be collected within the County's availability period, and therefore are reported as unavailable revenues in the governmental funds. Deferred inflows of resources decreased by this amount during the year. 12,291

Decrease in accrued interest 2,683

Total \$ 405,143

(5) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The adjustments for internal service funds close those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year. \$ 32,296

COUNTY OF SACRAMENTO
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NOTE 3 - BUDGETARY PRINCIPLES

As required by the laws of the State of California, the County prepares and legally adopts a final balanced operating budget on or before August 30 of each fiscal year. The Board of Supervisors may, by resolution, extend on a permanent basis or for a limited period, the date from August 30 to October 2. The final budget for FY 2021-22 was adopted on September 28, 2021. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors in June 2021. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

Operating budgets are adopted for the General Fund, special revenue funds, debt service funds, and capital projects funds on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the budget unit and object level (except for capital assets, which are controlled at the sub-object level), which classifies expenditures by organizational unit, and by type of goods purchased and services obtained. The statement/schedules of revenues and expenditures - budget and actual presents revenues at the source level and expenditures at the function level. Negative variances on these statements are not indicative of the County's legal level of control. The Inmate Welfare Special Revenue Fund is not subject to the California Budget Act and does not have a formally adopted budget. The Tobacco Securitization Authority of Northern California Debt Service Fund, the Sacramento County Public Financing Authority Debt Service Fund, the Improvement Bond Act of 1911 Capital Projects Fund, and the Jail Industry Special Revenue Fund likewise do not have a formally adopted budget. Therefore, no budget and actual schedules are included for those funds in the Combining and Individual Fund Statement and Schedules.

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

During FY 2021-22, the original adopted budget was amended by the Board of Supervisors. The final budget data contained in the General Fund's budget and actual statement, as well as the budget and actual schedules for the nonmajor governmental funds reflects the effect of all approved budget amendments. During FY 2021-22, the appropriation limit for the FY 2021-22 budget year was reviewed and determined to be calculated in accordance with Article XIII B of the California Constitution.

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

NOTE 4 - CASH, INVESTMENTS, AND RESTRICTED ASSETS

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

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

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Cash, investments, and restricted assets as shown in the basic financial statements at June 30, 2022, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 2,185,135
Restricted cash and investments	24,750
Restricted assets, included in noncurrent assets	267,179
Fiduciary funds statement of net position:	
Pension Trust	11,355
Investment Trust	3,865,343
Successor Agency - Private-Purpose Trust Fund	5,518
Non-Pooled Investments	665,336
Other Custodial	206,721
Discretely presented component unit (First 5 Commission)	23,389
Total cash, investments, and restricted assets including interest receivable	7,254,726
Less interest receivable included in restricted assets	(13,106)
Total cash, investments, and restricted cash and investments	\$ 7,241,620

Investments Authorized by Debt Agreements

Cash and investments held by fiscal agents are restricted as to their use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2022, all cash and investments held by fiscal agents were covered by federal depository insurance, Securities Investor Protection Corporation insurance, or by collateral held by the County’s financial institutions in the County’s name.

Investments Authorized by Government Code and County Investment Policy

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

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

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

Specific restrictions of investments are noted below:

Government Code Section 53601 and the County Investment Policy lists the investments in which the Treasurer may invest. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, Washington supranational notes, treasury notes, or bonds of the State of

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

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

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

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, 2022, of the County’s \$7.1 billion in investments held by the Treasurer and \$27 million held by fiscal agents, 70.0 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 275 days.

Credit Risk – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term ratings, the issuers’ ratings must be A-1 and P-1, and the long-term ratings must be A and A2, respectively, by S&P’s and Moody’s rating agencies. In addition, the County is permitted to invest in the State’s Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not rated. See schedule on page 66.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. The California Government Code and the County’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following disclosures. As of June 30, 2022, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of \$250,000 and remaining cash deposits were collateralized by the pledging institutions as required by California Government Code Section 53652.

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

	<u>Reported Amount</u>
Federal Home Loan Banks	\$ 1,378,017
Federal Farm Credit Bank	499,425
International Bank for Reconstruction and Development	391,169

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The following schedule indicates the credit and interest rate risk at June 30, 2022. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's and S&P, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Ratings	Maturity					Amount
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Imprest cash							\$ 557
Cash in banks							6,795
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							12
Cash in banks							118,976
Total cash and cash deposits in custody of the Treasurer							118,988
Investments held by Treasurer:							
Treasury bills	Aaa/AA+	\$ 307,888	71,335	83,372	49,160		511,755
Federal Farm Credit Bank (FFCB)	Aaa/AA+		40,011		137,094		177,105
FFCB discount notes	Aaa/AA+		174,657	147,663			322,320
Federal Home Loan Banks	Aaa/AA+	20,053	20,017		142,941		183,011
Federal Home Loan Banks discount notes	P-1/A-1+	582,138	366,837	246,031			1,195,006
Federal National Mortgage Association	Aaa/AA+		39,981		92,302		132,283
Federal Home Loan Mortgage Corporation	Aaa/AA+				65,347		65,347
State and local government securities	Aaa/AA+				5,242		5,242
Commercial paper	P-1/A-1	284,497	1,491,668	383,584			2,159,749
Washington supranationals	Aaa/AAA			119,826	596,818		716,644
Washington supranationals discount notes	P-1/A-1+	109,154	64,905				174,059
Negotiable certificates of deposit	P-1/A-1	174,821	968,650				1,143,471
Negotiable certificates of deposit	NR			20,000			20,000
Other assets held by Treasurer (Teeter Plan notes)	NR		710		21,441		22,151
Local Agency Investment Fund	NR	75,000					75,000
Money market mutual funds	Aaa/AAAm	162,405					162,405
Guaranteed investment contracts	NR					22,595	22,595
Total investments held by Treasurer		1,715,956	3,238,771	1,000,476	1,110,345	22,595	7,088,143
Total in custody of Treasurer							7,207,131
Investments held by fiscal agents:							
Money market mutual funds	Aaa/AAAm	5,264					5,264
Money market mutual funds	Aaa/AAAm	13,457					13,457
Money market mutual funds	Ass/AAAm	7,483					7,483
Negotiable certificates of deposit	A+				933		933
Total investments held by fiscal agents		26,204			933		27,137
Total investments		\$ 1,742,160	3,238,771	1,000,476	1,111,278	22,595	
Total cash and investments							\$ 7,241,620

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Investment in State Investment Pool

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

The following are condensed statements of net position and changes in net position for the Treasurer's Pool and Non-Pooled Funds at June 30, 2022:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	<u>\$ 6,357,492</u>	<u>835,880</u>	<u>7,193,372</u>
Equity of internal pool participants	\$ 2,492,149	170,544	2,662,693
Equity of external pool participants	<u>3,865,343</u>	<u>665,336</u>	<u>4,530,679</u>
Total equity	<u>\$ 6,357,492</u>	<u>835,880</u>	<u>7,193,372</u>
Statement of changes in net position			
Net position at July 1, 2021	\$ 5,308,334	640,872	5,949,206
Net changes in investments by pool participants	<u>1,049,158</u>	<u>195,008</u>	<u>1,244,166</u>
Net position at June 30, 2022	<u>\$ 6,357,492</u>	<u>835,880</u>	<u>7,193,372</u>

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2022, are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Governmental securities	\$ 2,592,069	2,619,374	.130-3.375	7/22-4/27
Washington supranationals	890,703	920,974	.500-3.00	7/22-6/27
Commercial paper	2,159,749	2,159,257	.290-3.040	7/22-1/23
Negotiable certificates of deposit	1,163,471	1,164,989	.375-2.800	7/22-5/23
Other assets held by Treasurer (Teeter Plan notes)	22,151	22,151	.616	8/22-8/26
Local Agency Investment Fund	75,000	75,000	.861	N/A
Money market mutual funds	162,405	162,405	0.00-1.300	N/A
Guaranteed investment contracts	<u>22,595</u>	<u>22,595</u>	5.301	5/31/2039
Total investments held by Treasurer	<u>\$ 7,088,143</u>	<u>7,146,745</u>		

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Fair Value of Investments

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

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

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2022. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

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

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

The valuation of 2a-7 Money Market Mutual Funds held by the County Treasurer is at one-dollar net asset value (NAV) per share. The total fair value of these investments at June 30, 2022 was \$162,405. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

The valuation of 2a-7 Money Market Mutual Funds held by Fiscal Agents is at one-dollar NAV per share. The total value of these investments at June 30, 2022, was \$26,204. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury, government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities), agency mortgage-backed securities, and short-term high quality municipal obligations that provide income exempt from federal and California state income tax and federal alternative minimum tax.

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At June 30, 2022, the County had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
Treasury bills	\$ 511,755		511,755	
Federal Farm Credit Bank	177,105		177,105	
Federal Home Loan Banks (FHLB)	183,011		183,011	
Federal National Mortgage Association	132,283		132,283	
FFCB discount notes	322,320		322,320	
FHLB discount notes	1,195,006		1,195,006	
Federal Home Loan Mortgage Corporation (FHLMC)	65,347		65,347	
Washington supranationals	716,644		716,644	
Washington supranationals discount notes	174,059		174,059	
Commercial paper	2,159,749		2,159,749	
Negotiable certificates of deposits	1,163,471		1,163,471	
Negotiable certificates of deposits held by Fiscal Agent	933		933	
State and local government securities	5,242		5,242	
Other assets held by Treasurer (Teeter Plan notes)	22,151			22,151
Total Investments by fair value level	<u>6,829,076</u>		<u>6,806,925</u>	<u>22,151</u>
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy:				
Local Agency Investment Fund	75,000			
Guaranteed investment contracts	<u>22,595</u>			
Total Investments Not Measured at Fair Value or subject to fair value hierarchy	<u>97,595</u>			
Investments held by Treasurer measured at NAV:				
Money market mutual funds	<u>162,405</u>			
Total Investments held by Treasurer	7,088,143			
Total Investments held by Fiscal Agents at NAV:				
Money market mutual funds	<u>26,204</u>			
Total Investments	<u>\$ 7,115,280</u>			

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SCERS Pension Trust Fund Deposits and Investment Risk Disclosures

Investment Policies

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

Asset Allocation

SCERS maintains an overall investment policy designed to achieve a diversified investment portfolio. An integral part of the investment policy is the strategic asset allocation, which is designed to provide an optimal mix of asset classes with return expectations that correspond to expected liabilities. The strategic asset allocation also emphasizes maximum diversification of the portfolio to reduce the range of outcomes that the portfolio is subject, and to protect SCERS from the possibility that a particular asset class may experience poor investment performance in a given period. SCERS' adopted asset allocation policy as of June 30, 2022 is as follows:

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

Investment Summary

Cash Invested with Sacramento County Treasurer:

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

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The value of SCERS pooled shares is determined on an amortized cost basis, which approximates fair value. The fair value of SCERS cash invested with the County Treasurer for both pension trust and custodial funds totaled \$14,195 at June 30, 2022. The pool was not rated, and the weighted-average maturity of the pool was 275 days at June 30, 2022.

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

Other Cash and Cash Equivalents:

At June 30, 2022, other cash and cash equivalents constituted balances in bank demand deposit accounts of \$138,585.

Short-Term Investments with Fiscal Agents:

Short-term investments, which include highly-liquid investments expected to be utilized by SCERS within 30-90 days, are reported at fair value. These investments may include securities that have a maturity in excess of 90 days but are readily marketable. At June 30, 2022, the fair value of SCERS short-term investments with fiscal agents was \$380,751. This total consisted of investments in the State Street Short-Term Investment Fund (STIF). The STIF is designed to provide qualified benefit plans with an investment vehicle that may be accessed on a daily basis. The STIF is limited to investing in securities that are rated A-1 by Moody's and P-1 by S&P at the time of issuance. As of June 30, 2022, the STIF is not rated by credit rating agencies. Most investments range in maturity from overnight to 90 days with 26 percent of the investment over 90 days. For the fiscal year ended June 30, 2022, the weighted-average maturity was 11 days. Investments in the STIF from all participating custodial clients of State Street was \$60.6 billion on June 30, 2022.

Fair Value of Investments:

SCERS measures and records its investments using fair value measurement guidelines established by U.S. generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

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

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

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At June 30, 2022, SCERS had the following fair value measurements:

	Total	Fair Value Measurements by Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Communication Services	\$ 230,167	230,167		
Consumer Discretionary	330,439	330,439		
Consumer Staples	201,915	201,915		
Energy	131,685	131,685		
Financials	409,448	409,448		
Health Care	445,723	445,723		
Industrials	454,642	454,642		
Information Technology	518,825	518,825		
Materials	174,505	174,505		
Preferred Stock	783	783		
Real Estate	102,949	102,949		
Utilities	79,006	79,006		
Total Equity Securities	3,080,087	3,080,087		
Fixed Income Securities				
Securitized Obligations Asset-Backed Securities	98,812		98,812	
Credit Obligations				
Corporate Bonds	316,910	374	316,536	
Municipals	9,642		9,642	
Yankees	59,538		59,538	
U.S. Government and Agency Obligations				
Agency Securities	130,261		130,261	
Treasury Bills	1,063,700		1,063,700	
International Government	4,471		4,471	
Collateralized Mortgage Obligations	102,872		102,872	
Mortgage Pass-Through				
Federal Home Loan Mortgage Corporation (FHLMC)	60,782		60,782	
Federal National Mortgage Association (FNMA)	143,853		143,853	
Government National Mortgage Association (GNMA)	11,244		11,244	
Total Fixed Income Securities	2,002,085	374	2,001,711	
Total Investments by Fair Value Level	\$ 5,082,172	3,080,461	2,001,711	

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Investments Measured at Net Asset Value (NAV):

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)*</u>	<u>Redemption Notice Period</u>
Equity Commingled Funds	\$ 820,405		Daily and Monthly	1-60 days
Fixed Income Commingled Funds	223,554		Monthly and Quarterly	30-90 days
Real Assets	1,037,564	487,060	Quarterly and 3-Years	90 days
Real Estate	1,090,302	215,130	Daily and Quarterly	1-90 days
Absolute Return	955,803		Monthly and Quarterly	30-90 days
Private Credit	330,188	292,376		
Private Equity	1,764,212	814,219		
Securities Lending Collateral	250,331			
Total Investments Measured at NAV	<u>6,472,359</u>			
Total Investments	<u>\$ 11,554,531</u>			

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

Note: In the event of significant market dislocations, additional time may be needed to obtain liquidity.

Investments Derivative Instruments:

	<u>Total</u>	<u>Fair Value Measurements by Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Forwards	\$ 2,397	2,397		
Options	473		473	
Swaps	108,218		108,218	
Liabilities				
Forwards	(687)	(687)		
Options	(202)		(202)	
Swaps	(108,092)		(108,092)	
Total Investment Derivative Instruments	<u>\$ 2,107</u>	<u>1,710</u>	<u>397</u>	

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Equity Securities:

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

Fixed Income Securities:

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

Equity and Fixed Income Commingled Funds

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

Investments Measured at the Net Asset Value (NAV):

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

Absolute Return:

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

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

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

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

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

Real Assets and Real Estate

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

Private Credit and Private Equity

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

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

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

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

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

Investment Derivative Instruments

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

Annual Money-Weighted Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -4.3 percent.

Securities Lending

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

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During the fiscal year ended June 30, 2022, on behalf of SCERS, State Street loaned securities held by State Street as custodian, including U.S. government and agency obligations, domestic corporate bonds, and domestic and international equities and received, as collateral, U.S. and foreign currency, U.S. government bonds, U.S. corporate bonds, U.S. equity, and international equity securities. SCERS does not have the ability to pledge or sell security collateral absent a borrower's defaults. Borrowers are required to deliver collateral for each loan equal to a minimum of 100% of the fair value of the loaned security.

During the fiscal year ended June 30, 2022, SCERS did not impose any restrictions on the amount of the loans that State Street made on its behalf and there were no failures to return loaned securities or pay distributions thereon by any borrowers. Moreover, there were no losses resulting from a default of the borrowers or State Street.

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

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

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

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

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

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Collateral and related securities on loan at June 30, 2022 is as follows:

<u>Security Description</u>	<u>Fair Value of Reinvested Cash Collateral</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>	<u>Fair Value of Securities on Loan</u>
Fixed Income	\$ 181,500	178,240	30,279	208,613
Equity	68,831	66,293	12,114	78,453
Total	<u>\$ 250,331</u>	<u>244,533</u>	<u>42,393</u>	<u>287,066</u>

Securities Lending Collateral Credit Risk

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

Securities Lending Collateral Interest Rate Risk

The Compass Fund's Investment Policy Guidelines provide that the lending agent shall maintain the dollar-weighted average maturity of the Compass Fund in a manner that the lending agent believes is appropriate to the objective of the Compass Fund, provided that (i) in no event shall any Eligible Security be acquired with a remaining legal final maturity of greater than 18 months, (ii) the lending agent shall maintain a dollar-weighted average maturity of the Compass Fund not to exceed 75 calendar days and (iii) the lending agent shall maintain a dollar-weighted average maturity to final of the Compass Fund not to exceed 180 calendar days. As of June 30, 2022, the weighted average maturity was 3.9 days.

Deposit and Investment Risks

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

Credit Risk

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

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

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

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The following table depicts the fixed income assets by credit ratings as of June 30, 2022:

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
Aaa	\$ 239,849	66,179	2,031		111,554		60,085			
AA+	230,998		1,180		18,224		6,959	60,782	143,853	
AA-1	1,271	1,113	158							
AA	7,428	5,050	1,705				673			
AA-2	562	146	416							
AA-	6,340	192	5,960				188			
AA-3	516		516							
A+	9,325		8,956		322		47			
A-1	750	269	197				284			
A	12,938	2,154	10,731				53			
A-2	4,436	558	3,634				244			
A-	69,560	906	68,036				618			
BBB+	82,469	179	81,295				995			
BAA-1	407		407							
BBB	80,738		78,749			1,989				
BAA-2	2,564	715	893				956			
BBB-	65,116	1,261	60,409			740	2,706			
BAA-3	3,153	537	564			761	1,291			
BB+	16,716	2,116	14,325			246	29			
BB	11,254	270	10,307				677			
BA-2	1,548					492	1,056			
BB-	18,934		12,303				6,631			
BA-3	3,816		2,214				1,602			
B+	6,618		6,618							
B-1	417		417							
B	8,227	3,789	4,231			111	96			
B-2	605		605							
B-	4,784	19	3,885				880			
CCC+	2,080		1,787		161	132				
Caa1	628		628							
CCC	4,271	2,484					1,787			
CAA2	228		228							
CCC-	372		372							
Caa3	120		120							

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Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government and Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
CC	718	302	416							
D	656	517	139							
NA	\$ 1,074,944				1,063,700					11,244
NR	250,283	215,164	1,658	18,446			15,015			
Total	\$ 2,225,639	303,920	386,090	18,446	1,193,961	4,471	102,872	60,782	143,853	11,244

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

NR represents securities that are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2022, SCERS had no single issuer that exceeds 5% of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% or more of total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements.

SCERS investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer, and as of June 30, 2022, SCERS had no issuer that exceeds 5% of total portfolio fair value. As noted in the previous discussion of credit risk, manager investment guidelines place limitations on the maximum holdings in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, SCERS would not be able to recover the value of its deposits, investments, or securities. As of June 30, 2022, the bank balance of cash and cash equivalents on deposit with SCERS' custodian bank and financial institutions totaled \$108,374, of which \$108,124 was not insured by the Federal Depository Insurance Corporation (FDIC) and were exposed to custodial credit risk. SCERS believes that the risk is not significant because the cash is held with major financial institutions.

As of June 30, 2022, deposits held in SCERS name for the margin accounts of \$30,517 was not insured or not collateralized, and these deposits were exposed to custodial credit risk.

As of June 30, 2022, 100% of SCERS investments held with the custodian were held in SCERS name, and SCERS is not exposed to custodial credit risk related to these investments. There are no general policies relating to custodial credit risk.

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Interest Rate Risk

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

The following tables depict the duration in years of the long-term fixed income portfolio vs. the benchmark as of June 30, 2022.

<u>Types of Securities</u>	<u>Fair Value</u>	<u>Effective Duration</u>	<u>Benchmark Duration</u>	<u>Difference</u>
Securitized Obligations				
Asset-Backed Securities	\$ 303,920	0.26	2.97	(2.71)
Credit Obligations				
Corporate Bonds	316,910	5.58	10.25	(4.67)
Municipals	9,642	0.29	10.52	(10.23)
Yankees	59,538	0.83	5.80	(4.97)
U.S. Government and Agency Obligations				
Agency Securities	130,261	0.11	3.63	(3.52)
Treasury Bills	1,063,700	7.52	7.50	0.02
International Government	4,471	5.22	4.84	0.38
Collateralized Mortgage Obligations	102,872	2.75	4.15	(1.40)
Mortgage Pass-Through				
FHLMC	60,782	6.79	6.06	0.73
FNMA	143,853	6.92	5.98	0.94
GNMA	11,244	5.77	6.01	(0.24)
No Effective Duration				
Commingled Fund	18,446	NA	NA	NA
Total Fair Value with Weighted Average	<u>\$ 2,225,639</u>	5.30	6.42	(1.12)

NA represents securities that have no effective duration.

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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following tables represent cash and investments held in a foreign currency as of June 30, 2022:

<u>Local Currency Name</u>	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Equity</u>	<u>Fixed Income</u>	<u>Real Assets</u>	<u>Real Estate</u>	<u>Private Credit</u>	<u>Private Equity</u>	<u>Total</u>
Australian Dollar	\$ 49	47,140						47,189
Brazilian Real		571						571
Canadian Dollar	81	115,203	146					115,430
Chilean Peso		250						250
Danish Krone		77,846						77,846
Euro Currency	3,408	400,045	21,311	4,100	188,298	15,300	139,063	771,525
Hong Kong Dollar	1,247	56,943						58,190
Hungarian Forint	(326)							(326)
Japanese Yen	3,438	244,926			10,057			258,421
Mexican Peso	(500)	732						232
New Israeli Shekel	794	9,512						10,306
New Zealand Dollar	(348)							(348)
Norwegian Krone	(24)	7,485						7,461
Polish Zlotky	(461)							(461)
Pound Sterling	2,430	135,217	6,420		1,766			145,833
Singapore Dollar	34	13,601						13,635
South African Rand	233							233
Swedish Krona	102	22,689						22,791
Swiss Franc	429	122,643						123,072
Yuan Renminbi	1							1
Total	\$ 10,587	1,254,803	27,877	4,100	200,121	15,300	139,063	1,651,851

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

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Highly Sensitive Investments

As of June 30, 2022, SCERS' investments included Collateralized Mortgage Obligations and Mortgage Pass-Through securities totaling \$318,751. These securities are highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates. The resulting reduction in expected total cash flows affects the fair value of these securities.

As of June 30, 2022, total commodities investments were \$20,431. The investments consist of commodity futures hedge fund-of-funds and exposure through a customized, diversified real assets strategy.

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

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

Derivative Instruments

SCERS investment portfolios contain individual securities as well as investments in external investment pools. SCERS investment policy allows investment managers to use derivative instruments for certain purposes and within certain parameters. Such instruments include futures contracts, currency forward contracts, option contracts, swap agreements, and rights and warrants. SCERS uses derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets, as an alternative to investments in the cash market in which the manager is permitted to invest, and as an additional yield curve and/or duration management strategy. SCERS does not use derivative instruments for speculative purposes or to create leverage, however, this does not apply to investments in external pools. As of June 30, 2022, the derivative instruments held by SCERS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

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The table below presents the related net appreciation/(depreciation) in fair value, the fair value and the notional value of derivative instruments outstanding at June 30, 2022:

Investment Derivative Instruments	Net Appreciation/ (Depreciation) in Fair Value of Investments	Financial Statement Classification	Fair Value	Notional
Forwards	\$ (7,386)	Investment Sales and Other	1,710	107,130
Futures	(88,004)	Investment Sales and Other		61,495
Options	371	Investment Purchases and Other	271	(10,170)
Rights/Warrants		Investment Sales and Other		2 *
Swaps	(801)	Investment Purchases and Other	126	97,826
Total Derivative Instruments	\$ (95,820)		2,107	

* Presented in number of shares

Futures contracts are financial instruments that derive their value from underlying indices or reference rates and are marked-to-market at the end of each trading day. Daily settlement of gains and losses occur on the following business day. As a result, the instruments themselves have no fair value at June 30, 2022, or at the end of any trading day. Daily settlement of gains and losses is a risk control measure to limit counterparty credit risk. Futures variation margin amounts are settled each trading day and recognized in the financial statements under Investment income, net as they are incurred.

Forward contracts are obligations to buy or sell a currency or other commodity at a specified exchange rate and quantity on a specific future date. The fair value of the foreign currency forwards is the unrealized gain or loss calculated based on the difference between the specified exchange rate and the closing exchange rate at June 30, 2022.

Counterparty Credit Risk:

The tables below presents the counterparty credit ratings of SCERS non-exchange traded investment derivative instruments outstanding and subject to loss at June 30, 2022:

S&P Rating	Forwards	Swaps	Total
A	\$ 85		85
A-	648	1	649
A+	1,109	17	1,126
AA-	547		547
BBB+		1,335	1,335
Investments in Asset Position	2,389	1,353	3,742
Investment in Liability Position	(680)	(1,188)	(1,868)
Total investments in Asset/(Liability) Position	\$ 1,709	165	1,874

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

The aggregate fair value of investment derivative instruments in an asset position subject to counterparty risk at June 30, 2022, was \$3,744. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. SCERS did not have any master netting agreements with its counterparties at June 30, 2022, except that certain investment managers used netting arrangements at their discretion to minimize counterparty risks. The above schedules present exposure for similar instruments with the same counterparty on a net basis.

At June 30, 2022, SCERS did not have any significant exposure to counterparty credit risk with any single party.

Interest Rate Risk:

At June 30, 2022, SCERS is exposed to interest rate risk on its derivative instruments as presented in the following tables:

Investment Type	Total Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Credit Default Swaps Bought	\$ 15	(2)	17		
Credit Default Swaps Written	(37)	(37)			
Fixed Income Options Bought	407	407			
Fixed Income Options Written	(132)	(132)			
Interest Rate Swaps	147	5	(944)	119	967
Total	\$ 400	241	(927)	119	967

Derivative Instruments Highly Sensitive to Interest Changes:

Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 0.95%	\$ 5	\$ 435
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1%	154	2,781
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.05%	90	1,391
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	48	517
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	42	407
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.2%	22	188
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 0.6804%	30	296
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 1.7425%	945	4,455
Interest Rate Swaps	Pay Variable 3-month LIBOR, Receive Fixed 1.6875%	(1,189)	53,260
Total Interest Rate Swaps		\$ 147	63,730

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

Foreign Currency Risk

At June 30, 2022, SCERS was exposed to foreign currency risk on its investments in forward contracts and swaps denominated in foreign currencies as presented in the following table:

Currency Name	Forward Contracts		Swaps	Total Exposure
	Net Receivables	Net Payables		
Australian Dollar	\$ (8)	31		23
Brazilian Real	(124)	16		(108)
Canadian Dollar	161	3		164
Chilean Peso	(14)			(14)
Colombian Peso	(45)			(45)
Czech Koruna	(8)	5		(3)
Euro Currency	(74)	1,245		1,171
Hungarian Forint	(37)	31		(6)
Indian Rupee		5		5
Indonesian Rupiah		12		12
Japanese Yen	(26)	4		(22)
Mexican Peso	(47)			(47)
New Israeli Shekel	(3)	113		110
New Taiwan Dollar		44		44
New Zealand Dollar	(23)			(23)
Peruvian Sol	(13)			(13)
Philippine Peso	(55)	(2)		(57)
Polish Zloty	(63)	7		(56)
Pound Sterling		545	390	935
Singapore Dollar	(2)			(2)
South African Rand	(4)	32		28
South Korean Won		26		26
Thailand Baht		78		78
Turkish Lira		1		1
Yuan Renminbi	4	(105)		(101)
Grand Total	<u>\$ (381)</u>	<u>2,091</u>	<u>390</u>	<u>2,100</u>

SCERS has investments in futures contracts. As indicated on the preceding pages, futures variation margin accounts are settled each trading day and recognized as realized gains/(losses) as they are incurred. As a result, the foreign futures contracts have no fair value at June 30, 2022.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2022, is as follows:

	Balance July 1, 2021, as restated (a)	Additions	Deletions	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 134,615	1,051		135,666
Construction in progress	37,832	24,439	(14,442)	47,829
Permanent easement	17,661	1,472	(2)	19,131
Intangible assets under project	66			66
Total capital assets not being depreciated	<u>190,174</u>	<u>26,962</u>	<u>(14,444)</u>	<u>202,692</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	972,504	8,488	(20)	980,972
Infrastructure	3,333,666	94,899		3,428,565
Machinery and equipment	307,480	25,121	(19,067)	313,534
Intangible - computer software	37,027	4,015	(7,536)	33,506
Right-to-use leased buildings	324,462	2,420		326,882
Right-to-use leased machinery and equipment	1,862	783		2,645
Total capital assets being depreciated/amortized	<u>4,977,001</u>	<u>135,726</u>	<u>(26,623)</u>	<u>5,086,104</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(602,072)	(27,018)	(1)	(629,091)
Infrastructure	(2,194,437)	(66,247)		(2,260,684)
Machinery and equipment	(210,351)	(27,936)	17,947	(220,340)
Intangible - computer software	(35,692)	(2,730)	7,432	(30,990)
Right-to-use leased buildings		(36,697)		(36,697)
Right-to-use leased machinery and equipment		(912)		(912)
Total accumulated depreciation/amortization	<u>(3,042,552)</u>	<u>(161,540)</u>	<u>25,378</u>	<u>(3,178,714)</u>
Total capital assets, being depreciated/amortized	<u>1,934,449</u>	<u>(25,814)</u>	<u>(1,245)</u>	<u>1,907,390</u>
Total governmental activities	<u>\$ 2,124,623</u>	<u>1,148</u>	<u>(15,689)</u>	<u>2,110,082</u>

(a) Beginning balances were restated to include the Right-to-Use Assets as part of the implementation of GASB Statement No. 87 *Leases*.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Balance July 1, 2021, as restated (a)	Additions	Deletions	Balance June 30, 2022
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 135,737			135,737
Construction in progress	103,769	52,348	(40,726)	115,391
Permanent easement	57			57
Water facility rights	198,306	1,193		199,499
Other intangible assets	1,904			1,904
Total capital assets not being depreciated/amortized	<u>439,773</u>	<u>53,541</u>	<u>(40,726)</u>	<u>452,588</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,515,901	39,286	(57)	2,555,130
Infrastructure	230,907	16,039		246,946
Machinery and equipment	118,948	12,783	(7,130)	124,601
Computer software	651			651
Water facility rights	1,273			1,273
Right-to-use leased buildings	5,660			5,660
Right-to-use leased machinery and equipment	8,368	1,516		9,884
Total capital assets being depreciated/amortized	<u>2,881,708</u>	<u>69,624</u>	<u>(7,187)</u>	<u>2,944,145</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(934,572)	(72,511)	57	(1,007,026)
Infrastructure	(59,783)	(5,008)		(64,791)
Machinery and equipment	(70,727)	(10,630)	7,117	(74,240)
Computer software	(317)	(128)		(445)
Water facility rights	(506)	(26)		(532)
Right-to-use leased buildings		(604)		(604)
Right-to-use leased machinery and equipment		(3,575)		(3,575)
Total accumulated depreciation/amortization	<u>(1,065,905)</u>	<u>(92,482)</u>	<u>7,174</u>	<u>(1,151,213)</u>
Total capital assets, being depreciated/amortized, net	<u>1,815,803</u>	<u>(22,858)</u>	<u>(13)</u>	<u>1,792,932</u>
Total business-type activities	<u>\$ 2,255,576</u>	<u>30,683</u>	<u>(40,739)</u>	<u>2,245,520</u>

(a) Beginning balances were restated to include the Right-to-Use Assets as part of the implementation of GASB Statement No. 87 *Leases*.

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

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

	Depreciation/ Amortization Expense
Governmental activities:	
General government	\$ 25,822
Public assistance	16,253
Public protection	29,284
Health and sanitation	11,278
Public ways and facilities	53,381
Recreation and culture	4,257
Education	1,182
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	20,083
Total depreciation expense - governmental activities	<u>\$ 161,540</u>
Business-type activities:	
Airport	\$ 55,650
Solid Waste	15,350
Water Agency	20,920
Parking Enterprise	107
County Transit	455
Total depreciation expense - business-type activities	<u>\$ 92,482</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

NOTE 6 - INTERFUND TRANSACTIONS

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the fiscal year ended June 30, 2022.

Transfers Out / In Other Funds for the fiscal year ended June 30, 2022, are as follows:

Transfer Out	Transfer In	Amount	Description
General	Nonmajor governmental	\$ 162,527	Transfer to cover debt service payments and to provide support for special revenue activities
Nonmajor governmental	General	17,948	Transfer to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	32,138	Transfer to cover debt service payments and fund capital projects
Internal service	Nonmajor governmental	10,548	Transfer to cover debt service and Pension Obligation Bond debt service payments
Enterprise - Water Agency	Nonmajor governmental	1,139	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	2,903	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	1,880	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	24	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	General	<u>1,321</u>	Transfer to Regional Parks for clean up and safety initiatives
	Total	<u><u>\$ 230,428</u></u>	

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

NOTE 7 - LEASES

Lease Income and Receivables

The County leases out several of its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewal provisions at the option of the County, generally for 3 or 5-year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rates, ranging from 0.20% to 1.79% depending on lease maturity dates, to measure the present value of the lease payments expected to be received during the lease term period.

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

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

For the Fiscal Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,761	336	6,871	425
2024	1,711	316	6,817	365
2025	1,706	296	4,471	307
2026	1,703	275	3,538	264
2027	1,733	254	1,667	230
2028-2032	8,545	956	4,509	896
2033-2037	3,870	537	1,563	654
2038-2042	1,061	405	610	577
2043-2047	151	388	591	519
2048-2052	(107)	393	405	478
2053-2057	(71)	401	375	439
2058-2062	(24)	406	116	421
2063-2067	25	407	216	407
2068-2072	99	402	339	384
2073-2077	190	390	489	349
2078-2082	304	369	673	298
2083-2087	443	337	896	230
2088-2092	613	291	1,165	141
2093-2097	818	230	850	31
2098-2102	1,067	148		
2103-2107	986	43		
Total	\$ 26,584	7,580	36,161	7,415

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

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

<u>For the Fiscal Year ended June 30</u>	Governmental Activities	Business-type Activities
Lease revenue	\$ 2,128	7,550
Interest revenue	233	372

The County's Airports Department has contracts which qualify to be treated as regulated leases in accordance with the requirements of GASB Statement No. 87. Regulated leases for airports are not subject to GASB Statement No. 87 financial reporting rules and are governed by the Federal Aviation Administration (FAA). Regulated leases include Airline Use and Lease Agreements (ULA), which address the rights, services, and privileges, including the lease of preferentially-assigned gates, an airline has in connection with the use of the airport and its facilities. The Airports Department has 27 preferential and 5 common use gates. Of the 27 preferential gates, 16 are located in the Airport's Terminal B and 11 in Terminal A. There are 7 airlines with preferential gates. Other regulated leases include the lease of ground, terminal, hangar, and other premises. The Airports Department has not issued any debt for which the principal and interest payments are secured by lease payments.

The County recognized \$59,028 of total amount of inflows of resources during the current fiscal year related to these arrangements. The amount of inflows of resources recognized in the current fiscal year for variable payments is \$3,423.

As of June 30, the remaining amount of expected future payments under these contracts/arrangements amounts to \$346,397, which is expected to be received for each of the subsequent five years and in five-year increments thereafter, as stated below.

<u>For the Fiscal Year Ending June 30</u>	<u>Expected Future Minimum Payments</u>
2023	\$ 63,788
2024	63,569
2025	63,183
2026	62,961
2027	62,977
2028-2032	7,355
2033-2037	6,134
2038-2042	5,386
2043-2047	3,053
2048-2052	3,053
2053-2057	3,053
2058-2062	1,561
2063-2067	324
Total	<u>\$ 346,397</u>

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Lease Payable

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

The County entered into various contracts as lessee primarily for office space, land, heavy equipment, and office equipment. Most of the contracts have initial terms of up to 20 years, and some renewal options, generally for an additional one to five-year periods. The County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. The County's lease contracts generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments, ranging from 0.20% to 1.79% depending on lease maturity dates, to measure the present value of the lease payments expected to be paid during the lease term period.

The future principal and interest lease payments as of June 30, 2022 are as follows:

For the Fiscal Year Ending June 30	Governmental Activities		Business-type Activities		Component Unit First 5 Commission	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 33,403	3,521	3,674	85	71	5
2024	31,999	3,186	2,512	68	83	4
2025	29,863	2,838	1,545	54	103	3
2026	29,542	2,491	575	45	107	2
2027	28,531	2,144	502	39	110	1
2028-2032	104,828	6,128	2,652	86	85	1
2033-2037	35,970	1,109				
2038-2042	3,801	139				
Total	\$ 297,937	21,556	11,460	377	559	16

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2022:

	Balance July 1, 2021, as restated (a)	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 141,661	109,045	(108,249)	142,457	14,316
Certificates of participation	129,661		(9,943)	119,718	10,456
Teeter notes	22,523	22,967	(23,339)	22,151	6,180
Pension obligation bonds	712,785		(87,584)	625,201	86,040
Accreted interest	47,960		(11,991)	35,969	25,475
Revenue bonds	284,217		(13,023)	271,194	6,124
Accreted interest	4,731	3,049	(467)	7,313	486
Other long-term debt	2,838	266	(711)	2,393	562
Litigation liability	76,825		(5,414)	71,411	5,576
Financed purchase obligations	22,503		(4,903)	17,600	6,343
Lease liability	326,324	3,203	(31,590)	297,937	33,403
Unamortized amounts					
Issuance premiums	47,350		(2,363)	44,987	(2,362)
Issuance discounts	(1,978)		296	(1,682)	295
Total governmental activities - long-term obligations	<u>\$ 1,817,400</u>	<u>138,530</u>	<u>(299,281)</u>	<u>1,656,649</u>	<u>192,894</u>
Business-type activities:					
Compensated absences	\$ 8,364	7,364	(6,895)	8,833	553
Revenue bonds	851,669	81,215	(45,359)	887,525	10,875
PFC and subordinate revenue bonds	220,095		(5,705)	214,390	5,990
Reimbursement agreements	1,966		(328)	1,638	328
Water rights - SMUD assignment	403		(403)		
Financed purchase obligations		6,254	(431)	5,823	868
Lease liability	14,028	1,515	(4,083)	11,460	3,674
Unamortized amounts					
Issuance premiums	115,228	8,952	(14,478)	109,702	
Total business-type activities - long-term obligations	<u>\$ 1,211,753</u>	<u>105,300</u>	<u>(77,682)</u>	<u>1,239,371</u>	<u>22,288</u>
Component Unit (First 5 Commission):					
Compensated absences	\$ 299	168	(139)	328	37
Lease liability		621	(62)	559	71
Total component unit	<u>\$ 299</u>	<u>789</u>	<u>(201)</u>	<u>887</u>	<u>108</u>

(a) Beginning balances were restated to include the lease liabilities as part of the implementation of GASB Statement No. 87 *Leases*

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

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$12,311 of the internal service funds compensated absences balance and \$11,680 of the internal service funds financed purchase obligations balance is included in governmental activities and \$27 in lease obligations. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and internal service funds.

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2022 are as follows:

Governmental Activities:

Certificates of Participation (COP):

Amount
Outstanding at
June 30, 2022

County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003, in an aggregate principal amount of \$36,150. Principal payments are due December 1, 2022 through December 1, 2034, escalating from \$1,230 to \$2,160, with an interest rate at 5 percent. This issuance is collateralized by the base rental payments from the Juvenile Courthouse project. There is no accelerated payment schedule if payment goes into default.

\$ 21,395

County of Sacramento 2018 Certificates of Participation issued on November 28, 2018, in an aggregate principal payment of \$89,125. The County issued the 2018 bonds to refund and defease \$39,703 of outstanding debt for 1994/97 Refunding Certificates of Participation as Series 2018A and Series 2018B for the three Certificates of Participation; \$9,729 for 2003 Public Facilities Projects - ADA Improvements; \$16,355 for 2006 Public Facilities Project; \$34,198 for 2007 Certificates of Participation to pay costs of issuance, and debt service reserve of \$798,240. Principal payments are due October 1, 2022 through the October 1, 2033. Payments escalate from \$3,705 to \$4,755 for Series 2018A and \$420 to \$2,755 for Series 2018B, with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Coroner/Crime Lab, Data Center, and a County-owned Fleet Facility. There is no accelerated payment schedule if payment goes into default.

68,505

County of Sacramento 2020 Certificates of Participation issued on October 22, 2020, in an aggregate principal payment amount of \$27,080. The County issued the 2020 bonds to refund and defease \$39,755 of outstanding debt for 2010 Certificates of Participation, and debt service reserve of \$3,231. Principal payments are due October 1, 2022 through October 1, 2029. Payments escalate from \$2,570 to \$3,645 with an interest rate of 5 percent. This issuance is collateralized by the base rental payments from the Sacramento Detention Facility, Cherry Island Golf Course, and a County-owned parking garage. There is no accelerated payment schedule if payment goes into default.

24,640

On November 19, 2020 the Sunrise Recreation & Park District (SRPD) Board approved the issuance of Certificates of Participation in an aggregate principal payment amount of \$5,421. SRPD issued the bonds to refund and defease \$5,485 of outstanding debt for SRPD's previous Certificates of Participation issued in June 2006. Principal payments are due September 1, 2022 through September 1, 2037, escalating from \$251 to \$408, with interest at 3.25 percent. There is no accelerated payment schedule if payment goes into default.

5,178

Total certificates of participation
Add: Issuance premium

119,718
13,379

\$ 133,097

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2022

Teeter notes:

County of Sacramento, 2017 Teeter Loan Agreement Note, dated November 1, 2017, to purchase the delinquent property taxes receivables as of June 30, 2017, of \$18,241. Annual payments of principal and interest are due on the first business day of August each year, ending in 2022. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2022. Interest payments will be at a variable rate that averaged 0.894 percent in the FY 2021-22 and was 1.014 percent at June 30, 2022.

\$ 710

County of Sacramento, 2018 Teeter Loan Agreement Note, dated December 4, 2018, to purchase the delinquent property taxes receivables as of June 30, 2018, of \$20,372. Annual payments of principal and interest are due August 1st of each year and ending in 2023. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2023. Interest payments will be at a variable rate that averaged 0.894 percent in the FY 2021-22 and was 1.014 percent at June 30, 2022.

1,521

County of Sacramento, 2019 Teeter Loan Agreement Note, dated November 19, 2019, to purchase the delinquent property taxes receivables as of June 30, 2019, of \$20,639. Annual payments of principal and interest are due August 1st of each year and ending in 2024. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2024. Interest payments will be at a variable rate that averaged 0.894 percent in the FY 2021-22 and was 1.014 percent at June 30, 2022.

3,173

County of Sacramento, 2020 Teeter Loan Agreement Note, dated January 12, 2021, to purchase the delinquent property taxes receivables as of June 30, 2020, of \$25,131. Annual payments of principal and interest are due August 1st of each year and ending in 2025. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2025. Interest payments will be at a variable rate that averaged 0.894 percent in the FY 2021-22 and was 1.014 percent at June 30, 2022.

6,050

County of Sacramento, 2021 Teeter Loan Agreement Note, dated November 16, 2021, to purchase the delinquent property taxes receivables as of June 30, 2021, of \$22,967. Annual payments of principal and interest are due August 1st of each year and ending in 2026. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2026. Interest payments will be at a variable rate that averaged 0.740 percent in the FY 2021-22 and was 1.014 percent at June 30, 2022.

10,697

Total Teeter notes

\$ 22,151

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Amount
Outstanding at
June 30, 2022

Pension obligation bonds (POB):

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

\$ 97,441

County of Sacramento Pension Obligation Bonds issued March 28, 2008, \$359,165 of Series 2008 Taxable Pension Refunding Bonds. The County issued the Series 2008 Bonds to refund and defease \$350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. Principal payments on the Series 2008 bonds are due July 10, 2022 through July 10, 2030, escalating from \$17,025 to \$48,585. The County entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901 percent, which remains in effect for the 2008 Taxable Pension Refunding Bonds. See Note 9, Derivatives – Interest Rate Swap.

283,665

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

58,260

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

73,875

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Amount
Outstanding at
June 30, 2022

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

111,960

The total accreted interest balance at June 30, 2022, on the 2003 Pension Obligation Bonds is \$35,969. All pension obligation bond issuances are uncollateralized and have an accelerated payment schedule that if payment goes into default, all outstanding interest and principal becomes due and payable.

Total pension obligation bonds	625,201
Add: Accreted interest	35,969
Less: Issuance discount	<u>(1,372)</u>

\$ 659,798

Revenue Bonds:

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

\$ 209,527

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The Sacramento County Public Financing Authority (PFA) issued three series of Revenue Bonds issued December 23, 2003 totaling \$54,921, for the purpose of allowing the PFA to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are distributions made by the County's Redevelopment Property Tax Trust Fund (RPTTF). Total principal and interest remaining on the bonds is \$35,495, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$1,930 and \$1,124 respectively. The PFA issued \$33,696 of Series A Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,940 in serial bonds, maturing from December 2004 - 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020-2030. The PFA issued \$8,345 of Series B Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.

Sacramento County Public Financing Authority (PFA) issued two series of Tax Allocation Revenue Bonds on March 5, 2008, totaling \$48,545, for the purpose of loaning the proceeds to the Sacramento Housing and Redevelopment Agency. The loan proceeds will finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is distributions from the County's RPTTF. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Total principal and interest remaining on the bonds is \$61,411, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$905 and \$2,080, respectively. The PFA issued \$24,765 of Series A Mather/McClellan (Tax Exempt) Redevelopment Area improvements. The bonds were structured with one serial maturity in 2028 and three term bonds. The \$950 2028 serial bonds were priced with a 4.5 percent coupon to yield 4.66 percent. The \$4,930 2032 term bond was priced with a 4.625 percent coupon to yield 4.8 percent. The \$18,885 2038 term bond was split into two: \$5,000 was priced with a 5.0 percent coupon to yield 4.76 percent; the balance of \$13,885 was priced with a 4.625 percent coupon to yield 4.85 percent. The PFA issued \$23,780 of Series B Mather/McClellan (Taxable) Redevelopment Area and Housing Project. The bonds were structured with serial maturities in 2008 through 2014 and three term bonds - all sold as par bonds with coupon equal to yield. Yields on the \$4,500 serials ranged from 3.33 percent in 2008 to 4.52 percent in 2014. The \$2,815 2018 term bonds were priced to yield 5.317 percent; the \$9,795 2028 term bonds were priced to yield 6.227 percent; and the \$6,670 term bonds were priced to yield 6.577 percent. The bonds contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if the PFA is unable to make payment.

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Redevelopment agencies were dissolved as of January 31, 2012. See Note 24 – Successor Agency Trust for Assets of Former Redevelopment Agency.

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

61,667

Total revenue bonds	271,194
Add: Accreted interest	7,313
Add: Issuance Premium	31,608
Less: Issuance discount	<u>(310)</u>
	<u>\$ 309,805</u>

Amount
Outstanding at
June 30, 2022

Other long-term debt:

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

\$ 2,393

Financed purchase obligations:

The County entered into various financing arrangements for the acquisition of Information Technology (IT) equipment. Payment terms range from 4 to 10 years with annual payments due. The interest rates range from 2.5% to 3.5%.

\$ 17,600

Litigation liability:

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

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

COUNTY OF SACRAMENTO
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The County entered into a settlement agreement with UCD in November 2017, with the County agreeing to pay a net amount of \$93,620 plus interest over a 15 year period. Payments made in the first 11 fiscal years range from \$6.4 million to \$8.2 million, with the first payment having commenced on July 1, 2018. The remaining principal balance after the 11th payment will be paid in 5 equal annual payments starting on July 1, 2029 at an interest rate equal to the 5-year Treasury bill rate plus 6 percent, with a cap of 9.5 percent. As of June 30, 2022, the outstanding balance is \$71,411. In the case of default, the entire unpaid portion of the settlement amount plus interest shall become immediately due. Also, the prejudgment interest will immediately begin to accrue on the default amount from the acceleration date at the rate of 9.5 percent.

Long-term debt obligation maturities for governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2022.

Fiscal Year ending June 30	Certificates of Participation		Teeter Notes		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 10,456	5,581	6,180	162	86,040	50,849
2024	10,979	5,049	5,470	117	106,887	29,864
2025	11,533	4,496	4,710	77	123,985	12,586
2026	12,106	3,920	3,652	43	111,325	5,645
2027	12,706	3,316	2,139	16	30,675	2,059
2028 - 2032	44,386	8,806			166,289	2,325
2033 - 2037	17,144	1,156				
2038	408	7				
	<u>\$ 119,718</u>	<u>32,331</u>	<u>22,151</u>	<u>415</u>	<u>625,201</u>	<u>103,328</u>

Fiscal Year ending June 30	Revenue Bonds		Other		Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,124	10,048	562	45	6,343	247
2024	6,418	9,433	386	34	7,035	167
2025	6,424	8,962	311	27	2,685	85
2026	6,673	8,645	217	21	1,537	43
2027	7,005	8,312	211	17		
2028 - 2032	38,634	35,506	706	29		
2033 - 2037	43,765	23,227				
2038 - 2042	34,045	16,639				
2043 - 2047	20,860	12,229				
2048 - 2052	30,165	2,252				
2058 - 2060	71,081	234,869				
	<u>\$ 271,194</u>	<u>370,122</u>	<u>2,393</u>	<u>173</u>	<u>\$ 17,600</u>	<u>542</u>

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

Amount
Outstanding at
June 30, 2022

Business-type Activities:

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

On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rate on the 2007A bonds is 5.0 percent. The variable interest rates on the 2007B bonds range from 2.239 percent to 2.259 percent at June 30, 2022. Proceeds from this debt issue were used to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Water Agency’s Water System and to advance refund the majority of the 2003 revenue bonds, which have been subsequently paid in full. Principal payments on the Series 2007B bonds are due June 1, 2023 through June 1, 2039 ranging from \$1,905 to \$21,675. The Water Agency entered into a swap agreement effective May 9, 2007 on the Series 2007B bonds fixing the interest rate between 4.193 percent to 4.221 percent. See Note 9, Derivatives - Interest Rate Swaps. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

\$ 228,920

On October 31, 2019, the Sacramento County Water Financing Authority issued \$88,790 of Revenue Bonds for the Sacramento County Water Agency Zones 40 and 41 2019 Refunding Project Series. The Series 2019 Bonds were issued to refund and defease \$103,185 of outstanding debt for Sacramento County Water Agency Zones 40 and 41 2007A (Fixed Rate) Series Water System Project Revenue Bonds. Principal payments on the Series 2019 bonds are due June 1, 2021 through June 1, 2028 and range from \$7,115 to \$10,900, with an interest rate of 5 percent. The refunding was undertaken to reduce total debt service payment amounts and resulted in an economic gain of \$16,682 and a cash flow savings of \$20,584. The deferred amounts on refunding totaled \$4,528 and will be amortized through June 30, 2028. Outstanding principal and related accrued interest shall become due and payable upon the occurrence of an event of default such as a debt service payment default or noncompliance with bond covenants pursuant to the Master Indenture.

56,679

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

81,215

COUNTY OF SACRAMENTO
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Amount
Outstanding at
June 30, 2022

On May 1, 2008, the County issued \$496,195 of Department of Airports Senior Revenue Bonds, Series A, B and C, and \$89,430 of Airport Subordinate and PFC Revenue Refunding Bonds, Series D and E. Series 2008A fully refunded Series 1992B Bonds, Series 1998A Bonds and advance refunded Series 2002A Bonds. Series 2008A also provided \$56.5 million to finance a portion of the costs of Terminal Modernization Program at the Sacramento International Airport. Series 2008B refunded 45.4 percent of the Series 2006A Bonds and provided \$266.5 million to finance a portion of the costs of Terminal Modernization Program at Sacramento International Airport. Series 2008C advance refunded Series 2002B Bonds. Series 2008D fully refunded Series 1998B Bonds. Series 2008E refunded 54.6 percent of the Series 2006A Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$15,225. This amount, net of accumulated amortization, is recorded in deferred outflows.

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

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

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

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Amount
Outstanding at
June 30, 2022

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

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

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

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

520,711

Total Revenue Bonds	887,525
PFC and Subordinate Bonds	214,390
Add: Issuance premiums	<u>109,702</u>
	<u><u>\$ 1,211,617</u></u>

Reimbursement agreements:

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

\$ 1,638

Financed purchase obligations:

Sacramento County Solid Waste Enterprise fund entered into a financing arrangement for the acquisition of 14 automatic side loading garbage collection trucks. Semi-annual payments are due from August 13, 2022 to August 23, 2028. The interest rate is 7.45 percent. Of the \$6.254 million debt issued, only \$5.840 million was used to purchase and finance the equipment. The remaining \$414,310 is held in escrow as restricted cash to be used towards payments due.

\$ 5,823

COUNTY OF SACRAMENTO
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Long-term debt obligation maturities for business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2022.

<u>Fiscal Year ending June 30</u>	Revenue Bonds and PFC			
	Revenue Bonds		Reimbursement Agreements	
	Principal	Interest	Principal	Interest
2023	\$ 16,865	52,024	328	
2024	17,695	51,242	328	
2025	18,555	50,286	328	
2026	121,465	46,952	654	
2027	42,240	43,595		
2028 - 2032	251,265	184,329		
2033 - 2037	311,550	117,587		
2038 - 2042	322,280	38,645		
	<u>\$ 1,101,915</u>	<u>584,660</u>	<u>1,638</u>	

<u>Fiscal Year ending June 30</u>	Financed Purchase Obligations	
	Principal	Interest
2023	\$ 868	63
2024	879	53
2025	888	43
2026	898	33
2027	908	23
2028 - 2029	1,382	16
	<u>\$ 5,823</u>	<u>231</u>

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for the fiscal year ended June 30, 2022.

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Conduit Debt and Non-Exchange Financial Guarantees

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

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

As of June 30, 2022, the principal amount of bonds outstanding was \$20,605 and 66 percent of the average annual lease obligation amount is \$2,340. The guarantee will be in effect until the bonds mature in 2029, or until all bonds are fully paid. Ticket receipts have been sufficient since the bonds were issued in 1999 to meet all lease obligations.

Airports Special Facilities Revenue Bonds

Variable Rate Demand Special Facilities Airport Revenue Bonds, Series 1998 (Special Facility Bonds), totaling \$9,900 were issued on November 3, 1998 to finance the demolition of an existing facility and construction and installation of a replacement aircraft maintenance hangar and associated facilities at the Sacramento International Airport for Cessna. Although taking the legal form of a financing lease between the County and Cessna, the substance of these arrangements is that the Special Facility Bonds constitute a special obligation of the Department of Airports payable from and secured by certain revenues under its lease with Cessna and certain proceeds pledged under the Indenture. The bonds do not constitute a debt, liability or general obligation of the the County or a pledge of the faith and credit of the Airports. The Airport will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2022, the outstanding balance of the debt was \$8,800. The Special Facility Bonds mature on November 1, 2028.

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

NOTE 9 - DERIVATIVE INSTRUMENT - INTEREST RATE SWAPS

All three of the County's interest rate swap agreements are considered to be effective hedging derivative instruments. The County used the consistent critical terms method to evaluate hedge effectiveness for the \$128,965 and \$99,955 Water Agency Revenue bonds, Series 2007B Swaps, and the regression analysis method for the \$271,300 Taxable Pension Bonds, 2008 C-1 Swap.

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

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year ended June 30, 2022 financial statements are as follows.

	Notional Amount	Changes in Fair Value		Fair Value - as of June 30, 2022	
		Classification	Amount	Classification	2022
Governmental Activities:					
<i>Cash Flow Hedges:</i>					
Series 2008 C-1 Swap					
Pay-fixed interest rate swap	\$ 271,300	Deferred outflow of resources	\$ 39,443	Debt	\$ (34,426)
		Total Governmental Activities	\$ 39,443		\$ (34,426)
Business-Type Activities:					
<i>Cash Flow Hedges:</i>					
Series 2007 B Swap					
Pay-fixed interest rate swap	\$ 128,965	Deferred outflow of resources	\$ 16,634	Debt	\$ (15,314)
Series 2007 B Swap					
Pay-fixed interest rate swap	99,955	Deferred outflow of resources	17,952	Debt	(17,918)
		Total Business-Type activities	\$ 34,586		\$ (33,232)

**COUNTY OF SACRAMENTO
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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, 2022, along with the credit rating of the associated counterparty:

Governmental Activities:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Series 2008 C-1 Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 271,300	7/10/2006	7/10/2030	County pays 5.901% fixed; receives USD LIBOR - BBA adjusted monthly: 1.19971%	A2 Moody's A- S&P AA- Fitch

Business-Type Activities:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B bonds	\$ 128,965	5/9/2007	6/1/2034	Water Agency pays fixed 4.193%; receives 67% of USD LIBOR-BBA plus 55 bps	A+ S&P Aa2 Moody's
Series 2007 B Swap Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B Bonds	99,955	5/9/2007	6/1/2039	Water Agency pays fixed 4.221%; receives 67% of USD LIBOR-BBA plus 57 bps	A+ S&P Aa2 Moody's

Taxable Pension Funding Bonds Refunding 2008 C-1 Swap:

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. The County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P) or BBB (Fitch). However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value.

Interest Rate Risk:

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

Basis Risk:

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

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Contingencies:

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

Termination Risk:

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. If the swap is terminated, other than by the counterparty exercising its option under the agreement, and at the time of termination, the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value, which as of June 30, 2022 was \$34,426.

Water Agency Revenue Bonds, Series 2007B Swaps:

Credit Risk:

The Sacramento County Water Agency (Water Agency) Enterprise Fund is not exposed to credit risk resulting from a failure of the counterparty to perform because of the swaps' negative fair value. If the swaps had positive fair value greater than \$10 million, the Water Agency would be exposed to credit risk from the counterparty.

Interest Rate Risk:

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

Basis Risk:

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

Contingencies:

The Water Agency's swap assignment agreement includes provisions relating to the posting of collateral for the swap counterparty and the Water Agency. The swap Credit Support Annex (CSA), which is part of the swap agreement, is a one-way CSA where the counterparty has the obligation to post collateral depending on the thresholds. Conversely, the Water Agency does not have to post collateral unless 1) a rating event occurs (the Water Agency gets downgraded below A2 by Moody's or A by S&P); or 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; or 3) the Water Agency chooses the option to post collateral. The two other options available to the Water Agency are to provide a letter of credit or to assign the agreement to another entity.

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

Termination Risk:

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

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Derivative Instrument Payments and Hedged Debt:

Using the rates as of June 30, 2022, debt service requirements for governmental activities and business-type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented below:

Governmental Activities:

<u>Fiscal Year ending June 30</u>	<u>2008 C-1 Pension Refunding Bonds</u>			
	Series C-1 Variable-Rate			
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Net Cash Flows</u>
2023	\$ 17,025	6,642	12,021	35,688
2024	20,200	6,144	11,084	37,428
2025	22,800	5,580	10,022	38,402
2026	26,675	4,921	8,784	40,380
2027	29,650	4,169	7,401	41,220
2028 - 2031	154,950	7,018	12,454	174,422
	<u>\$ 271,300</u>	<u>34,474</u>	<u>61,766</u>	<u>367,540</u>

Business-Type Activities:

<u>Fiscal Year ending June 30</u>	<u>Sacramento County Water Agency Enterprise Fund</u>			
	Series 2007 B Revenue Bonds			
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Net Cash Flows</u>
2023	\$ 1,905	3,703	5,924	11,532
2024	1,985	3,672	5,874	11,532
2025	2,065	3,640	5,823	11,528
2026	2,150	3,607	5,770	11,527
2027	2,245	3,573	5,714	11,532
2028 - 2032	78,195	15,586	24,913	118,694
2033 - 2037	97,900	8,212	13,083	119,195
2038 - 2039	42,475	1,045	1,663	45,183
	<u>\$ 228,920</u>	<u>43,038</u>	<u>68,764</u>	<u>340,723</u>

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NOTE 10 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2022, special assessment improvement bonds outstanding for all assessment districts totaled \$157,573. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects is accounted for in the Capital Projects Funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the Other Custodial Funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999, the District issued \$13,025. On May 12, 2005, the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75 percent to 4.50 percent, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30 percent. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in the original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. At June 30, 2022, \$6,975 of authorized bonds remains unissued. The outstanding balance at June 30, 2022 was \$2,855.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue \$90,000 of Special Tax Bonds. On September 28, 2004, the District issued \$10,250 Series 2004 Special Tax Bonds with interest rates ranging from 3.00 percent percent to 6.25 percent. On December 8, 2011, the District issued \$10,395 Series 2011 Special Tax Bonds with interest rates ranging from 2.25 percent to 6.00 percent. On December 14, 2017, the District issued \$29,470 of Series 2017 Special Tax Bonds with interest rates ranging from 2.00 to 5.00 percent, a portion of the proceeds were used to defease the outstanding 2004 bonds and the outstanding 2011 bonds. The remaining proceeds were used to pay the costs of acquiring and constructing certain public facilities. The 2017 bonds constitute the entire bonded indebtedness as of June 30, 2022. At June 30, 2022, \$57,235 of authorized bonds remain unissued. The outstanding balance at June 30, 2022 for the Series 2017 bonds was \$27,380.

The Metro Air Park Community Facilities District No. 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004, the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 percent. On December 14, 2007, the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00 percent. The Series 2004A and the Series 2007B bonds, constitute the entire bonded indebtedness as of June 30, 2022. At June 30, 2022, \$96,340 of authorized bonds remains unissued. The outstanding balance at June 30, 2022, for the 2004A bonds was \$43,200 and for the 2007B bonds was \$38,455.

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The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue \$30,000 of Special Tax Bonds. On September 6, 2007, the District issued \$14,415 of Special Tax Bonds with interest rates ranging from 4.40 percent to 6.00 percent. On June 8, 2016, the District issued \$23,155 of Special Tax Bonds 2016 Series, of which the proceeds were used to defease the outstanding 2007 bonds and to fund certain public facility construction projects. The interest rates relating to these bonds range from 2.00 percent to 5.00 percent. The 2016 Special Tax Bonds constitute the entire bonded indebtedness. As of June 30, 2022, \$6,845 of authorized bonds remains unissued. The outstanding balance as of June 30, 2022, for the 2016 Special Tax Bonds was \$21,160.

The County of Sacramento Community Facilities District No 2014-2 (North Vineyard Station No. 2) (District) has been authorized to issue \$50,000 of Special Tax Bonds. On June 8, 2016, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. On June 30, 2021, the District issued \$3,895 of Special Tax Bonds with a interest rate of 4.00 percent to provide funds to pay cost of acquisition and construction, deposit to a Bond Reserve fund, and pay certain cost of issuing. The Series 2016 and the Series 2021 Bonds, constitute the entire bonded indebtedness of the District. As of June 30, 2022, \$31,880 of authorized bonds remains unissued. The outstanding balance as of June 30, 2022 for the 2016 Special Tax Bonds was \$13,740 and for the 2021 Special Tax Bonds was \$3,875.

The Park Meadows Community Facilities District No. 1 (District) has been authorized to issue \$1,200 of Special Tax Bonds. On June 28, 2000, the District issued Current Interest Bonds in the amount of \$230 at the interest rate of 7.75 percent, and Convertible Capital Appreciation Bonds in the original principal amount of \$892 at the interest rate of 8.25 percent. These bonds constitute the entire bonded indebtedness. As of June 30, 2022, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2022 was \$428.

The County of Sacramento Community Facilities District No. 2016-2 (Florin Vineyard District No. 1) (District) has been authorized to issue \$15,000 of Special Tax Bonds. On August 16, 2018, the District issued \$6,610 of Series 2018 Special Tax Bonds with interest rates ranging from 3.00 percent to 5.00 percent. The Series 2018 Special Tax Bonds constitute the entire bonded indebtedness of the District. As of June 30, 2022, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2022 was \$6,480.

NOTE 11 - PLEDGED REVENUES

The County has pledged a portion of delinquent property tax revenues to repay \$22,151 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on November 1, 2017, December 4, 2018, November 19, 2019, January 12, 2021, and November 16, 2021. The notes are due and payable to the County of Sacramento Pooled Investment Fund and are payable solely from the collection of delinquent property taxes. Total principal of \$22,151 and interest of \$415 remain on the notes and are payable through August 1, 2026. For the current year, net revenues pledged were equal to the total principal and interest paid of \$23,340 and \$160, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Department of Airports through fiscal year 2041. The total principal and interest remaining to be paid on senior bonds is \$846,958. Principal and interest paid in the current fiscal year was \$27,608, and the total net revenues were \$127,617. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding the depreciation of capital assets.

Total principal and interest remaining to be paid on the subordinate bonds is \$340,081. Principal and interest paid for the current year was \$16,567 and the Passenger Facility Charges (PFC) cash generated in FY 2021-22 was \$23,465. Although PFC revenues are not pledged pursuant to the Master Indenture, the County intends to continue using PFCs to pay subordinate lien debt service, which will decrease significantly as a result of the refunding savings.

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The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of the Water Agency through fiscal year 2039. The total principal and interest remaining to be paid on the bonds is \$499,537. Principal and interest paid in the current fiscal year was \$22,602 and the total net revenues were \$73,254. Net revenues, as defined by the Master Indenture, represent the revenues available for debt service minus operating expenses excluding depreciation of capital assets.

NOTE 12 - COMMITMENTS

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

Governmental Funds – The County’s governmental funds had approximately \$66,275 in outstanding construction contract commitments at June 30, 2022.

Airports Enterprise Fund – The Airports had approximately \$28,661 in outstanding construction contract commitments at June 30, 2022.

Solid Waste Enterprise Fund – Solid Waste had approximately \$20,130 in outstanding construction contract commitments at June 30, 2022.

Water Agency Enterprise Fund – The Water Agency had approximately \$32,527 in outstanding construction contract commitments at June 30, 2022.

Nonmajor Enterprise Funds - The nonmajor enterprise funds had \$4,648 in outstanding construction contract commitments at June 30, 2022.

NOTE 13 - CLOSURE AND POSTCLOSURE CARE COST

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

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

Management of the fund has deemed the capacity of the Kiefer Landfill will be the basis of recognizing its closure and postclosure care costs. Kiefer Landfill closure and postclosure care liabilities at June 30, 2022, were \$19,124. The Fund will recognize costs of \$32,188 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2022 the capacity of the Kiefer Landfill used to date was 37 percent and the estimated remaining landfill life is 52 years. As required by applicable laws, management has established a fund for the postclosure Kiefer Landfill, in which \$10,042 is considered restricted at June 30, 2022. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

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

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

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

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

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

The Fund reported Elk Grove Landfill postclosure care liabilities at June 30, 2022 as \$259.

The Elk Grove landfill is 100 percent full and the postclosure 30-year liability period runs through June 2024. At June 30, 2022, the reported liabilities represent costs for the remaining 2 years. The portion of the postclosure costs expected to be paid during the next year is \$259.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2022, of \$181. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2022, the reported liabilities represent postclosure costs for the remaining 7 years. The portion of the postclosure costs expected to be paid during the next year is \$30.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2022. Actual costs may be different due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations.

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

Based on the percentage used of the total capacity available with the open and active area of the Kiefer Landfill, the Partial Final Cover liability as of June 30, 2022, is estimated to be \$27,376.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2022 were as follows:

	July 1, 2021 Beginning	Expense	Payments	June 30, 2022 Ending	Due within One Year
Kiefer	\$ 17,821	1,303		19,124	
Elk Grove	498	20	(259)	259	259
Grand Island	203	8	(30)	181	30
Kiefer Final Cover	26,417	959		27,376	6,212
	<u>\$ 44,939</u>	<u>2,290</u>	<u>(289)</u>	<u>46,940</u>	<u>6,501</u>

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NOTE 14 - RETIREMENT PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Employee and employer contribution rates for the fiscal year ended June 30, 2022, from the June 30, 2020 actuarial valuation, are as follows:

	County - Miscellaneous Cost Pool - Contribution Rates					Recreation and Park Districts - Miscellaneous Cost Pool - Contribution Rates		
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 1	Tier 3	Tier 5
Employee	11.21%	8.44%	11.41%	10.97%	10.01%	0.00%	6.01%	10.01%
Employer	24.38%	20.87%	24.07%	23.65%	22.59%	0.00%	37.28%	30.62%

	County - Safety Cost Pool - Contribution Rates			
	Tier 1	Tier 2	Tier 3	Tier 4
Employee	23.00%	21.16%	19.95%	15.11%
Employer	66.07%	57.35%	56.01%	51.10%

For the fiscal year ended June 30, 2022, the employer contributions to SCERS were equal to the actuarially determined required employer contributions as follows:

Employer Contributions	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 144,800	11,697	156,497	330
County - Safety Tier	127,011	1,531	128,542	
Carmichael Recreation and Park District - Miscellaneous	430		430	
Mission Oaks Recreation and Park District - Miscellaneous	421		421	
Sunrise Recreation and Park District - Miscellaneous	902		902	
Total Employer Contributions	\$ 273,564	13,228	286,792	330

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

As of June 30, 2022, the County of Sacramento and its component unit reported net pension liabilities for its proportionate share of the net pension liability of the Retirement Plan as follows:

	Governmental Activities	Business-type Activities	Total	Component Unit First 5 Commission
County - Miscellaneous Tier	\$ 64,672	5,241	69,913	145
County - Safety Tier	328,981	3,892	332,873	
Carmichael Recreation and Park District - Miscellaneous	199		199	
Mission Oaks Recreation and Park District - Miscellaneous	170		170	
Sunrise Recreation and Park District - Miscellaneous	377		377	
Total Net Pension Liability	\$ 394,399	9,133	403,532	145

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The County's net pension liability for the Retirement Plan is measured as the proportionate share of the net pension liability. The net pension liability (NPL) for the plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability for each membership class was calculated based on the participants and benefits provided for the respective membership class; and the Retirement Plan's fiduciary net position was determined in proportion to the valuation of the value of assets for each membership class. The County is the sole active employer in the Safety membership class as of the measurement date June 30, 2021 that made contributions in FY 2021-22; therefore 100 percent of pension amounts for the Safety membership class are allocated to the County. For the Miscellaneous membership class, actual contributions for Miscellaneous employers for the fiscal year ended June 30, 2021, are used as the basis for determining each Miscellaneous employer's proportion of pension amounts. The County's proportionate share of the net pension liability measured as of June 30, 2020 and 2021, was as follows:

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Component Unit-First 5 Commission</u>
Proportion - June 30, 2020	87.480 %	0.140 %	0.131 %	0.294 %	0.093 %
Proportion - June 30, 2021	<u>95.587 %</u>	<u>0.047 %</u>	<u>0.040 %</u>	<u>0.089 %</u>	<u>0.034 %</u>
Change - Increase (Decrease)	<u>8.107 %</u>	<u>(0.093)%</u>	<u>(0.091)%</u>	<u>(0.205)%</u>	<u>(0.059)%</u>

For the fiscal year ended June 30, 2022, the County and the First 5 Commission recognized pension expense of \$8,951 and (\$69) respectively. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>							
	<u>Governmental Activities</u>					<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit First 5 Commission</u>
	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>			
Differences between actual and expected experience	\$ 136,175	167	143	317	136,802	5,376	142,178	122
Changes in assumptions	96,514	246	210	467	97,437	6,687	104,124	180
Changes in proportions	18,685	41		138	18,864	3,798	22,662	69
Pension contributions made subsequent to measurement date	<u>271,811</u>	<u>430</u>	<u>421</u>	<u>902</u>	<u>273,564</u>	<u>13,228</u>	<u>286,792</u>	<u>330</u>
Total deferred outflows related to pensions	<u>\$ 523,185</u>	<u>884</u>	<u>774</u>	<u>1,824</u>	<u>526,667</u>	<u>29,089</u>	<u>555,756</u>	<u>701</u>

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	Deferred Inflows of Resources							
	Governmental Activities					Business- type Activities	Total Primary Government	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Net difference between projected and actual earnings on plan investments	\$ 1,215,993	2,200	1,878	4,175	1,224,246	63,973	1,288,219	1,608
Changes in assumptions	211,149	374	319	709	212,551	10,919	223,470	273
Changes in proportion	14,756	235	523	1,186	16,700	150	16,850	75
Total deferred inflows related to pensions	<u>\$ 1,441,898</u>	<u>2,809</u>	<u>2,720</u>	<u>6,070</u>	<u>1,453,497</u>	<u>75,042</u>	<u>1,528,539</u>	<u>1,956</u>

The \$286,792 and \$330 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2023	\$ (326,295)	(615)	(617)	(1,344)	(328,871)	(414)
2024	(326,295)	(615)	(617)	(1,344)	(328,871)	(414)
2025	(326,295)	(615)	(617)	(1,344)	(328,871)	(414)
2026	(270,820)	(510)	(516)	(1,116)	(272,962)	(343)
	<u>\$ (1,249,705)</u>	<u>(2,355)</u>	<u>(2,367)</u>	<u>(5,148)</u>	<u>(1,259,575)</u>	<u>(1,585)</u>

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Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.75%	2.75%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.25% to 10.5%	4.25% to 10.50%
Assumed post-retirement benefit increase	0% to 2.75%	2% to 2.75%
Post-Retirement Mortality		
a) Service	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (Separate tables for males and females) with rates decreased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019
b) Disabled	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (Separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019
c) Member Contributions	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 40% male and 60% female	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates decreased by 5% for males, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 75% male and 25% female
Pre-Retirement Mortality	Based upon the June 30, 2021 Actuarial Experience Study, which can be found on SCERS' website	Based upon the June 30, 2021 Actuarial Experience Study, which can be found on SCERS' website

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2021 are summarized in the table below:

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

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

<u>Net Pension Liability</u>	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit First 5 Commission</u>
1% Decrease (5.75%)	\$2,105,091	1,037	886	1,969	2,108,983	758
Current Discount Rate (6.75%)	402,786	199	170	377	403,532	145
1% increase (7.75%)	(991,211)	(489)	(417)	(927)	(993,044)	(357)

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

For the measurement date of June 30, 2022, the County is expecting a significant increase in its NPL due to the expected unfavorable investment returns.

Defined Contribution Plans

The County also provides a defined contribution retirement benefit through the County's 401(a) Plan (the 401(a) Plan). The County is the Plan Administrator and the 401(a) Plan assets are held with an external trustee - Fidelity. The 401(a) Plan is offered to Eligible Employees (management union 032 employees only) that contribute at least 1% of their gross pay into the 457(b) Plan to receive the 1% County match in the 401(a) Plan. Investment decisions are made by the 401(a) Plan participants based on a variety of investment options under the plan. For the fiscal year ended June 30, 2022, the County contributed \$2,068 to the 401(a) Plan with an outstanding liability of \$70 at June 30, 2022.

The County also provides a defined contribution retirement benefit through the County's 457(b) Plan (the 457(b) Plan) for temporary employees only. The County is the Plan Administrator and the 457(b) Plan assets are held with an external trustee - Fidelity. The 457(b) Plan requires all temporary employees to contribute 7.5% of their gross pay into the 457(b) Plan, while the County provides an equal match of 7.5%, making the total contribution to the 457(b) Plan 15%. Investment decisions are made by the 457(b) Plan participants based on a variety of investment options under the Plan. For the fiscal year ended June 30, 2022, the County contributed \$636 to the 457(b) Plan with an outstanding liability of \$21 at June 30, 2022.

NOTE 15 - POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The County participates in a single-employer plan and has established a Retiree Healthcare Plan (HC Plan), administered by the County, which does not issue a publicly available report. In September 2020 and 2021, respectively, the Board of Supervisors approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2021 and 2022, respectively. The County provides access to group medical insurance and dental insurance, medical and dental offset payments to a specific group of eligible retirees as a result of a settlement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

The County pays a medical and/or dental subsidy/offset to eligible annuitants who retired on or after May 31, 2007 from bargaining unit 003-Law Enforcement, Non-

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

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

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

The total benefits provided in FY 2021-22 totaled \$5,883 for the County and \$5 for the First 5 Commission.

At June 30, 2021, the most recent measurement date, the following current and former employees (actual counts) were covered by the benefit terms under the HC Plan:

Active employees	11,148
Inactive employees receiving benefits	6,121
Inactive employees entitled to but not yet receiving	7,506
Total	24,775

OPEB Liability:

The County's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021. A summary of principal assumptions and methods used to determine the total OPEB liability is on the following pages.

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

Actuarial Assumption	June 30, 2021 Measurement Date
Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.16% using the Bond Buyer 20-Bond GO Index
Inflation	2.5% annually
Mortality Rate	6/30/21 SCERS valuation assumptions
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Medical Trend	Non-medicare 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076

Changes in the total OPEB liability for the HC Plan measured as of June 30, 2021 are as follows:

	Governmental Activities					Business-Type Activities	Total Primary Government	Component Unit First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Balance at June 30, 2021	\$ 153,569	109	93	172	153,943	8,381	162,324	144
Changes recognized for the measurement period								
Service cost	11,391	11	13	42	11,457	699	12,156	13
Actual vs. expected experience	(23,470)	(12)	(7)	(58)	(23,547)	(1,712)	(25,259)	(29)
Interest on the total OPEB liability	3,587	2	2	4	3,595	197	3,792	3
Changes of assumptions	130	(1)	3	(15)	117	2	119	
Changes in proportion	191				191	(10)	181	(3)
Benefit payments	(5,746)	(12)	(4)	(6)	(5,768)	(339)	(6,107)	(6)
Net changes	(13,917)	(12)	7	(33)	(13,955)	(1,163)	(15,118)	(22)
Balance at June 30, 2022	\$ 139,652	97	100	139	139,988	7,218	147,206	122

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Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the County if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

Total OPEB Liability	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (1.16%)	\$ 162,054	103	106	147	162,410	131
Current discount rate (2.16%)	146,870	97	100	139	147,206	122
1% increase (3.16%)	133,677	91	94	131	133,993	113

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

	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit-First 5 Commission</u>
1% decrease (5.5% decreasing to 2.75% in 2076)	\$ 135,062	87	90	124	135,363	108
Current rate (6.5% decreasing to 3.75% in 2076)	146,870	97	100	139	147,206	122
1% increase (7.5% decreasing to 4.75% in 2076)	160,669	110	112	158	161,049	137

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

For the fiscal year ended June 30, 2022, the County and the First 5 Commission recognized OPEB expense of \$5,769 and \$2, respectively. As of June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources

	Governmental Activities					Business-type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Difference between expected and actual experience	873				873		873	
Changes of assumptions	\$ 12,989	7	7	10	13,013	569	13,582	10
Changes in proportion	4,437				4,437	357	4,794	
Benefits provided subsequent to the measurement date	5,548	10	6	6	5,570	313	5,883	5
Total	<u>\$ 23,847</u>	<u>17</u>	<u>13</u>	<u>16</u>	<u>23,893</u>	<u>1,239</u>	<u>25,132</u>	<u>15</u>

Deferred Inflows of Resources

	Governmental Activities					Business-type Activities	Total Primary Government	Component Unit-First 5 Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Difference between expected and actual experience	\$ 25,287	29	19	77	25,412	1,740	27,152	30
Changes of assumptions	34,053	30	16	39	34,138	2,192	36,330	37
Changes in proportion	4,372				4,372	142	4,514	12
Total	<u>\$ 63,712</u>	<u>59</u>	<u>35</u>	<u>116</u>	<u>63,922</u>	<u>4,074</u>	<u>67,996</u>	<u>79</u>

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The \$5,883 and \$5 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
2023	\$ (10,147)	(10)	(7)	(18)	(10,182)	(13)
2024	(10,147)	(10)	(6)	(18)	(10,181)	(13)
2025	(10,147)	(10)	(6)	(18)	(10,181)	(13)
2026	(10,147)	(10)	(7)	(18)	(10,182)	(13)
2027	(10,147)	(9)	(1)	(17)	(10,174)	(13)
2028- 2029	2,174	(3)	(1)	(17)	2,153	(4)
Total	<u>\$ (48,561)</u>	<u>(52)</u>	<u>(28)</u>	<u>(106)</u>	<u>(48,747)</u>	<u>(69)</u>

Defined Contribution Plans

The County also provides a defined contribution other postemployment benefit through the County Retiree Health Plan (RHP). The RHP is administered by a County delegate and assets are held by a trustee - ICMA. The Retiree Health Plan (RHP) was established to reimburse eligible participants, their spouses and dependents for eligible medical and dental expenses. The County contributes \$25 for 24 of the 26 pay periods to all eligible active employees. The investment decisions are made by the RHP participants based on a variety of investment options under the RHP. For the fiscal year ended June 30, 2022, the County contributed \$5,662 to the RHP with an outstanding liability of \$196 at June 30, 2022.

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NOTE 16 - SELF-INSURANCE

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

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

During the past three fiscal years, no instances or settlements exceeded insurance coverage.

Reconciliation of Claims Liabilities

	Liability		Workers' Compensation		Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 14,311	12,499	29,660	27,003	949	1,410	44,920	40,912
Noncurrent	36,321	35,203	176,342	170,327			212,663	205,530
Total beginning balance, July 1	<u>50,632</u>	<u>47,702</u>	<u>206,002</u>	<u>197,330</u>	<u>949</u>	<u>1,410</u>	<u>257,583</u>	<u>246,442</u>
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	13,910	11,478	26,692	31,432	16,107	18,514	56,709	61,424
Increase (decrease) in provision for insured events of prior fiscal years	<u>22,767</u>	<u>11,545</u>	<u>(2,643)</u>	<u>433</u>			<u>20,124</u>	<u>11,978</u>
Total incurred claims and claim adjustment expenses	<u>36,677</u>	<u>23,023</u>	<u>24,049</u>	<u>31,865</u>	<u>16,107</u>	<u>18,514</u>	<u>76,833</u>	<u>73,402</u>
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	402	554	3,633	4,742	15,419	17,565	19,454	22,861
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>27,143</u>	<u>19,539</u>	<u>22,582</u>	<u>18,451</u>	<u>949</u>	<u>1,410</u>	<u>50,674</u>	<u>39,400</u>
Total payments	<u>27,545</u>	<u>20,093</u>	<u>26,215</u>	<u>23,193</u>	<u>16,368</u>	<u>18,975</u>	<u>70,128</u>	<u>62,261</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	<u>\$ 59,764</u>	<u>50,632</u>	<u>203,836</u>	<u>206,002</u>	<u>688</u>	<u>949</u>	<u>264,288</u>	<u>257,583</u>
Current portion of unpaid claims and claim adjustments	\$ 16,018	14,311	28,379	29,660	688	949	45,085	44,920
Noncurrent portion of unpaid claims and claim adjustments	<u>43,746</u>	<u>36,321</u>	<u>175,457</u>	<u>176,342</u>			<u>219,203</u>	<u>212,663</u>
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	<u>\$ 59,764</u>	<u>50,632</u>	<u>203,836</u>	<u>206,002</u>	<u>688</u>	<u>949</u>	<u>264,288</u>	<u>257,583</u>

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

Coverage	Amount	Deductible	Provision
Airport Liability & Hangerkeepers	\$ 500,000 *	\$ 10	Each occurrence
Property Program:			
Property Insurance (All Risk)	1,500,000 *	50	Each occurrence
Flood	900,000 *	50 (100 max if in Zone A)	Each occurrence
Earthquake (EQ)	25,000 *	2 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	13,000	10	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	15,000	25	Each occurrence
Employee Dishonesty	15,000	25	Each occurrence
Forgery/Money/Computer Fraud	15,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	50,000	None	Not applicable
Hull (Physical Damage)	7,059	None	Not applicable
Cyber Liability	12,000	100	Each occurrence
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	250	Each occurrence
Workers' Compensation (Excess)	Statutory *	3,000	Self-insured retention
Employers' Liability	5,000 *	3,000	Self-insured retention

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

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

NOTE 17 - RESTRICTED NET POSITION

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

Net position restricted by enabling legislation are comprised of \$42,694 (FAA approved passenger facility charges), \$14,497 (Customer Facility Charges) and \$4,412 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2022.

Restricted Net Position includes:

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

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

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

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

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 18 - FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2022 is as follows:

	Major	Nonmajor Governmental Funds			Total
	General Fund	Special Revenue	Debt Service	Capital Projects	
Nonspendable:					
Inventories	\$ 2,560				2,560
Long-term receivables	1,594				1,594
Prepaid items	30,802				30,802
Teeter Plan delinquencies	628				628
Teeter Plan tax loss	6,268				6,268
Total nonspendable	41,852				41,852
Restricted for:					
General government:					
Stormwater utility		21,855			21,855
Public protection:					
Law Enforcement	63,893	16,932			80,825
Clerk Recorder	26,290				26,290
Community Development		407			407
Protection and Inspection	20,699	24,687			45,386
Fire Protection		31			31
Health and sanitation:					
Mental Health Services	136,835				136,835
Realignment	32,002				32,002
Solid Waste Authority		4,696			4,696
Tobacco Securitization Authority		489			489
Water Agencies		47,231			47,231
In-Home Support Services		1,041			1,041
Environmental management		12,733			12,733
Public assistance	67,528				67,528
Public ways and facilities		145,707		9,437	155,144
Recreation and culture		12,028			12,028
Education		59			59
Capital projects		1		117,608	117,609
Economic development		47,150			47,150
Lighting and landscape		4,410			4,410
Debt service	15		54,780		54,795
Total restricted	347,262	339,457	54,780	127,045	868,544
Assigned for:					
Technology upgrades	34,000				34,000
Projected budgetary deficit	75,355				75,355
Audit payback	50,000				50,000
Other purposes	11,375				11,375
Total assigned	170,730				170,730
Unassigned	164,719				164,719
Total	\$ 724,563	339,457	54,780	127,045	1,245,845

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

NOTE 19 - CONTINGENCIES

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

Schneider/Hardesty et al. v. County of Sacramento

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

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

The County and the individual defendants have timely appealed to the U.S. Court of Appeals for the Ninth Circuit and the two appeals have been consolidated. Oral argument occurred on January 24, 2020. On August 19, 2020, the Ninth Circuit issued its decision, which completely eliminated the amount awarded against the County. The panel concluded that the awards to both the Hardestys and the Schneiders are excessive and remanded the case to the district court for further proceedings. The Ninth Circuit, however, affirmed the jury's liability findings against the County. The County has sought a re-hearing en banc with the Ninth Circuit seeking to reverse the finding of liability against the County, which the court rejected. The County filed a petition for writ of Certiorari with the United States Supreme Court, which was also denied. The case is now remanded back to the eastern District for further proceedings consistent the the Ninth Circuit's decision. A new trial on the appropriate amount of damages will be held, but no trial date has been set.

Lorenzo Mays, et al. v. County of Sacramento

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

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

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
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Bay Cities Paving and Grading, Inc. v. County of Sacramento

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

BCPG argues that they incurred additional cost as a result of the County's project plans and specifications which did not reflect the actual site conditions and additional items related to the installation of a water line for the Fair Oaks Water District were required. A mandatory settlement conference is scheduled for June 7, 2023, with a trial date tentatively scheduled for July 24, 2023. A recommended settlement amount (if any) will be determined following completion of discovery and the settlement conference.

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

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

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

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

NOTE 20 - TAX ABATEMENTS

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

Local Conservation Act Program

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

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

Mills Act Program

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

**COUNTY OF SACRAMENTO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
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the sense of place and continuity with the community’s past. A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

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

Urban Agriculture Program

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

Tax Abatement Program	Amount of Taxes Abated During FY 2021-22
Land Conservation Act (Williamson Act)	\$ 1,093
Mills Act	12

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

NOTE 21 - FUTURE GASB PRONOUNCEMENTS

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2020. The effective date of this statement was postponed to fiscal years beginning after December 15, 2021, with the issuance of GASB Statement No. 95. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The County has not determined the effect, if any, on the financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The County has not determined the effect, if any, on the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The County has not determined the effect, if any, on the financial statements.

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, effective for fiscal years beginning after June 15, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The County has not determined the effect, if any, on the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The County has not determined the effect, if any, on the financial statements.

NOTE 22 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the RASA. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board which has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former RDA's redevelopment project areas. Once the ROPS is approved by the State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller's Office distributes property taxes to the RASA from the County's Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

In July 2013, the County received notification of a “Finding of Completion” from the State Department of Finance, which allows for: 1) loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was made for legitimate redevelopment purposes per Health and Sanitation Code (HSC) Section 34191.4(b)(1); and 2) utilizing derived proceeds from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC Section 34191.5(b), within six months from the date of the letter. The County Redevelopment Successor Agency Long Range Property Management Plan was approved by the oversight board on October 21, 2013.

During the fiscal year ended June 30, 2015, the County became aware that the RASA has a joint ownership position for a property located at 801 12th Street, Sacramento, California. The County’s percentage of ownership and value of the property is yet to be determined. The County is working with the other owners of the property to determine the values of ownership for each entity.

As of June 30, 2022, the RASA owes the Sacramento County Public Financing Authority \$53,896, with payments made semi-annually on June and December first of each fiscal year.

NOTE 23 - SUBSEQUENT EVENTS

Dry Period Financing

Article 16, Section 6, of the State Constitution, permits dry period financing. It states that the County Treasurer (Director of Finance) may make temporary transfers of funds as necessary to meet the obligations incurred by district and political subdivisions whose funds are “...in custody and are paid out solely through the treasurer’s office.”

In 1980, the Board of Supervisors adopted a resolution (80-1434) to permit entities that collected the 1 percent ad valorem tax to obtain temporary cash transfers. Later, constitutional changes and associated County resolutions expanded this to include “all anticipated revenues”. In accordance with the State Constitution, borrowing is permitted until the last Monday in April of each fiscal year in amounts that do not exceed 85 percent of all anticipated revenues.

As such, in FY 2022-23 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the ‘dry period’ to meet any obligations incurred. The money is essentially loaned by the County Treasurer’s Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund’s \$2.030 billion in estimated revenues approved in the County’s FY 2022-23 Preliminary Budget. The County’s final FY 2022-23 Budget was approved in September 2022 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.182 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)
LAST TEN YEARS^A
(amounts expressed in thousands)

Page 1 of 2

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

County	2022	2021 ^D	2020	2019
<hr/>				
Proportion of the net pension liability	95.587 %	87.480 %	88.319 %	87.788 %
Proportionate share of the net pension liability	\$ 402,784	\$ 2,374,448	\$ 1,831,576	\$ 1,721,818
Covered payroll ^B	\$ 916,618	\$ 908,171	\$ 874,552	\$ 843,336
Proportionate share of the net pension liability as a percentage of its covered payroll	43.94 %	261.45 %	209.43 %	204.17 %
Plan fiduciary net position as a percentage of the total pension liability	96.76 %	78.62 %	82.57 %	82.51 %
<hr/>				
Carmichael				
Proportion of the net pension liability	0.047 %	0.140 %	0.135 %	0.139 %
Proportionate share of the net pension liability	\$ 199	\$ 3,790	\$ 2,807	\$ 2,718
Covered payroll ^B	\$ 1,156	\$ 1,250	\$ 1,239	\$ 1,143
Proportionate share of the net pension liability as a percentage of its covered payroll	17.21 %	303.20 %	226.55 %	237.81 %
Plan fiduciary net position as a percentage of the total pension liability	96.76 %	78.62 %	82.57 %	82.51 %
<hr/>				
Mission Oaks				
Proportion of the net pension liability	0.040 %	0.131 %	0.127 %	0.147 %
Proportionate share of the net pension liability	\$ 170	\$ 3,560	\$ 2,635	\$ 2,893
Covered payroll ^B	\$ 974	\$ 1,120	\$ 1,101	\$ 1,148
Proportionate share of the net pension liability as a percentage of its covered payroll	17.45 %	317.86 %	239.33 %	252.07 %
Plan fiduciary net position as a percentage of the total pension liability	96.76 %	78.62 %	82.57 %	82.51 %
<hr/>				
Sunrise				
Proportion of the net pension liability	0.089 %	0.294 %	0.305 %	0.307 %
Proportionate share of the net pension liability	\$ 377	\$ 7,982	\$ 6,315	\$ 6,015
Covered payroll ^B	\$ 2,299	\$ 2,754	\$ 2,839	\$ 2,558
Proportionate share of the net pension liability as a percentage of its covered payroll	16.39 %	289.83 %	222.44 %	235.12 %
Plan fiduciary net position as a percentage of the total pension liability	96.76 %	78.62 %	82.57 %	82.51 %
<hr/>				
Component Unit First 5 Commission				
Proportion of the net pension liability	0.034 %	0.093 %	0.083 %	0.093 %
Proportionate share of the net pension liability	\$ 145	\$ 2,532	\$ 1,725	\$ 1,821
Covered payroll ^B	\$ 1,375	\$ 1,352	\$ 1,245	\$ 1,316
Proportionate share of the net pension liability as a percentage of its covered payroll	10.54 %	187.28 %	138.55 %	138.38 %
Plan fiduciary net position as a percentage of the total pension liability	96.76 %	78.62 %	82.57 %	82.51 %
<hr/>				
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

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

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County	2018 ^C	2017	2016	2015 ^A
Proportion of the net pension liability	86.316 %	86.792 %	89.005 %	89.000 %
Proportionate share of the net pension liability	\$ 1,838,027	\$ 1,538,375	\$ 1,023,390	\$ 692,793
Covered payroll ^B	\$ 816,112	\$ 780,978	\$ 745,978	\$ 731,874
Proportionate share of the net pension liability as a percentage of its covered payroll	223.50 %	196.98 %	137.19 %	94.00 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.00 %
Carmichael				
Proportion of the net pension liability	0.128 %	0.140 %	0.119 %	0.102 %
Proportionate share of the net pension liability	\$ 2,687	\$ 2,457	\$ 1,373	\$ 787
Covered payroll ^B	\$ 1,178	\$ 1,138	\$ 1,096	\$ 1,040
Proportionate share of the net pension liability as a percentage of its covered payroll	258.59 %	215.94 %	125.27 %	75.67 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
Mission Oaks				
Proportion of the net pension liability	0.154 %	0.100 %	0.095 %	0.083 %
Proportionate share of the net pension liability	\$ 3,224	\$ 1,752	\$ 1,090	\$ 643
Covered payroll ^B	\$ 1,037	\$ 782	\$ 851	\$ 826
Proportionate share of the net pension liability as a percentage of its covered payroll	28.90 %	224.02 %	77.86 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
Sunrise				
Proportion of the net pension liability	0.278 %	0.189 %	0.169 %	0.142 %
Proportionate share of the net pension liability	\$ 5,833	\$ 3,321	\$ 1,939	\$ 1,046
Covered payroll ^B	\$ 1,911	\$ 1,495	\$ 1,521	\$ 1,092
Proportionate share of the net pension liability as a percentage of its covered payroll	256.04 %	222.17 %	127.48 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
Component Unit First 5 Commission				
Proportion of the net pension liability	0.115 %	0.114 %	0.099 %	0.10
Proportionate share of the net pension liability	\$ 2,226	\$ 1,846	1,059	693.00
Covered payroll ^B	\$ 1,423	\$ 1,313	1,177	1,262.00
Proportionate share of the net pension liability as a percentage of its covered payroll	173.40 %	140.59 %	89.97 %	54.92
Plan fiduciary net position as a percentage of the total pension liability	80.37 %	81.40 %	87.26 %	91.02 %
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Notes to Schedule:

- A) FY 2014-15 was the first year of implementation.
- B) Covered payroll represents pensionable compensation for the fiscal year of the measurement period.
- C) In FY 2017-18, there was a reduction in the discount rate from 7.5% to 7.0%.
- D) In FY 2020-21, there was a reduction in the discount rate from 7.0% to 6.75%.

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

Retirement Plan - Schedule of Contributions

County	2022	2021	2020	2019	2018	2017	2016	2015 ^A
Contractually required contribution	\$ 285,039	\$ 264,487	\$ 238,546	\$ 209,613	\$ 172,257	\$ 174,767	\$ 180,678	\$ 191,907
Contributions in relation to the contractually required contribution	\$ (285,039)	\$ (264,487)	\$ (238,546)	\$ (209,613)	\$ (172,257)	\$ (174,767)	\$ (180,678)	\$ (191,907)
Covered payroll ^B	\$ 931,320	\$ 916,618	\$ 908,171	\$ 874,552	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978
Contributions as a percentage of covered payroll	30.61 %	28.85 %	26.27 %	23.97 %	20.43 %	21.41 %	23.13 %	25.73 %
Carmichael								
Contractually required contribution	\$ 430	\$ 390	\$ 396	\$ 360	\$ 296	\$ 274	\$ 309	\$ 325
Contributions in relation to the contractually required contribution	\$ (430)	\$ (390)	\$ (396)	\$ (360)	\$ (296)	\$ (274)	\$ (309)	\$ (325)
Covered payroll ^B	\$ 1,228	\$ 1,156	\$ 1,250	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Contributions as a percentage of covered payroll	35.02 %	33.74 %	31.68 %	29.06 %	25.90 %	23.26 %	27.15 %	29.00 %
Mission Oaks								
Contractually required contribution	\$ 421	\$ 333	\$ 372	\$ 338	\$ 315	\$ 1,007	\$ 221	\$ 258
Contributions in relation to the contractually required contribution	\$ (421)	\$ (333)	\$ (372)	\$ (338)	\$ (315)	\$ (1,007)	\$ (221)	\$ (258)
Covered payroll ^B	\$ 1,219	\$ 974	\$ 1,120	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Contributions as a percentage of covered payroll	34.54 %	34.19 %	33.21 %	30.70 %	27.44 %	97.11 %	28.26 %	30.00 %
Sunrise								
Contractually required contribution	\$ 902	\$ 740	\$ 834	\$ 810	\$ 655	\$ 597	\$ 419	\$ 459
Contributions in relation to the contractually required contribution	\$ (902)	\$ (740)	\$ (834)	\$ (810)	\$ (655)	\$ (597)	\$ (419)	\$ (459)
Covered payroll ^B	\$ 2,689	\$ 2,299	\$ 2,754	\$ 2,839	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521
Contributions as a percentage of covered payroll	33.54 %	32.19 %	30.28 %	28.53 %	25.61 %	31.24 %	28.03 %	30.00 %
Component Unit First 5 Commission								
Contractually required contribution	\$ 330	\$ 294	\$ 264	\$ 222	\$ 198	\$ 228	\$ 233	\$ 251
Contributions in relation to the contractually required contribution	\$ (330)	\$ (294)	\$ (264)	\$ (222)	\$ (198)	\$ (228)	\$ (233)	\$ (251)
Covered payroll ^B	\$ 1,427	\$ 1,375	\$ 1,352	\$ 1,245	\$ 1,316	\$ 1,423	\$ 1,313	\$ 1,177
Contributions as a percentage of covered payroll	23.13 %	21.38 %	19.53 %	17.83 %	15.05 %	16.02 %	17.75 %	21.00 %

Notes to Schedule:

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

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

10 year schedules of annual money-weighted rate of return on pension plan investments can found in Schedule of Annual Money-Weighted Rate of Return tables in SCERS separately issued AFCR.

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

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

County	2022	2021	2020	2019	2018 ^A
Service cost	\$ 12,090	9,431	11,949	12,187	12,977
Actual vs. expected experience	(25,182)		(6,957)		
Interest on the total OPEB liability	3,784	4,957	7,183	6,378	5,122
Changes in assumptions	132	18,062	(47,435)	(4,510)	(13,042)
Changes in proportion	181	(47)	104	263	
Benefit payments	(6,085)	(5,395)	(6,883)	(6,050)	(6,051)
Net change in total OPEB liability	(15,080)	27,008	(42,039)	8,268	(994)
Total OPEB liability - beginning	161,950	134,942	176,981	168,713	169,707
Total OPEB liability - ending	\$ 146,870	161,950	134,942	176,981	168,713
Covered employee payroll	\$ 893,647	883,579	845,535	765,327	818,852
Total OPEB liability as a percentage of covered payroll	16 %	18 %	16 %	23 %	21 %

Carmichael	2022	2021	2020	2019	2018
Service cost	\$ 11	9	10	11	12
Actual vs. expected experience	(12)		(29)		
Interest on the total OPEB liability	2	4	7	6	4
Changes in assumptions	(1)	8	(39)	(3)	(8)
Benefit payments	(12)	(14)	(10)	(7)	(5)
Net change in total OPEB liability	(12)	7	(61)	7	3
Total OPEB liability - beginning	109	102	163	156	153
Total OPEB liability - ending	\$ 97	109	102	163	156
Covered employee payroll	\$ 1,009	1,017	923	1,050	1,039
Total OPEB liability as a percentage of covered payroll	10 %	11 %	11 %	16 %	15 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

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

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Mission Oaks	2022	2021	2020	2019	2018 ^A
Service cost	\$ 13	12	11	11	12
Actual vs. expected experience	(7)		(20)		
Interest on the total OPEB liability	2	3	4	4	3
Changes in assumptions	3	6	(25)	(1)	(6)
Benefit payments	(4)	(2)	(3)	(9)	(7)
Net change in total OPEB liability	7	19	(33)	5	2
Total OPEB liability - beginning	93	74	107	102	100
Total OPEB liability - ending	<u>\$ 100</u>	<u>93</u>	<u>74</u>	<u>107</u>	<u>102</u>
Covered employee payroll	\$ 827	949	871	845	1,116
Total OPEB liability as a percentage of covered payroll	12 %	10 %	8 %	13 %	9 %
Sunrise	2022	2021	2020	2019	2018
Service cost	\$ 42	36	28	28	29
Actual vs. expected experience	(58)		(42)		
Interest on the total OPEB liability	4	6	8	6	4
Changes in assumptions	(15)	13	(38)	(3)	(2)
Benefit payments	(6)	(2)	(8)	(3)	(7)
Net change in total OPEB liability	(33)	53	(52)	28	24
Total OPEB liability - beginning	172	119	171	143	119
Total OPEB liability - ending	<u>\$ 139</u>	<u>172</u>	<u>119</u>	<u>171</u>	<u>143</u>
Covered employee payroll	\$ 1,274	1,409	1,720	1,580	2,278
Total OPEB liability as a percentage of covered payroll	11 %	12 %	7 %	11 %	6 %
Component Unit First 5 Commission	2022	2021	2020	2019	2018
Service cost	\$ 13	\$ 10	\$ 14	\$ 13	\$ 15
Actual vs. expected experience	(29)		7		
Interest on the total OPEB liability	3	4	(7)	7	5
Changes in assumptions		13	(52)	(4)	(12)
Change in proportion	(3)	1	(15)	(5)	
Benefit payments	(6)	(5)	(8)	(7)	(6)
Net change in total OPEB liability	(22)	23	(61)	4	2
Total OPEB liability - beginning	144	121	182	178	176
Total OPEB liability - ending	<u>\$ 122</u>	<u>144</u>	<u>121</u>	<u>182</u>	<u>178</u>
Covered employee payroll	\$ 987	998	948	933	1,284
Total OPEB liability as a percentage of covered payroll	12 %	14 %	13 %	20 %	14 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets:				
Cash and investments	\$ 336,998	32,511	130,765	500,274
Receivables, net of allowance for uncollectibles:				
Billed	17,084		1,107	18,191
Interest	1,166	118	437	1,721
Intergovernmental	25,862		898	26,760
Leases	1,450			1,450
Loan receivable from County Successor Agency		53,896		53,896
Loan receivable from City Successor Agency		4,866		4,866
Long-term receivables	9,173	22,151	347	31,671
Long-term receivable, leases	18,349			18,349
Total assets	\$ 410,082	113,542	133,554	657,178
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Warrants payable	\$ 2,603		592	3,195
Accrued liabilities	27,867		2,876	30,743
Intergovernmental payable	7,542		2,694	10,236
Unearned revenues	1,068			1,068
Total liabilities	39,080		6,162	45,242
Deferred inflows of resources:				
Unavailable revenues	11,936	58,762	347	71,045
Deferred inflows related to leases	19,609			19,609
Total deferred inflows of resources	31,545	58,762	347	90,654
Fund balances:				
Restricted	339,457	54,780	127,045	521,282
Total liabilities, deferred inflows of resources and fund balances	\$ 410,082	113,542	133,554	657,178

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ 53,303		7,187	60,490
Use of money and property	1,826	(646)	(794)	386
Licenses and permits	63,842			63,842
Intergovernmental	122,129	19,195	5,868	147,192
Charges for sales and services	161,237		32,868	194,105
Fines, forfeitures and penalties	260	15,277	1,205	16,742
Pledged tobacco settlement	17,044			17,044
Miscellaneous	4,931		1,272	6,203
Total revenues	<u>424,572</u>	<u>33,826</u>	<u>47,606</u>	<u>506,004</u>
Expenditures:				
Current:				
General government	53,126			53,126
Public protection	78,583			78,583
Health and sanitation	43,505			43,505
Public ways and facilities	174,464		250	174,714
Recreation and culture	19,111			19,111
Education	1,182			1,182
Capital outlay	56		47,063	47,119
Debt service:				
Principal	1,800	146,105		147,905
Interest and fiscal charges	339	64,411		64,750
Total expenditures	<u>372,166</u>	<u>210,516</u>	<u>47,313</u>	<u>629,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,406</u>	<u>(176,690)</u>	<u>293</u>	<u>(123,991)</u>
Other financing sources (uses):				
Transfers in	27,596	168,805	14,758	211,159
Transfers out	(29,569)	(17,969)	(2,548)	(50,086)
Issuance of long-term debt		22,967		22,967
Total other financing sources (uses)	<u>(1,973)</u>	<u>173,803</u>	<u>12,210</u>	<u>184,040</u>
Changes in fund balances	50,433	(2,887)	12,503	60,049
Fund balances - beginning	289,024	57,667	114,542	461,233
Fund balances - ending	<u>\$ 339,457</u>	<u>54,780</u>	<u>127,045</u>	<u>521,282</u>

ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

Road - Accounts for financing the construction and maintenance of Sacramento County's unincorporated area road systems through planning, environmental analysis, traffic engineering and design, operations, traffic signals, street lights, signs and markings, right-of-way acquisitions, safety related improvements and radar/speed control.

Solid Waste Commercial Program - Accounts for the regulation of commercial solid waste and recycling collection by franchised haulers within the incorporated areas of the County of Sacramento based on ordinances approved by the County Board of Supervisors and funded by commercial franchise fees.

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

County Library - Accounts for capital maintenance and related costs at Sacramento County-owned Sacramento Public Library branches.

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

Building Inspection - Accounts for building inspection and code enforcement services to the unincorporated area of the County and is subject to Proposition 218 requirements. Proposition 218 prohibits property related fees from exceeding costs of services provided and the fees from the revenues shall not be used for any purpose other than that for which the fee was imposed.

Fixed Asset Revolving - Provides funding for payment of fixed asset debt service in accordance with the requirements of the financing documents.

Lighting and Landscape Maintenance Districts - As a blended component unit of the County, provides funding to plan, design, construct and maintain street and highway safety lighting facilities along streets and intersections in the unincorporated area of the County and provides funding for the maintenance of approximately 2 million square feet of landscaped corridors, medians and open spaces that exist throughout the County and is financed by service charges through direct levy subject to Proposition 218 requirements.

Park Districts and Park Service Areas - As a blended component unit of the County, accounts for the operation of three Board of Supervisors-governed park districts and for administrative and program assistance provided by the Department of Parks and Recreation to County Service Area Four and County Service Area No. 10.

Water Agencies - As a blended component unit of the County, consists of various zones created to provide specialized services within specific geographic areas and is subject to Proposition 218 requirements.

Stormwater Utility Program - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region subject to Proposition 218 requirements.

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

SPECIAL REVENUE FUNDS

Economic Development - Oversees and is responsible for economic development matters within the County including the operation of the County's Business Environmental Resource Center (BERC), activities related to the redevelopment of the former McClellan and Mather air force bases and marketing efforts of the County. The department also engages in more general economic development and job creation programs.

Roadways - Provides financing for public road improvements within several geographical districts in response to land use decisions, population growth and anticipated future development. Development fees provide the funding for the improvements and are charged when commercial and residential building permits are approved.

Tobacco Securitization Authority of Northern California - As a blended component unit of the County, accounts for revenues and expenditures associated with the Authority, including activities such as the collection of tobacco settlement revenues, administration of bond debt and proceeds and the transferring of funds to the Tobacco Litigation Settlement debt service fund necessary to make required debt service payments.

Environmental Management - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials funded through permits, licenses, registration, fees and penalties.

Jail Industry - Used for the operation or expansion of the jail industry program or to cover operating of county detention facilities.

Sacramento County Groundwater Sustainability Agency (SCGSA) - Fee revenues from SCGSA is used to support the JPA Groundwater Sustainability Agency's (GSA) groundwater sustainability program, administration costs, implementation of Groundwater Sustainability Plan, projects and management actions.

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

Fish and Game Propagation - Used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Recreation and Park Commission makes annual recommendations to the Board of Supervisors regarding expenditures within this fund.

In-Home Support Services Authority - Established via Sacramento County Code 2.97 in accordance with the state mandate established in WIC 12301.6 which requires assistance to recipients in finding in-home supportive services personnel through the establishment of a registry, investigation of potential personnel, establishes a referral system, provides training for providers and recipients and performs any other functions related to the delivery of in-home supportive services, funded by State Realignment and Federal reimbursements.

Mather Landscape Maintenance Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Mather Public Facilities Financing Plan (PFFP) - Used to provide portions of the major public infrastructure roadway facilities for the Mather area, funded by development impact fees.

Gold River Station #7 Landscape Community Facilities District (CFD) - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Natomas Fire District - Funds the provision of fire protection services in the Natomas area from property taxes.

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

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	Road	Solid Waste Commercial Program	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection
Assets:						
Cash and investments	\$ 87,539	4,840		58	9,397	26,146
Receivables, net of allowance for uncollectibles:						
Billed	2,140				960	1,518
Interest	310	23		1	29	87
Intergovernmental Leases	17,530				4,363	
Long-term receivables						
Long-term receivable, leases						
Total assets	\$ 107,519	4,863		59	14,749	27,751
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Warrants payable	\$ 402	107			9	189
Accrued liabilities	13,030	52			3,349	1,156
Intergovernmental payable	348	8			4,091	1,263
Unearned revenues	3					455
Total liabilities	13,783	167			7,449	3,063
Deferred inflows of resources:						
Unavailable revenues	2,016				487	1
Deferred inflows related to leases						
Total deferred inflows of resources	2,016				487	1
Fund balances:						
Restricted	91,720	4,696		59	6,813	24,687
Total liabilities, deferred inflows of resources, and fund balances	\$ 107,519	4,863		59	14,749	27,751

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

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	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Assets:					
Cash and investments	\$	3,913	14,035	47,979	20,107
Receivables, net of allowance for uncollectibles:					
Billed		29	624	266	2,292
Interest		12	40	168	68
Intergovernmental				149	19
Leases			1,449		
Long-term receivables				106	
Long-term receivable, leases			18,303		
Total assets	\$	3,954	34,451	48,668	22,486
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$	195	234	436	83
Accrued liabilities		47	368	895	501
Intergovernmental payable			1,400		47
Unearned revenues			610		
Total liabilities		242	2,612	1,331	631
Deferred inflows of resources:					
Unavailable revenues		2	257	106	
Deferred inflows related to leases			19,563		
Total deferred inflows of resources		2	19,820	106	
Fund balances:					
Restricted		3,710	12,019	47,231	21,855
Total liabilities, deferred inflows of resources, and fund balances	\$	3,954	34,451	48,668	22,486

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

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	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Assets:					
Cash and investments	\$ 18,373	47,995	41,045	544	11,686
Receivables, net of allowance for uncollectibles:					
Billed	417	3,158	5,244		435
Interest	52	177	136		41
Intergovernmental		1,576			1,336
Leases		1			
Long-term receivables			545	8,522	
Long-term receivable, leases		46			
Total assets	\$ 18,842	52,953	46,970	9,066	13,498
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Warrants payable	\$ 211	571			56
Accrued liabilities	1,975	4,947	29	55	672
Intergovernmental payable		239			37
Unearned revenues					
Total liabilities	2,186	5,757	29	55	765
Deferred inflows of resources:					
Unavailable revenues			545	8,522	
Deferred inflows related to leases		46			
Total deferred inflows of resources		46	545	8,522	
Fund balances:					
Restricted	16,656	47,150	46,396	489	12,733
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,842	52,953	46,970	9,066	13,498

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Other	Total
Assets:				
Cash and investments	\$ 273	56	3,012	336,998
Receivables, net of allowance for uncollectibles:				
Billed			1	17,084
Interest	3	1	18	1,166
Intergovernmental			889	25,862
Leases				1,450
Long-term receivables				9,173
Long-term receivable, leases				18,349
Total assets	\$ 276	57	3,920	410,082
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Warrants payable	\$	56	54	2,603
Accrued liabilities			791	27,867
Intergovernmental payable			109	7,542
Unearned revenues				1,068
Total liabilities		56	954	39,080
Deferred inflows of resources:				
Unavailable revenues				11,936
Deferred inflows related to leases				19,609
Total deferred inflows of resources				31,545
Fund balances:				
Restricted	276	1	2,966	339,457
Total liabilities, deferred inflows of resources, and fund balances	\$ 276	57	3,920	410,082

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

Page 1 of 4

	Road	Solid Waste Commercial Program	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection
Revenues:						
Taxes	\$ 901				29,101	
Use of money and property	(595)	88		(1)	(27)	(295)
Licenses and permits	1,501	4,560				21,021
Intergovernmental	80,694			1,134	12,667	301
Charges for sales and services	57,970					50,501
Fines, forfeitures and penalties	7	66				175
Pledged tobacco settlement						
Miscellaneous	434	402				415
Total revenues	<u>140,912</u>	<u>5,116</u>		<u>1,133</u>	<u>41,741</u>	<u>72,118</u>
Expenditures:						
Current:						
General government						
Public protection						68,677
Health and sanitation		3,543	2,552			
Public ways and facilities	131,666				39,856	
Recreation and culture						
Education				1,182		
Capital outlay						
Debt service:						
Principal						819
Interest and fiscal charges						5
Total expenditures	<u>131,666</u>	<u>3,543</u>	<u>2,552</u>	<u>1,182</u>	<u>39,856</u>	<u>69,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,246</u>	<u>1,573</u>	<u>(2,552)</u>	<u>(49)</u>	<u>1,885</u>	<u>2,617</u>
Other financing sources (uses):						
Transfers in	23,500	3,123				
Transfers out	(2,121)		(2,123)			(2,339)
Total other financing sources (uses)	<u>21,379</u>	<u>3,123</u>	<u>(2,123)</u>			<u>(2,339)</u>
Changes in fund balances	30,625	4,696	(4,675)	(49)	1,885	278
Fund balances - beginning	61,095		4,675	108	4,928	24,409
Fund balances - ending	<u>\$ 91,720</u>	<u>4,696</u>		<u>59</u>	<u>6,813</u>	<u>24,687</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

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	Fixed Asset Revolving	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program
Revenues:					
Taxes	\$	658	11,500		7,675
Use of money and property		(36)	2,128	(401)	(166)
Licenses and permits				6,133	
Intergovernmental		445	664	840	957
Charges for sales and services	3,828	2,688	4,892	5,932	24,893
Fines, forfeitures and penalties			1		2
Pledged tobacco settlement					
Miscellaneous		3	1,283		308
Total revenues	<u>3,828</u>	<u>3,758</u>	<u>20,468</u>	<u>12,504</u>	<u>33,669</u>
Expenditures:					
Current:					
General government		3,456			33,728
Public protection					
Health and sanitation				14,754	
Public ways and facilities					
Recreation and culture			19,081		
Education					
Capital outlay					
Debt service:					
Principal			250		
Interest and fiscal charges			172		
Total expenditures		<u>3,456</u>	<u>19,503</u>	<u>14,754</u>	<u>33,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,828</u>	<u>302</u>	<u>965</u>	<u>(2,250)</u>	<u>(59)</u>
Other financing sources (uses):					
Transfers in					
Transfers out	(3,828)				(1,135)
Total other financing sources (uses)	<u>(3,828)</u>				<u>(1,135)</u>
Changes in fund balances		302	965	(2,250)	(1,194)
Fund balances - beginning		3,408	11,054	49,481	23,049
Fund balances - ending	\$	<u>3,710</u>	<u>12,019</u>	<u>47,231</u>	<u>21,855</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

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	Inmate Welfare	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management
Revenues:					
Taxes	\$				
Use of money and property	1,820	(267)	(298)	2	(98)
Licenses and permits		131	13,116		13,474
Intergovernmental		16,819	15		5,740
Charges for sales and services	4,105	4,383			926
Fines, forfeitures and penalties					
Pledged tobacco settlement				17,044	
Miscellaneous	179	105	494		1,060
Total revenues	<u>6,104</u>	<u>21,171</u>	<u>13,327</u>	<u>17,046</u>	<u>21,102</u>
Expenditures:					
Current:					
General government		15,735			
Public protection	1,528				
Health and sanitation				192	19,808
Public ways and facilities			2,917		
Recreation and culture					
Education					
Capital outlay					
Debt service:					
Principal		43			621
Interest and fiscal charges					162
Total expenditures	<u>1,528</u>	<u>15,778</u>	<u>2,917</u>	<u>192</u>	<u>20,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,576</u>	<u>5,393</u>	<u>10,410</u>	<u>16,854</u>	<u>511</u>
Other financing sources (uses):					
Transfers in		552			421
Transfers out		(167)		(16,832)	(1,024)
Total other financing sources (uses)		<u>385</u>		<u>(16,832)</u>	<u>(603)</u>
Changes in fund balances	4,576	5,778	10,410	22	(92)
Fund balances - beginning	<u>12,080</u>	<u>41,372</u>	<u>35,986</u>	<u>467</u>	<u>12,825</u>
Fund balances - ending	<u>\$ 16,656</u>	<u>47,150</u>	<u>46,396</u>	<u>489</u>	<u>12,733</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

Page 4 of 4

	Jail Industry	Sacramento County Groundwater Sustainability Agency	Other	Total
Revenues:				
Taxes	\$		3,468	53,303
Use of money and property			(28)	1,826
Licenses and permits			3,906	63,842
Intergovernmental			1,853	122,129
Charges for sales and services	863	57	199	161,237
Fines, forfeitures and penalties			9	260
Pledged tobacco settlement				17,044
Miscellaneous			248	4,931
Total revenues	<u>863</u>	<u>57</u>	<u>9,655</u>	<u>424,572</u>
Expenditures:				
Current:				
General government			207	53,126
Public protection	587		7,791	78,583
Health and sanitation			2,656	43,505
Public ways and facilities			25	174,464
Recreation and culture			30	19,111
Education				1,182
Capital outlay		56		56
Debt service:				
Principal			67	1,800
Interest and fiscal charges				339
Total expenditures	<u>587</u>	<u>56</u>	<u>10,776</u>	<u>372,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>276</u>	<u>1</u>	<u>(1,121)</u>	<u>52,406</u>
Other financing sources (uses):				
Transfers in				27,596
Transfers out				(29,569)
Total other financing sources (uses)				<u>(1,973)</u>
Changes in fund balances	276	1	(1,121)	50,433
Fund balances - beginning			4,087	289,024
Fund balances - ending	<u>\$ 276</u>	<u>1</u>	<u>2,966</u>	<u>339,457</u>

**COUNTY OF SACRAMENTO
ROAD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 588	1,051	901	(150)
Use of money and property	1,122	1,127	(595)	(1,722)
Licenses and permits	1,837	1,838	1,501	(337)
Intergovernmental	78,382	83,737	80,694	(3,043)
Charges for sales and services	60,900	58,738	57,970	(768)
Fines, forfeitures and penalties	4	4	7	3
Miscellaneous	2,104	2,785	434	(2,351)
Total revenues	<u>144,937</u>	<u>149,280</u>	<u>140,912</u>	<u>(8,368)</u>
Expenditures:				
Current:				
Public ways and facilities	192,701	211,417	131,666	79,751
Excess (deficiency) of revenues over (under) expenditures	<u>(47,764)</u>	<u>(62,137)</u>	<u>9,246</u>	<u>71,383</u>
Other financing sources (uses):				
Transfers in	23,500	23,500	23,500	
Transfers out	(2,121)	(2,121)	(2,121)	
Total other financing sources (uses)	<u>21,379</u>	<u>21,379</u>	<u>21,379</u>	
Changes in fund balance	(26,385)	(40,758)	30,625	71,383
Fund balance - beginning	61,095	61,095	61,095	
Fund balance - ending	<u>\$ 34,710</u>	<u>20,337</u>	<u>91,720</u>	<u>71,383</u>

COUNTY OF SACRAMENTO
SOLID WASTE COMMERCIAL PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		88	88
Licenses and permits	3,500	3,500	4,560	1,060
Fines, forfeitures and penalties	41	41	66	25
Miscellaneous			402	402
Total revenues	<u>3,541</u>	<u>3,541</u>	<u>5,116</u>	<u>1,575</u>
Expenditures:				
Current:				
Health and sanitation	<u>6,884</u>	<u>9,436</u>	<u>3,543</u>	<u>5,893</u>
Other financing sources:				
Transfers in	<u>3,123</u>	<u>3,123</u>	<u>3,123</u>	
Changes in fund balance	(220)	(2,772)	4,696	7,468
Fund balance - beginning				
Fund balance - ending	<u><u>\$ (220)</u></u>	<u><u>(2,772)</u></u>	<u><u>4,696</u></u>	<u><u>7,468</u></u>

COUNTY OF SACRAMENTO
SACRAMENTO REGIONAL SOLID WASTE AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:				
Health and Sanitation	\$ 2,552	2,552	2,552	
Transfer out	(2,123)	(2,123)	(2,123)	
Changes in fund balance	(4,675)	(4,675)	(4,675)	
Fund balance - beginning	4,675	4,675	4,675	
Fund balance - ending	<u>\$</u>	<u></u>	<u></u>	<u></u>

**COUNTY OF SACRAMENTO
COUNTY LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 2	2	(1)	(3)
Intergovernmental			1,134	1,134
Miscellaneous	<u>1,133</u>	<u>1,134</u>		<u>(1,134)</u>
Total revenues	<u>1,135</u>	<u>1,136</u>	<u>1,133</u>	<u>(3)</u>
Expenditures:				
Current:				
Education	<u>1,166</u>	<u>1,242</u>	<u>1,182</u>	<u>60</u>
Changes in fund balance	(31)	(106)	(49)	57
Fund balance - beginning	<u>108</u>	<u>108</u>	<u>108</u>	
Fund balance - ending	<u><u>\$ 77</u></u>	<u><u>2</u></u>	<u><u>59</u></u>	<u><u>57</u></u>

COUNTY OF SACRAMENTO
TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 37,812	39,678	29,101	(10,577)
Use of money and property	101	101	(27)	(128)
Intergovernmental	13,781	12,665	12,667	2
Miscellaneous	<u>4,426</u>	<u>4,037</u>	<u>12,667</u>	<u>(4,037)</u>
Total revenues	<u>56,120</u>	<u>56,481</u>	<u>41,741</u>	<u>(14,740)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>58,317</u>	<u>58,415</u>	<u>39,856</u>	<u>18,559</u>
Changes in fund balance	(2,197)	(1,934)	1,885	3,819
Fund balance - beginning	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>
Fund balance - ending	<u><u>\$ 2,731</u></u>	<u><u>2,994</u></u>	<u><u>6,813</u></u>	<u><u>3,819</u></u>

COUNTY OF SACRAMENTO
BUILDING INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 32	32	(295)	(327)
Licenses and permits	18,694	18,694	21,021	2,327
Intergovernmental	45	45	301	256
Charges for sales and services	53,400	53,991	50,501	(3,490)
Fines, forfeitures and penalties	37	37	175	138
Miscellaneous	386	386	415	29
Total revenues	<u>72,594</u>	<u>73,185</u>	<u>72,118</u>	<u>(1,067)</u>
Expenditures:				
Current:				
Protection and inspection	75,984	78,670	68,677	9,993
Debt service:				
Principal			819	(819)
Interest and fiscal charges			5	(5)
Total expenditures	<u>75,984</u>	<u>78,670</u>	<u>69,501</u>	<u>9,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,390)</u>	<u>(5,485)</u>	<u>2,617</u>	<u>8,102</u>
Other financing uses:				
Transfers out	<u>(2,339)</u>	<u>(2,339)</u>	<u>(2,339)</u>	
Changes in fund balance	(5,729)	(7,824)	278	8,102
Fund balance - beginning	24,409	24,409	24,409	
Fund balance - ending	<u>\$ 18,680</u>	<u>16,585</u>	<u>24,687</u>	<u>8,102</u>

COUNTY OF SACRAMENTO
FIXED ASSET REVOLVING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for sales and services	\$		3,828	3,828
Miscellaneous	<u>3,828</u>	<u>3,828</u>	<u>3,828</u>	<u>(3,828)</u>
Expenditures:				
Capital outlay		<u>8</u>	<u>8</u>	<u>8</u>
Excess of revenues over expenditures	<u>3,828</u>	<u>3,820</u>	<u>3,828</u>	<u>8</u>
Other financing uses:				
Transfers out	<u>(3,828)</u>	<u>(3,828)</u>	<u>(3,828)</u>	<u>0</u>
Changes in fund balance		(8)		8
Fund balance - beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - ending	<u>\$ 0</u>	<u>(8)</u>	<u>0</u>	<u>8</u>

COUNTY OF SACRAMENTO
LIGHTING AND LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 501	501	658	157
Use of money and property	59	59	(36)	(95)
Intergovernmental	5	5	445	440
Charges for sales and services	2,630	2,630	2,688	58
Miscellaneous	502	447	3	(444)
Total revenues	<u>3,697</u>	<u>3,642</u>	<u>3,758</u>	<u>116</u>
Expenditures:				
Current:				
General government	<u>3,862</u>	<u>4,131</u>	<u>3,456</u>	<u>675</u>
Changes in fund balance	(165)	(489)	302	791
Fund balance - beginning	<u>3,408</u>	<u>3,408</u>	<u>3,408</u>	<u>3,408</u>
Fund balance - ending	<u><u>\$ 3,243</u></u>	<u><u>2,919</u></u>	<u><u>3,710</u></u>	<u><u>791</u></u>

COUNTY OF SACRAMENTO
PARK DISTRICTS AND PARK SERVICE AREAS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 11,054	11,190	11,500	310
Use of money and property	1,905	2,037	2,128	91
Intergovernmental	576	699	664	(35)
Charges for sales and services	5,464	5,643	4,892	(751)
Fines, forfeitures and penalties			1	1
Miscellaneous	1,224	1,753	1,283	(470)
Total revenues	<u>20,223</u>	<u>21,322</u>	<u>20,468</u>	<u>(854)</u>
Expenditures:				
Current:				
Recreation and culture	23,664	26,814	19,081	7,733
Debt Service:				
Principal	243	243	250	(7)
Interest and fiscal charges	172	172	172	
Total expenditures	<u>24,079</u>	<u>27,229</u>	<u>19,503</u>	<u>7,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,856)</u>	<u>(5,907)</u>	<u>965</u>	<u>6,872</u>
Changes in fund balance	(3,856)	(5,907)	965	6,872
Fund balance - beginning	11,054	11,054	11,054	
Fund balance - ending	<u>\$ 7,198</u>	<u>5,147</u>	<u>12,019</u>	<u>6,872</u>

COUNTY OF SACRAMENTO
WATER AGENCIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 605	605	(401)	(1,006)
Licenses and permits	4,000	4,000	6,133	2,133
Intergovernmental	2,083	1,876	840	(1,036)
Charges for sales and services	5,809	5,809	5,932	123
Miscellaneous	150	208		(208)
Total revenues	<u>12,647</u>	<u>12,498</u>	<u>12,504</u>	<u>6</u>
Expenditures:				
Current:				
Health and sanitation	<u>20,147</u>	<u>20,895</u>	<u>14,754</u>	<u>6,141</u>
Deficiency of revenues under expenditures	<u>(7,500)</u>	<u>(8,397)</u>	<u>(2,250)</u>	<u>6,147</u>
Changes in fund balance	(7,500)	(8,397)	(2,250)	6,147
Fund balance - beginning	<u>49,481</u>	<u>49,481</u>	<u>49,481</u>	
Fund balance - ending	<u>\$ 41,981</u>	<u>41,084</u>	<u>47,231</u>	<u>6,147</u>

COUNTY OF SACRAMENTO
STORMWATER UTILITY PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 7,190	7,190	7,675	485
Use of money and property	160	160	(166)	(326)
Intergovernmental	4,763	1,661	957	(704)
Charges for sales and services	25,235	25,235	24,893	(342)
Fines, forfeitures and penalties			2	2
Miscellaneous	78	78	308	230
Total revenues	<u>37,426</u>	<u>34,324</u>	<u>33,669</u>	<u>(655)</u>
Expenditures:				
Current:				
General government	<u>46,461</u>	<u>42,100</u>	<u>33,728</u>	<u>8,372</u>
Deficiency of revenues under expenditures	<u>(9,035)</u>	<u>(7,776)</u>	<u>(59)</u>	<u>7,717</u>
Other financing uses:				
Transfers out	<u>(1,135)</u>	<u>(1,135)</u>	<u>(1,135)</u>	
Changes in fund balance	(7,900)	(8,911)	(1,194)	7,717
Fund balance - beginning	<u>23,049</u>	<u>23,049</u>	<u>23,049</u>	
Fund balance - ending	<u>\$ 15,149</u>	<u>14,138</u>	<u>21,855</u>	<u>7,717</u>

COUNTY OF SACRAMENTO
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 907	907	(267)	(1,174)
Licenses and permits	31	31	131	100
Intergovernmental	1,296	23,675	16,819	(6,856)
Charges for sales and services	1,570	1,570	4,383	2,813
Miscellaneous	<u>3,661</u>	<u>3,532</u>	<u>105</u>	<u>(3,427)</u>
Total revenues	<u>7,465</u>	<u>29,715</u>	<u>21,171</u>	<u>(8,544)</u>
Expenditures:				
Current:				
General government	43,369	65,082	15,735	49,347
Debt service:				
Principal			43	(43)
Total expenditures	<u>43,369</u>	<u>65,082</u>	<u>15,778</u>	<u>49,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,904)</u>	<u>(35,367)</u>	<u>5,393</u>	<u>40,760</u>
Other financing sources (uses):				
Transfers in	501	552	552	
Transfers out	<u>(167)</u>	<u>(167)</u>	<u>(167)</u>	
Total other financing sources (uses)	<u>334</u>	<u>385</u>	<u>385</u>	
Changes in fund balance	(35,570)	(34,982)	5,778	40,760
Fund balance - beginning	<u>41,372</u>	<u>41,372</u>	<u>41,372</u>	
Fund balance - ending	<u>\$ 5,802</u>	<u>6,390</u>	<u>47,150</u>	<u>40,760</u>

**COUNTY OF SACRAMENTO
ROADWAYS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 315	315	(298)	(613)
Licenses and permits	15,880	20,213	13,116	(7,097)
Intergovernmental			15	15
Miscellaneous	704	704	494	(210)
Total revenues	<u>16,899</u>	<u>21,232</u>	<u>13,327</u>	<u>(7,905)</u>
Expenditures:				
Current:				
Public ways and facilities	16,427	16,660	2,917	13,743
Changes in fund balance	472	4,572	10,410	5,838
Fund balance - beginning	35,986	35,986	35,986	
Fund balance - ending	<u>\$ 36,458</u>	<u>40,558</u>	<u>46,396</u>	<u>5,838</u>

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY OF NORTHERN CALIFORNIA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		2	2
Pledged tobacco settlement			17,044	17,044
Total revenues			<u>17,046</u>	<u>17,046</u>
Expenditures:				
Current:				
Health and sanitation	429	429	192	237
Excess (deficiency) of revenues over (under) expenditures	<u>(429)</u>	<u>(429)</u>	<u>16,854</u>	<u>17,283</u>
Other financing uses:				
Transfers out			(16,832)	(16,832)
Changes in fund balance	(429)	(429)	22	451
Fund balance - beginning	467	467	467	
Fund balance - ending	<u>\$ 38</u>	<u>38</u>	<u>489</u>	<u>451</u>

COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 75	75	(98)	(173)
Licenses and permits	15,571	15,571	13,474	(2,097)
Intergovernmental	2,449	2,449	5,740	3,291
Charges for sales and services	825	825	926	101
Miscellaneous	890	890	1,060	170
Total revenues	<u>19,810</u>	<u>19,810</u>	<u>21,102</u>	<u>1,292</u>
Expenditures:				
Current:				
Health and sanitation	22,356	22,248	19,808	2,440
Debt service:				
Principal			621	(621)
Interest and fiscal charges			162	(162)
Total expenditures	<u>22,356</u>	<u>22,248</u>	<u>20,591</u>	<u>1,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,546)</u>	<u>(2,438)</u>	<u>511</u>	<u>2,949</u>
Other financing sources (uses):				
Transfers in	421	421	421	
Transfers out	(1,024)	(1,024)	(1,024)	
Total other financing sources (uses)	<u>(603)</u>	<u>(603)</u>	<u>(603)</u>	
Changes in fund balance	(3,149)	(3,041)	(92)	2,949
Fund balance - beginning	12,825	12,825	12,825	
Fund balance - ending	<u>\$ 9,676</u>	<u>9,784</u>	<u>12,733</u>	<u>2,949</u>

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY GROUNDWATER SUSTAINABILITY AGENCY
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for sales and services	\$ _____	_____ 70	_____ 57	_____ (13)
Expenditures:				
Capital outlay	_____	_____ 70	_____ 56	_____ 14
Excess of revenues over expenditures	_____	_____	_____ 1	_____ 1
Changes in fund balance			1	1
Fund balance - beginning	_____	_____	_____	_____
Fund balance - ending	<u>\$ _____</u>	<u>_____</u>	<u>_____ 1</u>	<u>_____ 1</u>

**COUNTY OF SACRAMENTO
OTHER SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 3,131	3,131	3,468	337
Use of money and property	8	8	(28)	(36)
Licenses and permits	3,500	3,500	3,906	406
Intergovernmental	1,830	1,649	1,853	204
Charges for sales and services	220	220	199	(21)
Fines, forfeitures and penalties	20	20	9	(11)
Miscellaneous	775	775	248	(527)
Total revenues	<u>9,484</u>	<u>9,303</u>	<u>9,655</u>	<u>352</u>
Expenditures:				
Current:				
General government	577	595	207	388
Public protection	7,013	7,877	7,791	86
Health and sanitation	2,730	3,179	2,656	523
Public ways and facilities	800	826	25	801
Recreation and culture	20	30	30	
Debt service:				
Principal			67	(67)
Total expenditures	<u>11,140</u>	<u>12,507</u>	<u>10,776</u>	<u>1,731</u>
Deficiency of revenues under expenditures	<u>(1,656)</u>	<u>(3,204)</u>	<u>(1,121)</u>	<u>2,083</u>
Changes in fund balance	(1,656)	(3,204)	(1,121)	2,083
Fund balance - beginning	4,087	4,087	4,087	
Fund balance - ending	<u>\$ 2,431</u>	<u>883</u>	<u>2,966</u>	<u>2,083</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Public Facilities Financing Corporation - Services the debt associated with the Public Facilities Financing Corporation's Juvenile Courthouse and the 2010, 2018 and 2020 Public Facilities Financing funds.

Pension Obligation Bonds - Services the debt related to Pension Obligation Bonds issued to pay off the unfunded pension liability the County owed the Sacramento County Employees' Retirement System.

Teeter Plan - Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the "Teeter Plan."

Tobacco Securitization Authority of Northern California - Established in FY 2001-02 to account for the principal and interest payments on the Authority's Tobacco Settlement Revenue Bonds and the receipt of funds from the General Fund necessary to meet annual debt service requirements.

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

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

	<u>Public Facilities Financing Corporation</u>						Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
	Juvenile Courthouse	2010 Public Facilities Refunding	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds	Teeter Plan			
Assets:									
Cash and investments	\$ 2,406		368	3,654	2,797	3,936	13,152	6,198	32,511
Receivables:									
Interest	12		10	11	83	2			118
Loan receivable from County Successor Agency								53,896	53,896
Loan receivable from City Successor Agency								4,866	4,866
Long-term receivables						22,151			22,151
Total assets	<u>\$ 2,418</u>		<u>378</u>	<u>3,665</u>	<u>2,880</u>	<u>26,089</u>	<u>13,152</u>	<u>64,960</u>	<u>113,542</u>
Deferred inflows of resources and fund balances:									
Deferred inflows of resources:									
Unavailable revenues								58,762	58,762
Fund balances:									
Restricted	2,418		378	3,665	2,880	26,089	13,152	6,198	54,780
Total deferred inflows of resources and fund balances	<u>\$ 2,418</u>		<u>378</u>	<u>3,665</u>	<u>2,880</u>	<u>26,089</u>	<u>13,152</u>	<u>64,960</u>	<u>113,542</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Public Facilities Financing Corporations</u>						Tobacco Securitization Authority of Northern California	Sacramento County Public Financing Authority	Total
	Juvenile Courthouse	2010 Public Facilities Refunding	2018 Public Facilities Refunding	2020 Public Facilities Refunding	Pension Obligation Bonds	Teeter Plan			
Revenues:									
Use of money and property	\$ (12)	(3)	17	1	(608)	(55)	14		(646)
Intergovernmental					12,820			6,375	19,195
Fines, forfeitures and penalties						15,277			15,277
Total revenues	<u>(12)</u>	<u>(3)</u>	<u>17</u>	<u>1</u>	<u>12,212</u>	<u>15,222</u>	<u>14</u>	<u>6,375</u>	<u>33,826</u>
Expenditures:									
Debt service:									
Principal			6,090	2,440	99,575	23,340	10,655	2,835	146,105
Interest and fiscal charges	1,170		3,737	1,387	48,454	160	6,364	3,204	64,411
Total expenditures	<u>2,275</u>		<u>9,827</u>	<u>3,827</u>	<u>148,029</u>	<u>23,500</u>	<u>17,019</u>	<u>6,039</u>	<u>210,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,287)</u>	<u>(3)</u>	<u>(9,810)</u>	<u>(3,826)</u>	<u>(135,817)</u>	<u>(8,278)</u>	<u>(17,005)</u>	<u>336</u>	<u>(176,690)</u>
Other financing sources (uses):									
Transfers in	2,249		9,808	3,849	136,067		16,832		168,805
Transfers out		(21)		(2,605)		(15,343)			(17,969)
Issuance of long-term debt						22,967			22,967
Total other financing sources (uses)	<u>2,249</u>	<u>(21)</u>	<u>9,808</u>	<u>1,244</u>	<u>136,067</u>	<u>7,624</u>	<u>16,832</u>		<u>173,803</u>
Changes in fund balances	(38)	(24)	(2)	(2,582)	250	(654)	(173)	336	(2,887)
Fund balances - beginning	2,456	24	380	6,247	2,630	26,743	13,325	5,862	57,667
Fund balances - ending	<u>\$ 2,418</u>		<u>378</u>	<u>3,665</u>	<u>2,880</u>	<u>26,089</u>	<u>13,152</u>	<u>6,198</u>	<u>54,780</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
JUVENILE COURTHOUSE DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		(12)	(12)
Expenditures:				
Debt service:				
Principal	1,170	1,170	1,170	
Interest and fiscal charges	1,273	1,299	1,105	194
Total expenditures	<u>2,443</u>	<u>2,469</u>	<u>2,275</u>	<u>194</u>
Deficiency of revenues under expenditures	<u>(2,443)</u>	<u>(2,469)</u>	<u>(2,287)</u>	<u>182</u>
Other financing sources:				
Transfers in	<u>2,249</u>	<u>2,249</u>	<u>2,249</u>	
Changes in fund balance	(194)	(220)	(38)	182
Fund balance - beginning	<u>2,456</u>	<u>2,456</u>	<u>2,456</u>	
Fund balance - ending	<u>\$ 2,262</u>	<u>2,236</u>	<u>2,418</u>	<u>182</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2010 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ _____	_____	(3)	(3)
Other financing uses:				
Transfers out	(21)	(21)	(21)	_____
Changes in fund balance	(21)	(21)	(24)	(3)
Fund balance - beginning	24	24	24	_____
Fund balance - ending	<u>\$ 3</u>	<u>3</u>	<u>_____</u>	<u>(3)</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2018 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		17	17
Expenditures:				
Debt service:				
Principal	6,090	6,090	6,090	
Interest and fiscal charges	4,048	4,096	3,737	359
Total expenditures	<u>10,138</u>	<u>10,186</u>	<u>9,827</u>	<u>359</u>
Deficiency of revenues under expenditures	<u>(10,138)</u>	<u>(10,186)</u>	<u>(9,810)</u>	<u>376</u>
Other financing sources:				
Transfers in	<u>9,808</u>	<u>9,808</u>	<u>9,808</u>	
Changes in fund balance	(330)	(378)	(2)	376
Fund balance - beginning	<u>380</u>	<u>380</u>	<u>380</u>	
Fund balance - ending	<u>\$ 50</u>	<u>2</u>	<u>378</u>	<u>376</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2020 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		1	1
Expenditures:				
Debt Service				
Principal	2,440	2,440	2,440	
Interest and fiscal charges	2,321	2,321	1,387	934
Total expenditures	<u>4,761</u>	<u>4,761</u>	<u>3,827</u>	<u>934</u>
Deficiency of revenues under expenditures	<u>(4,761)</u>	<u>(4,761)</u>	<u>(3,826)</u>	<u>935</u>
Other financing sources (uses):				
Transfers in	3,849	3,849	3,849	
Transfers out	<u>(2,570)</u>	<u>(2,605)</u>	<u>(2,605)</u>	
Total other financing sources (uses)	<u>1,279</u>	<u>1,244</u>	<u>1,244</u>	
Changes in fund balance	(3,482)	(3,517)	(2,582)	935
Fund balance - beginning	6,247	6,247	6,247	
Fund balance - ending	<u>\$ 2,765</u>	<u>2,730</u>	<u>3,665</u>	<u>935</u>

COUNTY OF SACRAMENTO
PENSION OBLIGATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$	(251)	(608)	(357)
Intergovernmental	12,820	12,820	12,820	
Total revenues	<u>12,820</u>	<u>12,569</u>	<u>12,212</u>	<u>(357)</u>
Expenditures:				
Debt service:				
Principal	99,575	99,575	99,575	
Interest and fiscal charges	50,209	51,169	48,454	2,715
Total expenditures	<u>149,784</u>	<u>150,744</u>	<u>148,029</u>	<u>2,715</u>
Deficiency of revenues under expenditures	<u>(136,964)</u>	<u>(138,175)</u>	<u>(135,817)</u>	<u>2,358</u>
Other financing sources:				
Transfers in	<u>135,307</u>	<u>136,067</u>	<u>136,067</u>	
Changes in fund balance	(1,657)	(2,108)	250	2,358
Fund balance - beginning	2,630	2,630	2,630	
Fund balance - ending	<u>\$ 973</u>	<u>522</u>	<u>2,880</u>	<u>2,358</u>

COUNTY OF SACRAMENTO
TEETER PLAN DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		(55)	(55)
Fines, forfeitures and penalties			15,277	15,277
Miscellaneous	34,390	39,309		(39,309)
Total revenues	<u>34,390</u>	<u>39,309</u>	<u>15,222</u>	<u>(24,087)</u>
Expenditures:				
Debt service:				
Principal	25,322	28,162	23,340	4,822
Interest and fiscal charges			160	(160)
Total expenditures	<u>25,322</u>	<u>28,162</u>	<u>23,500</u>	<u>4,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,068</u>	<u>11,147</u>	<u>(8,278)</u>	<u>(19,425)</u>
Other financing sources (uses):				
Transfers out	(11,456)	(15,343)	(15,343)	
Issuance of long-term debt			22,967	22,967
Total other financing sources (uses)	<u>(11,456)</u>	<u>(15,343)</u>	<u>7,624</u>	<u>22,967</u>
Changes in fund balance	(2,388)	(4,196)	(654)	3,542
Fund balance - beginning	<u>26,743</u>	<u>26,743</u>	<u>26,743</u>	
Fund balance - ending	<u>\$ 24,355</u>	<u>22,547</u>	<u>26,089</u>	<u>3,542</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

Laguna Creek Ranch/Elliott Ranch Community Facilities District (CFD) - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch CFD.

Accumulated Capital Outlay - Accounts for general capital outlay expenditures of the County.

Community Fee Districts - Established by property owners to account for construction of public projects financed by various developer fees and other miscellaneous revenues.

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

McClellan Park Community Facilities District (CFD) No. 2004-1 - Accounts for infrastructure construction activity in the McClellan CFD.

Sacramento County Landscape Maintenance Community Facilities District (CFD) No. 2004-2 - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance CFD.

Metro Air Park Services Tax - Accounts for landscape maintenance activity within the Metro Air Park CFD.

CAPITAL PROJECTS FUNDS

Florin Vineyard Community Facilities District (CFD) No. 1 - Accounts for public road improvements in the Florin Vineyard area of the County that are funded by development impact fees.

North Vineyard Station Community Facilities District (CFD) - Accounts for public road improvements in the North Vineyard area of the County that are funded by development impact fees.

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

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(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 CFD	Laguna Creek Ranch/Elliott Ranch CFD
Assets:							
Cash and investments	\$ 234	3,371	6,953	226	98	312	9,107
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	1	12	19	1	1	1	19
Intergovernmental			100				
Long-term receivables							
Total assets	\$ 235	3,383	7,072	227	99	313	9,126
Liabilities, deferred inflows of resources, and fund balances:							
Liabilities:							
Warrants payable			7				
Accrued liabilities			102				
Intergovernmental payable	41	17					2
Total liabilities	41	17	109				2
Deferred inflows of resources:							
Unavailable revenues							
Fund balances:							
Restricted	194	3,366	6,963	227	99	313	9,124
Total liabilities, deferred inflows of resources, and fund balances	\$ 235	3,383	7,072	227	99	313	9,126

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

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	Public Facilities Financing			
	Accumulated Capital Outlay	Community Fee Districts	Tobacco Litigation Settlement	McClellan Park CFD No. 2004-1
Assets:				
Cash and investments	\$ 54,552	21,138	1	606
Receivables, net of allowance for uncollectibles:				
Billed	1,051			
Interest	196	74		2
Intergovernmental		798		
Long-term receivables		347		
Total assets	\$ 55,799	22,357	1	608
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Warrants payable	\$ 558	11		
Accrued liabilities	1,243	1,360		
Intergovernmental payable	123	880		
Total liabilities	1,924	2,251		
Deferred inflows of resources:				
Unavailable revenues		347		
Fund balances:				
Restricted	53,875	19,759	1	608
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,799	22,357	1	608

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(amounts expressed in thousands)

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	Public Facilities Financing					
	Sacramento County Landscape Maintenance CFD No. 2004-2	Metro Air Park Services Tax	Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	Total
Assets:						
Cash and investments	\$ 429	22,757	1,680	9,204	97	130,765
Receivables, net of allowance for uncollectibles:						
Billed	6	50				1,107
Interest	1	78	2	30		437
Intergovernmental						898
Long-term receivables						347
Total assets	<u>\$ 436</u>	<u>22,885</u>	<u>1,682</u>	<u>9,234</u>	<u>97</u>	<u>133,554</u>
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Warrants payable	\$ 15	1				592
Accrued liabilities		169		2		2,876
Intergovernmental payable				1,620	11	2,694
Total liabilities	<u>15</u>	<u>170</u>		<u>1,622</u>	<u>11</u>	<u>6,162</u>
Deferred inflows of resources:						
Unavailable revenues						347
Fund balances:						
Restricted	<u>421</u>	<u>22,715</u>	<u>1,682</u>	<u>7,612</u>	<u>86</u>	<u>127,045</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 436</u>	<u>22,885</u>	<u>1,682</u>	<u>9,234</u>	<u>97</u>	<u>133,554</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 CFD	Laguna Creek Ranch/Elliott Ranch CFD
Revenues:							
Taxes	\$		3,486	148	74		2,214
Use of money and property		(2)	(43)	(1)		(3)	(65)
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Miscellaneous			173				14
Total revenues		(2)	3,616	147	74	(3)	2,163
Expenditures:							
Current:							
Public ways and facilities						19	216
Capital outlay			3,122	131	63		
Total expenditures			3,122	131	63	19	216
Excess (deficiency) of revenues over (under) expenditures		(2)	494	16	11	(22)	1,947
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)							
Changes in fund balances		(2)	494	16	11	(22)	1,947
Fund balances - beginning		196	3,394	6,469	211	88	335
Fund balances - ending	\$	194	3,366	6,963	227	99	313

**COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 3

	Public Facilities Financing			
	Accumulated Capital Outlay	Community Fee Districts	Tobacco Litigation Settlement	McClellan Park CFD No. 2004-1
Revenues:				
Taxes	\$			327
Use of money and property	(270)	(86)		(7)
Intergovernmental	1,433	4,435		
Charges for sales and services	23,523	1,966		
Fines, forfeitures and penalties	1,205			
Miscellaneous	1,044			
Total revenues	<u>26,935</u>	<u>6,315</u>		<u>320</u>
Expenditures:				
Current:				
Public ways and facilities				
Capital outlay	<u>27,010</u>	<u>7,415</u>	<u>18</u>	<u>286</u>
Total expenditures	<u>27,010</u>	<u>7,415</u>	<u>18</u>	<u>286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75)</u>	<u>(1,100)</u>	<u>(18)</u>	<u>34</u>
Other financing sources (uses):				
Transfers in	14,758			
Transfers out	<u>(2,548)</u>			
Total other financing sources (uses)	<u>12,210</u>			
Changes in fund balances	12,135	(1,100)	(18)	34
Fund balances - beginning	<u>41,740</u>	<u>20,859</u>	<u>19</u>	<u>574</u>
Fund balances - ending	<u>\$ 53,875</u>	<u>19,759</u>	<u>1</u>	<u>608</u>

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

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	Public Facilities Financing					
	Sacramento County					
	Landscape		Florin	North	County Parks	
	Maintenance CFD	Metro Air Park	Vineyard CFD	Vineyard	CFD No.	
	No. 2004-2	Services Tax	No. 1	Station CFD	2006-1	Total
Revenues:						
Taxes	\$		78	860		7,187
Use of money and property		(4)	(71)	(215)	(1)	(794)
Intergovernmental						5,868
Charges for sales and services		247	7,111		21	32,868
Fines, forfeitures and penalties						1,205
Miscellaneous			41			1,272
Total revenues		243	7,040	121	645	20
Expenditures:						
Current:						
Public ways and facilities					15	250
Capital outlay		322	5,827	2,362	507	47,063
Total expenditures		322	5,827	2,362	507	15
Excess (deficiency) of revenues over (under) expenditures		(79)	1,213	(2,241)	138	5
Other financing sources (uses):						
Transfers in						14,758
Transfers out						(2,548)
Total other financing sources (uses)						12,210
Changes in fund balances		(79)	1,213	(2,241)	138	5
Fund balances - beginning		500	21,502	3,923	7,474	81
Fund balances - ending	\$	421	22,715	1,682	7,612	86

**COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1915 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 63	63	(28)	(91)
Miscellaneous	<u>2,767</u>	<u>2,767</u>	<u> </u>	<u>(2,767)</u>
Total revenues	<u>2,830</u>	<u>2,830</u>	<u>(28)</u>	<u>(2,858)</u>
Expenditures:				
Capital outlay	<u>3,452</u>	<u>3,462</u>	<u> </u>	<u>3,462</u>
Changes in fund balance	(622)	(632)	(28)	604
Fund balance - beginning	<u>3,394</u>	<u>3,394</u>	<u>3,394</u>	<u> </u>
Fund balance - ending	<u>\$ 2,772</u>	<u>2,762</u>	<u>3,366</u>	<u>604</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
METRO AIR PARK CFD NUMBER 2000-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		3,486	3,486
Use of money and property	40	40	(43)	(83)
Miscellaneous	1,653	1,653	173	(1,480)
Total revenues	<u>1,693</u>	<u>1,693</u>	<u>3,616</u>	<u>1,923</u>
Expenditures:				
Capital outlay	<u>10,052</u>	<u>8,760</u>	<u>3,122</u>	<u>5,638</u>
Changes in fund balance	(8,359)	(7,067)	494	7,561
Fund balance - beginning	<u>6,469</u>	<u>6,469</u>	<u>6,469</u>	<u>6,469</u>
Fund balance - ending	<u><u>\$ (1,890)</u></u>	<u><u>(598)</u></u>	<u><u>6,963</u></u>	<u><u>7,561</u></u>

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
LAGUNA STONELAKE CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		148	148
Use of money and property	5	5	(1)	(6)
Miscellaneous	139	139		(139)
Total revenues	<u>144</u>	<u>144</u>	<u>147</u>	<u>3</u>
Expenditures:				
Capital outlay	<u>371</u>	<u>354</u>	<u>131</u>	<u>223</u>
Changes in fund balance	(227)	(210)	16	226
Fund balance - beginning	<u>211</u>	<u>211</u>	<u>211</u>	
Fund balance - ending	<u>\$ (16)</u>	<u>1</u>	<u>227</u>	<u>226</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
PARK MEADOWS CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		74	74
Use of money and property	4	4		(4)
Miscellaneous	<u>73</u>	<u>73</u>		<u>(73)</u>
Total revenues	<u>77</u>	<u>77</u>	<u>74</u>	<u>(3)</u>
Expenditures:				
Capital outlay	<u>169</u>	<u>163</u>	<u>63</u>	<u>100</u>
Changes in fund balance	(92)	(86)	11	97
Fund balance - beginning	<u>88</u>	<u>88</u>	<u>88</u>	
Fund balance - ending	<u>\$ (4)</u>	<u>2</u>	<u>99</u>	<u>97</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
LAGUNA CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	<u>\$ 1</u>	<u> 1</u>	<u> (3)</u>	<u> (4)</u>
Expenditures:				
Current:				
Public ways and facilities	<u> 333</u>	<u> 334</u>	<u> 19</u>	<u> 315</u>
Changes in fund balance	(332)	(333)	(22)	311
Fund balance - beginning	<u> 335</u>	<u> 335</u>	<u> 335</u>	<u> 335</u>
Fund balance - ending	<u><u>\$ 3</u></u>	<u><u> 2</u></u>	<u><u> 313</u></u>	<u><u> 311</u></u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
LAGUNA CREEK RANCH/ELLIOTT RANCH CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		2,214	2,214
Use of money and property	5	5	(65)	(70)
Miscellaneous	214	214	14	(200)
Total revenues	<u>219</u>	<u>219</u>	<u>2,163</u>	<u>1,944</u>
Expenditures:				
Current:				
Public ways and facilities	<u>3,977</u>	<u>3,961</u>	<u>216</u>	<u>3,745</u>
Changes in fund balance	(3,758)	(3,742)	1,947	5,689
Fund balance - beginning	<u>7,177</u>	<u>7,177</u>	<u>7,177</u>	<u>7,177</u>
Fund balance - ending	<u>\$ 3,419</u>	<u>3,435</u>	<u>9,124</u>	<u>5,689</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 30	30	(270)	(300)
Intergovernmental	4,292	4,292	1,433	(2,859)
Charges for sales and services			23,523	23,523
Fines, forfeitures and penalties	1,800	1,600	1,205	(395)
Miscellaneous	<u>21,126</u>	<u>31,143</u>	<u>1,044</u>	<u>(30,099)</u>
Total revenues	<u>27,248</u>	<u>37,065</u>	<u>26,935</u>	<u>(10,130)</u>
Expenditures:				
Capital outlay	<u>58,784</u>	<u>90,439</u>	<u>27,010</u>	<u>63,429</u>
Deficiency of revenues under expenditures	<u>(31,536)</u>	<u>(53,374)</u>	<u>(75)</u>	<u>53,299</u>
Other financing sources (uses):				
Transfers in	14,758	14,758	14,758	
Transfers out	<u>(2,548)</u>	<u>(2,548)</u>	<u>(2,548)</u>	
Total other financing sources (uses)	<u>12,210</u>	<u>12,210</u>	<u>12,210</u>	
Changes in fund balance	(19,326)	(41,164)	12,135	53,299
Fund balance - beginning	<u>41,740</u>	<u>41,740</u>	<u>41,740</u>	
Fund balance - ending	<u>\$ 22,414</u>	<u>576</u>	<u>53,875</u>	<u>53,299</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 19	20	(86)	(106)
Intergovernmental	6,587	6,587	4,435	(2,152)
Charges for sales and services	812	812	1,966	1,154
Miscellaneous	7,400	7,400	(7,400)	(7,400)
Total revenues	<u>14,818</u>	<u>14,819</u>	<u>6,315</u>	<u>(8,504)</u>
Expenditures:				
Capital outlay	<u>33,402</u>	<u>34,027</u>	<u>7,415</u>	<u>26,612</u>
Changes in fund balance	(18,584)	(19,208)	(1,100)	18,108
Fund balance - beginning	<u>20,859</u>	<u>20,859</u>	<u>20,859</u>	<u>20,859</u>
Fund balance - ending	<u>\$ 2,275</u>	<u>1,651</u>	<u>19,759</u>	<u>18,108</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 1	1		(1)
Expenditures:				
Capital outlay	20	21	18	3
Changes in fund balance	(19)	(20)	(18)	2
Fund balance - beginning	19	19	19	
Fund balance - ending	<u>\$ 1</u>	<u>(1)</u>	<u>1</u>	<u>2</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
MCCLELLAN PARK CFD NUMBER 2004-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		327	327
Use of money and property	15	15	(7)	(22)
Miscellaneous	212	212		(212)
Total revenues	<u>227</u>	<u>227</u>	<u>320</u>	<u>93</u>
Expenditures:				
Capital outlay	<u>816</u>	<u>796</u>	<u>286</u>	<u>510</u>
Changes in fund balance	(589)	(569)	34	603
Fund balance - beginning	<u>574</u>	<u>574</u>	<u>574</u>	
Fund balance - ending	<u><u>\$ (15)</u></u>	<u><u>5</u></u>	<u><u>608</u></u>	<u><u>603</u></u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD NUMBER 2004-2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 9	9	(4)	(13)
Charges for sales and services	<u>225</u>	<u>283</u>	<u>247</u>	<u>(36)</u>
Total revenues	<u>234</u>	<u>292</u>	<u>243</u>	<u>(49)</u>
Expenditures:				
Capital outlay	<u>350</u>	<u>394</u>	<u>322</u>	<u>72</u>
Changes in fund balance	(116)	(102)	(79)	23
Fund balance - beginning	<u>500</u>	<u>500</u>	<u>500</u>	
Fund balance - ending	<u>\$ 384</u>	<u>398</u>	<u>421</u>	<u>23</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
METRO AIR PARK SERVICES TAX CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 44	44	(71)	(115)
Charges for sales and services	5,359	5,359	7,111	1,752
Miscellaneous	3,410	3,410		(3,410)
Total revenues	<u>8,813</u>	<u>8,813</u>	<u>7,040</u>	<u>(1,773)</u>
Expenditures:				
Capital outlay	<u>20,873</u>	<u>31,401</u>	<u>5,827</u>	<u>25,574</u>
Changes in fund balance	(12,060)	(22,588)	1,213	23,801
Fund balance - beginning	<u>21,502</u>	<u>21,502</u>	<u>21,502</u>	
Fund balance - ending	<u>\$ 9,442</u>	<u>(1,086)</u>	<u>22,715</u>	<u>23,801</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
FLORIN VINEYARD CFD NO. 1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		78	78
Use of money and property	60	60	2	(58)
Charges for sales and services	74	74		(74)
Miscellaneous			41	41
Total revenues	<u>134</u>	<u>134</u>	<u>121</u>	<u>(13)</u>
Expenditures:				
Capital outlay	<u>3,553</u>	<u>4,051</u>	<u>2,362</u>	<u>1,689</u>
Changes in fund balance	(3,419)	(3,917)	(2,241)	1,676
Fund balance - beginning	<u>3,923</u>	<u>3,923</u>	<u>3,923</u>	
Fund balance - ending	<u>\$ 504</u>	<u>6</u>	<u>1,682</u>	<u>1,676</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
NORTH VINEYARD STATION CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$		860	860
Use of money and property	189	189	(215)	(404)
Miscellaneous	850	850		(850)
Total revenues	<u>1,039</u>	<u>1,039</u>	<u>645</u>	<u>(394)</u>
Expenditures:				
Capital outlay	<u>8,144</u>	<u>7,948</u>	<u>507</u>	<u>7,441</u>
Changes in fund balance	(7,105)	(6,909)	138	7,047
Fund balance - beginning	<u>7,474</u>	<u>7,474</u>	<u>7,474</u>	
Fund balance - ending	<u>\$ 369</u>	<u>565</u>	<u>7,612</u>	<u>7,047</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING
COUNTY PARKS CFD NUMBER 2006-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		(1)	(1)
Charges for services	21	21	21	
Total revenues	<u>21</u>	<u>21</u>	<u>20</u>	<u>(1)</u>
Expenditures:				
Public ways and facilities	<u>16</u>	<u>16</u>	<u>15</u>	<u>1</u>
Changes in fund balance	5	5	5	
Fund balance - beginning	<u>81</u>	<u>81</u>	<u>81</u>	
Fund balance - ending	<u>\$ 86</u>	<u>86</u>	<u>86</u>	

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR ENTERPRISE FUNDS SECTION

NONMAJOR ENTERPRISE FUNDS

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

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

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 6,825	1,159	7,984
Receivables, net of allowance for uncollectibles:			
Billed		13	13
Interest	23	6	29
Intergovernmental		2,303	2,303
Total current assets	<u>6,848</u>	<u>3,481</u>	<u>10,329</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299		1,299
Buildings and improvements, infrastructure, equipment and intangibles, net	<u>592</u>	<u>941</u>	<u>1,533</u>
Total capital assets	<u>1,891</u>	<u>941</u>	<u>2,832</u>
Total assets	<u>8,739</u>	<u>4,422</u>	<u>13,161</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	112		112
Deferred outflows related to OPEB	<u>6</u>		<u>6</u>
Total deferred outflows of resources	<u>118</u>		<u>118</u>
Total assets and deferred outflows of resources	<u>8,857</u>	<u>4,422</u>	<u>13,279</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$	159	159
Accrued liabilities	121		121
Intergovernmental payable	14	22	36
Current portion of long-term debt obligations	5		5
Total current liabilities	<u>140</u>	<u>181</u>	<u>321</u>
Noncurrent liabilities:			
Long-term debt obligations	29		29
Net pension liability	21		21
Total OPEB liability	47		47
Total noncurrent liabilities	<u>97</u>		<u>97</u>
Total liabilities	<u>237</u>	<u>181</u>	<u>418</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	338		338
Deferred inflows related to OPEB	42		42
Total deferred inflows of resources	<u>380</u>		<u>380</u>
Total liabilities and deferred inflows of resources	<u>617</u>	<u>181</u>	<u>798</u>
Net position:			
Net investment in capital assets	1,891	941	2,832
Restricted for:			
Capital projects		2,207	2,207
Transportation		1,093	1,093
Unrestricted	6,349		6,349
Total net position	<u>\$ 8,240</u>	<u>4,241</u>	<u>12,481</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,233	69	2,302
Operating expenses:			
Salaries and benefits	274		274
Services and supplies	1,322	409	1,731
Cost of sales and services		1,944	1,944
Depreciation and amortization	107	455	562
Other	189		189
Total operating expenses	1,892	2,808	4,700
Operating income (loss)	341	(2,739)	(2,398)
Nonoperating revenues:			
Use of money and property	41	10	51
Intergovernmental		2,388	2,388
Other	8		8
Total nonoperating revenues	49	2,398	2,447
Income (loss) before transfers and contributions	390	(341)	49
Transfers out	(24)		(24)
Capital contributions		331	331
Changes in net position	366	(10)	356
Net position, beginning of year	7,874	4,251	12,125
Net position, end of year	\$ 8,240	4,241	12,481

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,233	68	2,301
Payments to suppliers	(1,222)	(2,595)	(3,817)
Payments to employees	(348)		(348)
Payments for other operating activities	(190)		(190)
Net cash provided by (used for) operating activities	<u>473</u>	<u>(2,527)</u>	<u>(2,054)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(24)		(24)
Intergovernmental revenue	8	2,331	2,339
Net cash provided by (used for) noncapital financing activities	<u>(16)</u>	<u>2,331</u>	<u>2,315</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions		15	15
Acquisition and construction of capital assets	(88)		(88)
Net cash provided by (used for) capital and related financing activities	<u>(88)</u>	<u>15</u>	<u>(73)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received and fair value adjustment on cash and investments	<u>35</u>	<u>8</u>	<u>43</u>
Net decrease in cash and cash equivalents	404	(173)	231
Cash and cash equivalents, beginning of year	<u>6,421</u>	<u>1,332</u>	<u>7,753</u>
Cash and cash equivalents, end of year	<u>\$ 6,825</u>	<u>1,159</u>	<u>7,984</u>

**COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	<u>Parking Enterprise</u>	<u>County Transit</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 341	(2,739)	(2,398)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	107	455	562
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Receivables:			
Billed		(1)	(1)
Warrants payable	(8)	(247)	(255)
Accrued liabilities	115		115
Intergovernmental payable		5	5
Net pension liability and related deferred outflows and inflows	(71)		(71)
Total OPEB liability and related deferred outflows and inflows	(11)		(11)
Total adjustments	<u>132</u>	<u>212</u>	<u>344</u>
Net cash provided by (used for) operating activities	<u>\$ 473</u>	<u>(2,527)</u>	<u>(2,054)</u>

ANNUAL COMPREHENSIVE FINANCIAL REPORT



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

General Services - Created to provide many of the essential centralized support services that County departments require ensuring that their daily operations can be accomplished and their missions achieved. These activities include Administrative and Business Services, Construction Management and Inspection Division, Contract and Purchasing Services, Facility and Property Services, Real Estate and Fleet Services.

Liability Self-Insurance - Accounts for the County's program of self-insurance for liability claims.

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

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

Regional Radio Communications System - Accounts for the operations of the County's emergency response communications and other public safety activities.

Department of Technology - Accounts for central information technology and telecommunication support to County departments.

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	General Services	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
		Liability	Workers' Compensation	Other			
Assets:							
Current assets:							
Cash and investments	\$ 124,992	38,224	124,492	14,386	6,825	35,617	344,536
Receivables, net of allowance for uncollectibles:							
Billed	77						77
Interest	5				24		29
Intergovernmental	82			21			103
Leases	183				29		212
Prepaid items	61				1,489	636	2,186
Inventories	1,761						1,761
Total current assets	127,161	38,224	124,492	14,407	8,367	36,253	348,904
Noncurrent assets:							
Long-term receivables			118				118
Long-term receivable, leases	796				287		1,083
Capital assets:							
Buildings and improvements, infrastructure, equipment and intangibles, net	37,990		14		16,545	18,944	73,493
Total noncurrent assets	38,786		132		16,832	18,944	74,694
Total assets	165,947	38,224	124,624	14,407	25,199	55,197	423,598
Deferred outflows of resources:							
Deferred outflows related to pensions	13,409				423	18,045	31,877
Deferred outflows related to OPEB	501				80	453	1,034
Total deferred outflows of resources	13,910				503	18,498	32,911
Total assets and deferred outflows of resources	179,857	38,224	124,624	14,407	25,702	73,695	456,509

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total	
	General Services	Liability	Workers' Compensation				Other
Liabilities:							
Current liabilities:							
Warrants payable	\$ 4,111	325	1,378		17	737	6,568
Accrued liabilities	6,203	899	2		70	3,140	10,314
Intergovernmental payable	1						1
Current portion of insurance claims payable		16,018	28,379	688			45,085
Current portion of long-term debt obligations	458				1,510	4,262	6,230
Unearned revenues			120		2,341	5,312	7,773
Total current liabilities	10,773	17,242	29,879	688	3,938	13,451	75,971
Noncurrent liabilities:							
Insurance claims payable		43,746	175,457				219,203
Long-term debt obligations	4,072				2,759	10,957	17,788
Net pension liability	3,070				82	3,793	6,945
Total OPEB liability	4,012				84	3,693	7,789
Total noncurrent liabilities	11,154	43,746	175,457		2,925	18,443	251,725
Total liabilities	21,927	60,988	205,336	688	6,863	31,894	327,696
Deferred inflows of resources:							
Deferred inflows related to pensions	42,924				1,197	49,348	93,469
Deferred inflows related to OPEB	2,824				48	2,060	4,932
Deferred inflows related to leases	969				319		1,288
Total deferred inflows of resources	46,717				1,564	51,408	99,689
Total liabilities and deferred inflows of resources	68,644	60,988	205,336	688	8,427	83,302	427,385
Net position:							
Net investment in capital assets	37,971		14		12,380	11,422	61,787
Unrestricted	73,242	(22,764)	(80,726)	13,719	4,895	(21,029)	(32,663)
Total net position (deficit)	\$ 111,213	(22,764)	(80,712)	13,719	17,275	(9,607)	29,124

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
Operating revenues:							
Charges for sales and services	\$ 159,783	33,914	31,810	19,822	5,509	102,732	353,570
Other	1,011	2,396	321	207	517	501	4,953
Total operating revenues	160,794	36,310	32,131	20,029	6,026	103,233	358,523
Operating expenses:							
Salaries and benefits	39,570				1,132	45,560	86,262
Services and supplies	89,108				1,690	30,379	121,177
Cost of sales and services	3,354						3,354
Depreciation and amortization	11,669		11		2,663	5,740	20,083
Claim payments and actuarial estimates		36,677	24,049	16,107			76,833
Other	10	60	1,301				1,371
Total operating expenses	143,711	36,737	25,361	16,107	5,485	81,679	309,080
Operating income/(loss)	17,083	(427)	6,770	3,922	541	21,554	49,443
Nonoperating revenues (expenses):							
Use of money and property	10	(507)	(1,757)	(188)	(18)	(475)	(2,935)
Interest expense					(13)		(13)
Other revenues (expenses)	2,806						2,806
Total nonoperating revenues (expenses)	2,816	(507)	(1,757)	(188)	(31)	(475)	(142)
Income (loss) before transfers	19,899	(934)	5,013	3,734	510	21,079	49,301
Transfers out	(3,909)				(83)	(6,556)	(10,548)
Changes in net position	15,990	(934)	5,013	3,734	427	14,523	38,753
Net position (deficit), beginning of year	95,223	(21,830)	(85,725)	9,985	16,848	(24,130)	(9,629)
Net position (deficit), end of year	\$ 111,213	(22,764)	(80,712)	13,719	17,275	(9,607)	29,124

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 1 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 1,218				5,490		6,708
Receipts from interfund services provided	159,855	33,914	31,810	20,042		105,303	350,924
Receipts for other operating activities		2,396	321	207			2,924
Payments to suppliers	(84,345)	(24,439)	(20,642)	(15,986)	(1,347)	(28,023)	(174,782)
Payments to employees	(50,237)				(1,358)	(54,393)	(105,988)
Payments for other operating activities	(10)				411	1,216	1,617
Payments for interfund services used	(6,679)	(2,884)	(5,916)	(382)	(362)	(1,267)	(17,490)
Net cash flows provided by operating activities	<u>19,802</u>	<u>8,987</u>	<u>5,573</u>	<u>3,881</u>	<u>2,834</u>	<u>22,836</u>	<u>63,913</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Receipt on advances to other funds			5,096				5,096
Transfers to other funds	(3,909)				(83)	(6,556)	(10,548)
Other nonoperating revenue	397						397
Net cash provided by (used for) noncapital financing activities	<u>(3,512)</u>		<u>5,096</u>		<u>(83)</u>	<u>(6,556)</u>	<u>(5,055)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(11,659)				(349)	(8,166)	(20,174)
Interest paid on long-term obligations					(14)		(14)
Proceeds from the sale of capital assets	2,420						2,420
Net cash used for capital and related financing activities	<u>(9,239)</u>				<u>(363)</u>	<u>(8,166)</u>	<u>(17,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received and fair value adjustment on cash and investments	(2)	(507)	(1,756)	(188)	(29)	(476)	(2,958)
Net increase in cash and cash equivalents	7,049	8,480	8,913	3,693	2,359	7,638	38,132
Cash and cash equivalents, beginning of year	117,943	29,744	115,579	10,693	4,466	27,979	306,404
Cash and cash equivalents, end of year	<u>\$ 124,992</u>	<u>38,224</u>	<u>124,492</u>	<u>14,386</u>	<u>6,825</u>	<u>35,617</u>	<u>344,536</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 17,083	(427)	6,770	3,922	541	21,554
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	11,669		11		2,663	5,740
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	208					208
Intergovernmental	72					72
Due from other funds				220		220
Prepaid items	(61)				(106)	1,656
Inventories	(380)					(380)
Warrants payable	871	147	958		2	575
Accrued liabilities	718	(763)			(21)	78
Intergovernmental payable						(16)
Due to other funds	(12)	899				887
Unearned revenues					(19)	2,071
Compensated absences	(222)				(17)	(186)
Insurance claims payable		9,131	(2,166)	(261)		6,704
Net pension liability and related deferred inflows and outflows	(9,928)				(225)	(8,555)
Total OPEB liability and related deferred inflows and outflows	(216)				16	(81)
Total adjustments	2,719	9,414	(1,197)	(41)	2,293	1,282
Net cash provided by operating activities	<u>\$ 19,802</u>	<u>8,987</u>	<u>5,573</u>	<u>3,881</u>	<u>2,834</u>	<u>22,836</u>

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CUSTODIAL FUNDS

CUSTODIAL FUNDS

Law Enforcement - Accounts for law enforcement revenues collected pending disbursement, reimbursement or apportionment to the appropriate external law enforcement and policing agencies.

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

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

Public Guardian used to account for monies that belong to individuals who are unable to care for themselves.

Community Facility Districts (CFD) debt service funds used to account for funds received from property owners within the CFD and pay debt service.

Park Dedication fee funds used to account for the collection of park dedication fees for independent park districts.

School District General Obligation Bond funds used to to account for collection of payment of monies to fund the debt service of general obligations bond for various school districts.

Other - Various funds held in fiduciary capacity for other entities.

**COUNTY OF SACRAMENTO
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 23,234	18,940	164,547	206,721
Receivables, net of allowance for uncollectibles:				
Billed	478	13	1,212	1,703
Interest	20	1,162	404	1,586
Intergovernmental			57	57
Prepaid items			102	102
Total assets	<u>23,732</u>	<u>20,115</u>	<u>166,322</u>	<u>210,169</u>
Liabilities:				
Warrants payable	885	10,071	4,800	15,756
Accrued liabilities	1,071	122	12,579	13,772
Total liabilities	<u>1,956</u>	<u>10,193</u>	<u>17,379</u>	<u>29,528</u>
Net position				
Restricted for individuals, organizations and other governments	<u>\$ 21,776</u>	<u>9,922</u>	<u>148,943</u>	<u>180,641</u>

**COUNTY OF SACRAMENTO
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Additions:				
Property taxes	\$	3,783,403		3,783,403
Contributions to pooled investments	170,823		1,070,857	1,241,680
Investment income, net	(370)	2,000	33,147	34,777
Total additions	<u>170,453</u>	<u>3,785,403</u>	<u>1,104,004</u>	<u>5,059,860</u>
Deductions:				
Distributions to taxing entities		3,770,149		3,770,149
Distributions from pooled investments	175,755		1,090,749	1,266,504
Administrative expenses	2,713	11,234	3,094	17,041
Total deductions	<u>178,468</u>	<u>3,781,383</u>	<u>1,093,843</u>	<u>5,053,694</u>
Changes in net position	<u>(8,015)</u>	<u>4,020</u>	<u>10,161</u>	<u>6,166</u>
Net position, beginning of year	<u>29,791</u>	<u>5,902</u>	<u>138,782</u>	<u>174,475</u>
Net position, end of year	<u>\$ 21,776</u>	<u>9,922</u>	<u>148,943</u>	<u>180,641</u>

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



**STATISTICAL
SECTION**

STATISTICAL SECTION

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

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

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

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

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

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

Sources - Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year(s).

**COUNTY OF SACRAMENTO
NET POSITION BY COMPONENT
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities										
Net investment in capital assets	\$ 1,373,547	1,389,288	1,362,707	1,370,462	1,383,387	1,416,649	1,415,121	1,429,186	1,473,398	1,513,277
Restricted	305,772	284,613	179,628	496,622	639,813	677,982	679,546	609,131	662,416	826,031
Unrestricted	(222,334)	(206,727)	(1,945,922)	(2,164,382)	(2,351,925)	(2,531,677)	(2,579,412)	(2,485,842)	(2,454,016)	(1,979,787)
Total governmental activities net position	<u>\$ 1,456,985</u>	<u>1,467,174</u>	<u>(403,587)</u>	<u>(297,298)</u>	<u>(328,725)</u>	<u>(437,046)</u>	<u>(484,745)</u>	<u>(447,525)</u>	<u>(318,202)</u>	<u>359,521</u>
Business-type activities										
Net investment in capital assets	\$ 924,632	902,340	893,262	916,597	943,226	957,979	1,001,266	1,123,159	1,149,300	1,177,876
Restricted	119,827	113,277	117,472	116,658	116,219	106,816	130,601	95,800	98,434	107,360
Unrestricted	241,164	252,278	223,719	240,042	246,510	272,450	277,200	261,720	252,374	363,159
Total business-type activities net position	<u>\$ 1,285,623</u>	<u>1,267,895</u>	<u>1,234,453</u>	<u>1,273,297</u>	<u>1,305,955</u>	<u>1,337,245</u>	<u>1,409,067</u>	<u>1,480,679</u>	<u>1,500,108</u>	<u>1,648,395</u>
Primary government										
Net investment in capital assets	\$ 2,298,179	2,291,628	2,255,969	2,287,059	2,326,613	2,374,628	2,416,387	2,552,345	2,622,698	2,691,153
Restricted	425,599	397,890	297,100	613,280	756,032	784,798	810,147	704,931	760,850	933,391
Unrestricted	18,830	45,551	(1,722,203)	(1,924,340)	(2,105,415)	(2,259,227)	(2,302,212)	(2,224,122)	(2,201,642)	(1,616,628)
Total primary government net position	<u>\$ 2,742,608</u>	<u>2,735,069</u>	<u>830,866</u>	<u>975,999</u>	<u>977,230</u>	<u>900,199</u>	<u>924,322</u>	<u>1,033,154</u>	<u>1,181,906</u>	<u>2,007,916</u>

Note: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted when a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

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	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Expenses										
Governmental activities:										
General government	\$ 183,480	165,556	169,604	179,608	161,937	174,713	201,781	193,085	195,548	174,831
Public assistance	608,245	629,196	639,831	655,225	677,572	690,787	692,159	688,348	709,042	733,858
Public protection	711,957	760,358	725,108	781,244	862,968	953,258	1,006,545	1,084,967	1,145,784	889,632
Health and sanitation	566,548	574,814	502,535	554,731	712,033	677,587	714,167	801,401	903,661	810,739
Public ways and facilities	104,898	152,956	152,186	172,931	161,596	165,056	173,551	171,290	137,447	176,375
Recreation and culture	37,871	37,150	34,771	38,951	37,050	45,305	41,833	49,902	41,593	42,941
Education	2,548	1,353	1,820	1,729	1,658	1,535	1,561	1,638	1,116	1,904
Interest and fiscal charges	116,565	122,597	125,603	109,019	106,431	102,065	104,203	94,672	78,271	67,058
Total governmental activities	<u>2,332,112</u>	<u>2,443,980</u>	<u>2,351,458</u>	<u>2,493,438</u>	<u>2,721,245</u>	<u>2,810,306</u>	<u>2,935,800</u>	<u>3,085,303</u>	<u>3,212,462</u>	<u>2,897,338</u>
Business-type activities:										
Airport	204,930	199,264	188,132	187,985	193,233	199,349	195,411	209,392	204,996	208,680
Solid Waste	62,178	59,117	59,774	60,357	67,078	75,770	78,402	93,532	96,778	95,808
Water Agency	55,632	55,586	55,923	55,824	60,695	61,270	62,005	59,902	64,997	61,935
Parking Enterprise	1,819	1,725	2,463	1,893	3,238	3,781	2,067	2,649	2,279	1,708
County Transit	1,408	1,696	2,204	2,124	2,406	2,212	2,425	2,677	2,545	2,808
Total business-type activities	<u>325,967</u>	<u>317,388</u>	<u>308,496</u>	<u>308,183</u>	<u>326,650</u>	<u>342,382</u>	<u>340,310</u>	<u>368,152</u>	<u>371,595</u>	<u>370,939</u>
Total primary government	<u>\$ 2,658,079</u>	<u>2,761,368</u>	<u>2,659,954</u>	<u>2,801,621</u>	<u>3,047,895</u>	<u>3,152,688</u>	<u>3,276,110</u>	<u>3,453,455</u>	<u>3,584,057</u>	<u>3,268,277</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 130,972	118,633	169,287	152,760	122,521	96,765	99,530	97,762	114,780	107,292
Public assistance	9,862	6,541		11						
Public protection	114,114	124,049	106,089	136,582	131,287	163,474	154,328	153,350	176,185	171,689
Health and sanitation	44,123	36,151	35,503	34,244	34,184	38,572	37,415	36,954	36,783	38,679
Public ways and facilities	15,441	79,336	57,397	56,088	55,997	68,807	75,339	83,813	102,909	110,482
Recreation and culture	13,249	12,915	12,808	21,799	18,169	12,114	12,080	14,178	13,727	14,246
Education	536	146								
Operating grants and contributions	1,162,723	1,225,662	1,223,283	1,214,579	1,366,484	1,402,804	1,416,772	1,531,492	1,511,575	1,601,501
Capital grants and contributions	38,570	40,793	18,210	42,248	21,461	42,584	29,327	33,580	30,828	29,901
Total governmental activities	<u>\$ 1,529,590</u>	<u>1,644,226</u>	<u>1,622,577</u>	<u>1,658,311</u>	<u>1,750,103</u>	<u>1,825,120</u>	<u>1,824,791</u>	<u>1,951,129</u>	<u>1,986,787</u>	<u>2,073,790</u>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

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	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Business-type activities:										
Charges for services:										
Airport	\$ 162,222	160,647	177,244	187,829	196,086	204,638	212,783	195,773	171,773	232,166
Solid Waste	72,148	70,469	69,636	70,492	76,093	77,943	82,104	84,431	96,211	119,319
Water Agency	64,844	65,460	63,649	67,233	64,495	80,432	84,736	85,330	93,597	65,086
Parking Enterprise	2,995	2,995	3,001	2,909	3,014	2,830	3,028	2,628	2,232	2,241
County Transit	252	220	227	243	252	260	281	236	66	69
Operating grants and contributions	23,694	20,001	878	2,415	2,350	3,159	2,541	37,927	19,706	53,913
Capital grants and contributions	56,887	11,891	19,119	15,383	16,833	8,636	19,039	27,431	11,128	55,947
Total business-type activities	<u>383,042</u>	<u>331,683</u>	<u>333,754</u>	<u>346,504</u>	<u>359,123</u>	<u>377,898</u>	<u>404,512</u>	<u>433,756</u>	<u>394,713</u>	<u>528,741</u>
Total primary government	<u>\$ 1,912,632</u>	<u>1,975,909</u>	<u>1,956,331</u>	<u>2,004,815</u>	<u>2,109,226</u>	<u>2,203,018</u>	<u>2,229,303</u>	<u>2,384,885</u>	<u>2,381,500</u>	<u>2,602,531</u>
Net (expense)/revenue										
Governmental activities	\$ (802,522)	(799,754)	(728,881)	(835,127)	(971,142)	(985,186)	(1,111,009)	(1,134,174)	(1,225,675)	(823,548)
Business-type activities	57,075	14,295	25,258	38,321	32,473	35,516	64,202	65,604	23,118	157,802
Total primary government net expense	<u>\$ (745,447)</u>	<u>(785,459)</u>	<u>(703,623)</u>	<u>(796,806)</u>	<u>(938,669)</u>	<u>(949,670)</u>	<u>(1,046,807)</u>	<u>(1,068,570)</u>	<u>(1,202,557)</u>	<u>(665,746)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 370,925	398,364	425,477	447,437	463,975	490,856	525,232	535,799	574,282	618,235
Sales/Use	70,857	73,686	74,171	82,762	82,453	86,146	96,730	114,323	121,066	180,102
Transient occupancy	3,878	3,860	4,534	4,335	5,845	6,583	6,699	5,055	5,240	6,660
Unrestricted investment earnings	13,199	13,348	13,857	18,291	17,024	10,678	30,907	28,394	15,151	(371)
Grants and contrib. not restricted to specific programs	239,894	234,422	287,041	285,041	257,252	251,839	264,231	351,657	474,453	636,048
Pledged tobacco settlement	19,004	12,493	12,368	12,229	12,577	15,016	14,555	20,931	16,650	17,690
Miscellaneous	80,293	78,304	51,966	86,600	95,586	113,475	118,482	108,527	141,114	35,640
Transfers	4,848	4,981	5,178	4,721	5,003	6,506	6,474	6,708	7,042	7,267
Total general revenues and transfers	<u>\$ 802,898</u>	<u>819,458</u>	<u>874,592</u>	<u>941,416</u>	<u>939,715</u>	<u>981,099</u>	<u>1,063,310</u>	<u>1,171,394</u>	<u>1,354,998</u>	<u>1,501,271</u>

**COUNTY OF SACRAMENTO
CHANGES IN NET POSITION
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

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	Fiscal Year									
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Business-type activities:										
Sales/Use tax	\$ 927	581	687	1,412	561	802				
Unrestricted investment earnings					4,627	6,082	14,094	12,716	3,353	(2,248)
Grants and contrib. not restricted to specific programs	3,878	1,973	1,473	3,832						
Transfers	(4,848)	(4,981)	(5,178)	(4,721)	(5,003)	(6,506)	(6,474)	(6,708)	(7,042)	(7,267)
Special item - Abatement of regulatory fees	(417)									
Total general revenues and transfers	<u>(460)</u>	<u>(2,427)</u>	<u>(3,018)</u>	<u>523</u>	<u>185</u>	<u>378</u>	<u>7,620</u>	<u>6,008</u>	<u>(3,689)</u>	<u>(9,515)</u>
Total primary government	<u>\$ 802,438</u>	<u>817,031</u>	<u>871,574</u>	<u>941,939</u>	<u>939,900</u>	<u>981,477</u>	<u>1,070,930</u>	<u>1,177,402</u>	<u>1,351,309</u>	<u>1,491,756</u>
Change in net position										
Governmental activities	\$ 376	19,704	145,711	106,289	(31,427)	(4,087)	(47,699)	37,220	129,323	677,723
Business-type activities	56,615	11,868	22,240	38,844	32,658	35,894	71,822	71,612	19,429	148,287
Total primary government	<u>\$ 56,991</u>	<u>31,572</u>	<u>167,951</u>	<u>145,133</u>	<u>1,231</u>	<u>31,807</u>	<u>24,123</u>	<u>108,832</u>	<u>148,752</u>	<u>826,010</u>

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General fund										
Nonspendable	\$ 14,618	32,640	30,837	27,857	51,167	36,478	18,319	15,936	24,329	41,852
Restricted	201,876	205,789	232,455	212,353	244,324	255,118	261,069	233,500	249,171	347,262
Assigned	1,212			9,780			75,303	123,259	204,828	170,730
Unassigned	(1)	(38,992)	(13,462)	24,931	37,267	76,162		62,205	54,923	164,719
Total general fund	<u>\$ 217,705</u>	<u>199,437</u>	<u>249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>533,251</u>	<u>724,563</u>
All other governmental funds										
Special revenue funds										
Nonspendable	\$ 15,703	10,467	902	691						
Restricted	172,741	191,743	198,744	210,529	213,732	237,582	244,041	259,031	289,024	339,457
Debt service funds										
Restricted	111,917	105,644	101,784	89,851	87,466	87,913	70,601	67,945	57,667	54,780
Capital projects funds										
Nonspendable	4,292									
Restricted	41,414	44,096	44,207	74,799	94,291	97,369	103,835	109,602	114,542	127,045
Unassigned	(2,066)									
Total all other governmental funds	<u>\$ 344,001</u>	<u>351,950</u>	<u>345,637</u>	<u>375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>	<u>436,578</u>	<u>461,233</u>	<u>521,282</u>

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)

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	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues										
Taxes	\$ 445,659	475,910	504,182	534,534	552,273	583,585	628,661	655,177	700,588	804,997
Use of money and property	13,135	13,347	13,843	18,212	16,970	10,937	29,960	25,523	15,394	2,564
Licenses and permits	46,254	50,032	56,766	61,423	66,241	71,853	63,338	65,511	86,176	76,472
Intergovernmental	1,444,711	1,524,291	1,546,630	1,601,586	1,654,188	1,685,673	1,684,433	1,925,701	1,977,677	2,256,029
Charges for sales and services	174,666	249,034	244,887	269,695	257,641	269,158	274,573	288,442	313,193	327,276
Fines, forfeitures, and penalties	39,054	43,723	43,041	37,600	38,276	38,721	40,781	32,104	43,625	38,571
Pledged tobacco settlement	19,004	12,493	12,368	12,229	12,577	15,016	14,555	13,954	15,751	17,044
Contributions and donations				24,167	7,025	12,626	6,037		4,007	
Miscellaneous	80,294	77,392	86,346	81,427	95,586	113,475	115,218	108,527	140,753	35,485
Total revenues	2,262,777	2,446,222	2,508,063	2,640,873	2,700,777	2,801,044	2,857,556	3,114,939	3,297,164	3,558,438
Expenditures										
General government	141,867	142,581	151,271	165,999	151,713	154,698	190,191	176,569	180,464	190,843
Public assistance	597,598	621,588	656,873	663,373	671,766	673,167	675,857	671,279	685,610	754,437
Public protection	660,322	718,386	753,721	797,866	817,939	860,247	918,419	971,533	1,007,918	1,050,490
Health and sanitation	553,781	564,824	522,894	559,977	610,859	655,842	693,869	778,957	871,488	841,339
Public ways and facilities	108,663	151,269	137,724	135,948	137,106	143,330	138,291	152,750	157,358	174,714
Recreation and culture	34,553	34,650	35,368	34,869	35,641	40,990	39,132	41,667	38,617	44,216
Education	1,040	1,025	1,604	1,286	1,422	1,487	1,367	1,553	1,518	1,618
Capital outlay	32,316	40,629	35,754	59,080	36,974	51,992	37,196	55,380	53,407	47,119
Debt service:										
Principal	79,956	72,695	69,242	67,346	55,263	60,668	111,160	117,773	132,148	177,913
Bond issuance cost		867					275		2,692	
Interest and fiscal charges	123,615	125,196	137,656	135,661	138,928	141,405	93,778	86,930	74,200	68,373
Total expenditures	2,333,711	2,473,710	2,502,107	2,621,405	2,657,611	2,783,826	2,899,535	3,054,391	3,205,420	3,351,062
Excess (deficiency) of revenues over (under) expenditures	\$ (70,934)	(27,488)	5,956	19,468	43,166	17,218	(41,979)	60,548	91,744	207,376

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)

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	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Other financing sources (uses)										
Transfers in	\$ 193,346	187,577	184,765	174,485	169,793	186,135	181,761	182,066	199,160	230,428
Transfers out	(175,433)	(156,053)	(167,637)	(158,151)	(152,894)	(159,219)	(164,981)	(164,943)	(181,740)	(212,613)
Issuance of long-term debt	28,374	135,060	20,996	19,522	17,391	18,241	20,372	20,639	25,131	26,170
Refunding of debt issued							89,125		263,207	
Premiums on debt issued							11,659		38,224	
Discount on debt issued		(2,180)								
Payment to refunded bonds escrow agent		(108,850)					(113,411)		(312,720)	
Total other financing sources (uses)	<u>46,287</u>	<u>55,554</u>	<u>38,124</u>	<u>35,856</u>	<u>34,290</u>	<u>45,157</u>	<u>24,525</u>	<u>37,762</u>	<u>31,262</u>	<u>43,985</u>
Changes in fund balances	\$ <u>(24,647)</u>	<u>28,066</u>	<u>44,080</u>	<u>55,324</u>	<u>77,456</u>	<u>62,375</u>	<u>(17,454)</u>	<u>98,310</u>	<u>229,820</u>	<u>251,361</u>
Debt service as a percentage of noncapital expenditures	9.07 %	9.38 %	9.16 %	8.60 %	7.63 %	7.52 %	7.26 %	6.94 %	6.75 %	7.65 %

COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 2012-13 THROUGH 2021-22
(full accrual basis)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales/Use Tax</u>	<u>Transient Occupancy Tax</u>	<u>Total</u>
2012-13	\$ 370,925	70,856	3,878	445,659
2013-14	398,364	73,686	3,860	475,910
2014-15	425,477	74,171	4,534	504,182
2015-16	447,437	82,762	4,335	534,534
2016-17	463,975	82,453	5,845	552,273
2017-18	490,856	86,146	6,583	583,585
2018-19	525,232	96,730	6,699	628,661
2019-20	535,799	114,323	5,055	655,177
2020-21	574,282	121,066	5,240	700,588
2021-22	618,235	180,102	6,660	804,997

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)

Fiscal Year	Secured ^A	Unsecured ^B	Unitary ^C	Exemptions - Welfare-Other ^D	Total Taxable Assessed Value	Total Direct Tax Rate ^E
2012-13	\$ 115,610,824	5,519,515	1,445,961	(5,425,738)	117,150,562	1.000
2013-14	120,666,326	5,902,161	1,454,969	(5,518,271)	122,505,185	1.000
2014-15	128,286,361	6,429,967	1,483,454	(5,925,469)	130,274,313	1.000
2015-16	134,494,438	6,488,685	1,527,359	(6,387,204)	136,123,278	1.000
2016-17	141,945,673	6,213,686	1,540,805	(6,331,237)	143,368,927	1.000
2017-18	151,164,155	6,450,239	1,605,246	(6,829,284)	152,390,356	1.000
2018-19	161,252,864	6,909,322	1,508,979	(7,040,350)	162,630,815	1.000
2019-20	171,771,317	7,456,729	1,544,478	(7,575,239)	173,197,285	1.000
2020-21	182,060,623	7,870,485	1,559,767	(8,083,004)	183,407,871	1.000
2021-22	191,976,450	7,783,171	1,628,844	(8,384,119)	193,004,346	1.000

A) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes.

B) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipment, leasehold improvements, and possessory interests.

C) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization.

D) Exemptions as provided by the State Constitution provides property tax relief to Welfare, Church, and Non-Profit Organizations.

E) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values.

Note: All dollar estimates are in current dollars (not adjusted for inflation).

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO
AVERAGE PROPERTY TAX RATES - ALL
DIRECT AND OVERLAPPING GOVERNMENTS
FISCAL YEARS 2012-13 THROUGH 2021-22
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Countywide ^A	Cities ^B	Special Districts ^C	
2012-13	1.000	0.0049		0.0479	1.0528
2013-14	1.000	0.0035		0.0559	1.0594
2014-15	1.000	0.0019		0.0497	1.0516
2015-16	1.000	0.0018		0.0473	1.0491
2016-17	1.000	0.0010		0.0531	1.0541
2017-18	1.000			0.0552	1.0552
2018-19	1.000			0.0589	1.0589
2019-20	1.000		0.0128	0.0615	1.0743
2020-21	1.000		0.0193	0.0581	1.0774
2021-22	1.000		0.0138	0.0580	1.0718

- A) In June 1978 California voter approved Proposition 13, which restricted property taxes to a County-wide rate of 1 percent per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1 percent is based on the County's AB 8 Apportionment factors.
- B) Rate represents a weighted average of seven incorporated cities within the County.
- C) Rate represents a weighted average of the various special districts with general obligation bond rates.
- D) Rate represents a weighted average of the various school districts with general obligation bond rates.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2022 AND JUNE 30, 2013
(amounts expressed in thousands)**

Taxpayer	June 30, 2022			June 30, 2013		
	Tax Levy^A	Rank	Percentage of Total Tax Levy	Tax Levy^B	Rank	Percentage of Total Tax Levy
Pacific Gas & Electric Co.	\$ 17,094	1	0.97 %	\$ 6,323	2	0.59 %
Intel Corporation	9,625	2	0.54	5,869	5	0.54
Oakmont Properties	8,123	3	0.46			
BRE Delta Industrial Sacramento	6,587	4	0.37			
AT&T Communications	6,294	5	0.36	6,943	1	0.64
Lennar Homes of California	5,739	6	0.32			
MP Holdings LLC	5,699	7	0.32	3,125	7	0.29
NP Sacramento	4,969	8	0.28			
Conrad Ethan	4,959	9	0.28			
Metro Land Ownership	4,492	10	0.25			
Hines Interests, LP				6,049	3	0.56
Oates Marvin, et al				5,927	4	0.55
Walmart				3,442	6	0.32
Aerojet General Corp				2,983	8	0.28
Donahue Schriber Realty Group				2,523	9	0.23
Elliot Homes, Inc				2,400	10	0.22

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

(B) FY 2012-13 County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO
COUNTY-WIDE 1 PERCENT - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

Fiscal Year	Taxes Levied ^A	Collections Within the Fiscal Year ^B		Collections in Subsequent Years ^C	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy ^D
2012-13	\$1,094,235	1,079,299	98.63	14,900	1,094,199	100
2013-14	1,160,120	1,146,609	98.84	13,452	1,160,060	99.99
2014-15	1,233,891	1,221,411	98.99	12,380	1,233,791	99.99
2015-16	1,288,948	1,278,225	99.17	10,566	1,288,791	99.99
2016-17	1,359,759	1,349,089	99.22	10,383	1,359,472	99.98
2017-18	1,453,162	1,441,490	99.20	11,071	1,452,561	99.96
2018-19	1,550,474	1,538,104	99.20	11,108	1,549,212	99.92
2019-20	1,651,294	1,635,289	99.03	13,032	1,648,321	99.82
2020-21	1,750,891	1,736,895	99.20	7,278	1,744,173	99.62
2021-22	1,847,955	1,835,060	99.30		1,835,060	99.30

A) County-wide 1 percent - Secured and Unitary Tax Rolls - Adjusted levy amount as of June 30; Levied Amounts for the County General Fund, School Districts, Cities, and Special Districts.

B) Collection amounts for the fiscal year as of June 30 for the County-wide 1 percent portion of the Secured and Unitary Taxes.

C) In the 1993 fiscal year, the Board of Supervisors adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales proceeds (Teeter Plan) as provided in California Revenue and Taxation Code Section 4701. Under the Teeter Plan, the Secured property tax roll is distributed to all taxing agencies within the County of Sacramento on the basis of the adjusted tax levy, rather than on the basis of actual cash collections.

D) The County has a Teeter loan which covers the full balance of levied taxes. If collections are not made within 5 years, the property goes to public auction.

Note: All dollar estimates are in current dollars (not adjusted for inflation)

Estimates updated for FY 2021-22, includes revised estimates for FY 2014-15 and FY 2020-21 (may not be consistent with prior reported figures)

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities							Business-Type Activities					Total Primary Government	Percentage of Personal Income ^B	Per Capita ^B
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Finance Purchase Obligations ^D	Lease Liability ^E	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Lease Liability ^E	Other Debt ^{A, C}			
2012-13	\$ 288,705	43,583	1,238,566	347,040	6,910		3,680	1,174,980	328,505	16,910		16,083	3,464,962	5.75 %	2,395
2013-14	273,746	34,432	1,201,018	342,686	4,891		3,559	1,165,846	314,516	15,401		13,829	3,369,924	5.38 %	2,310
2014-15	249,206	29,732	1,159,636	342,871	4,123		3,522	1,147,042	302,011	13,746		9,803	3,261,692	4.89 %	2,207
2015-16	233,261	25,494	1,114,323	332,104	3,479		4,606	1,123,317	288,848			7,310	3,132,742	4.38 %	2,094
2016-17	216,441	22,849	1,059,751	332,841	2,974		647	1,103,799	273,959			5,080	3,018,341	4.08 %	1,995
2017-18	198,681	21,618	995,112	331,024	2,227		581	1,068,687	259,699			6,110	2,883,739	3.75 %	1,884
2018-19	169,721	21,460	925,917	329,421	780		493	1,051,100	257,780			6,342	2,763,014	3.41 %	1,793
2019-20	160,992	21,131	847,507	328,401	23,652		691	976,833	251,057			4,504	2,614,768	3.05 %	1,685
2020-21	144,570	22,523	759,097	321,059	22,503		2,838	943,334	243,658			2,369	2,461,951	2.71 %	1,578
2021-22	133,097	22,151	659,798	309,805	17,600	297,937	2,393	975,582	236,035		11,460	7,461	2,673,319	2.72 %	1,682

Notes:

The County of Sacramento has not had any General Obligation Bonds since 2002.

See the "Demographic and Economic Statistics" table for population figures.

A) Revised FY 2012-13 through FY 2015-16 to include SMUD Water Rights.

B) Revised estimates for FY 2012-13 through FY 2015-16 for Personal Income and Population based on the Demographic and Economic Statistics.

C) Usage fees for the City of Sacramento were paid in full in FY 2017-18.

D) Revised header name in FY 2021-22 due to GASB 87 implementation, in prior years this was labeled Capital Leases

E) First year reporting Lease Liability in FY 2021-22 due to GASB Statement No. 87, *Leases*

**COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Assessed Value of Property	\$ 117,150,562	122,505,185	130,274,313	136,123,278	143,368,927	152,390,356	162,630,815	173,197,285	183,407,871	193,004,346
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	1,464,382	1,531,315	1,628,429	1,701,541	1,792,112	1,904,879	2,032,885	2,164,966	2,292,598	2,412,554
Amount of Debt Applicable to Limit: General Obligations Bonds Less: Resources Restricted to Paying Principal										
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u>\$ 1,464,382</u>	<u>1,531,315</u>	<u>1,628,429</u>	<u>1,701,541</u>	<u>1,792,112</u>	<u>1,904,879</u>	<u>2,032,885</u>	<u>2,164,966</u>	<u>2,292,598</u>	<u>2,412,554</u>
Total net debt applicable to the limit as a percentage of the limit	100	100	100	100	100	100	100	100	100	100

- Note:
- 1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.
 - 2) The legal debt margin is the County's available borrowing authority under State finance statues and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO
PLEDGED-REVENUE COVERAGE
FISCAL YEARS 2012-13 THROUGH 2021-22
(amounts expressed in thousands)**

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue ^A	Less: Operating	Net Revenue	Debt Service Requirements ^C		Coverage
		Expenses ^B		Principal	Interest	
2012-13	\$ 162,935	94,118	68,817	11,940	40,187	1.32
2013-14	160,589	88,122	72,467	9,720	39,708	1.47
2014-15	158,928	82,412	76,516	14,220	39,345	1.43
2015-16	171,151	88,096	83,055	14,820	38,743	1.55
2016-17	178,108	91,317	86,791	15,450	37,905	1.63
2017-18	187,410	101,128	86,282	2,865	36,338	2.20
2018-19	193,835	106,474	87,361	12,420	31,469	1.99
2019-20	209,665	121,588	88,077	15,760	31,099	1.88
2020-21	170,588	119,402	51,186		27,581	1.86
2021-22	252,524	124,908	127,616		26,621	4.79

Water Agency Revenue Bond Coverage ^D						
Fiscal Year	Gross Revenue ^E	Less: Operating	Net Revenue	Debt Service Requirements ^C		Coverage
		Expenses		Principal	Interest	
2012-13	\$ 63,664	22,425	41,239	7,910	16,620	1.68
2013-14	63,743	22,201	41,542	8,240	15,365	1.76
2014-15	63,798	23,090	40,708	8,650	15,803	1.66
2015-16	67,351	22,882	44,469	9,070	15,399	1.82
2016-17	65,159	27,813	37,346	9,505	14,960	1.53
2017-18	81,172	27,169	54,003	9,955	14,538	2.20
2018-19	86,220	27,521	58,699	10,435	14,073	2.40
2019-20	88,012	29,156	58,856	11,890	11,268	2.54
2020-21	94,068	32,456	61,612	9,870	12,225	2.79
2021-22	108,485	34,160	74,325	10,350	11,725	3.37

Note: Solid Waste Enterprise Fund does not have revenue bonds

A) Per bond resolution, revenues include all Airport revenues and exclude certain interest earnings and restricted revenues.

B) Total operating expenses including transfers out, but excluding depreciation and amortization.

C) Includes principal and interest of revenue bonds only.

D) Water Agency revenue bonds were issued May 9, 2007, October 31, 2019, and newly issued 2022A revenue bonds on February 1, 2022.

E) Gross revenue reflects the adjusted annual revenues on the Water Agency Enterprise Fund pledged revenue stream.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2022 AND 2013**

Employer	June 30, 2022			June 30, 2013		
	Employees^(A)	Rank	Percentage of Total County Employment	Employees^(B)	Rank	Percentage of Total County Employment
UC Davis Health System	16,075	1	2.30 %			
Kaiser Permanente	12,301	2	1.76	10,140	1	1.67 %
Sutter / California Health Services	9,595	3	1.37	9,112	2	1.50
Dignity / Mercy Healthcare	7,488	4	1.07	7,054	4	1.16
Intel Corporation	6,013	5	0.86	6,500	5	1.07
Siemens Mobility Inc.	2,500	6	0.36			
Safeway	1,938	7	0.28			
Pacific Gas & Electric Co.	1,447	8	0.21	2,247	10	0.37
Blue Diamond Growers	968	9	0.14			
WellSpace Health	926	10	0.13			
Raley's Inc. / Bel Air				7,283	3	1.20
Hewlett-Packard				3,200	6	0.53
Wells Fargo & Co.				3,188	7	0.52
Health Net of California				2,552	8	0.42
Cashe Creek Casino Resort				2,400	9	0.39
Total	59,251		8.48 %	53,676		8.83 %

Note:

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

(B) Source: FY 2013 Sacramento County Annual Comprehensive Financial Report

**COUNTY OF SACRAMENTO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2012-13 THROUGH 2021-22
 (amounts expressed in thousands except per capita amount)**

Fiscal Year	Population ^A	Personal Income	Per Capita Personal Income ^B	School Enrollment	Unemployment Rate ^C
2012-13	1,447	\$ 59,775,785	\$ 41,303	238	10.5 %
2013-14	1,460	61,654,690	42,229	240	8.9 %
2014-15	1,478	65,486,553	44,303	241	7.3 %
2015-16	1,497	70,110,138	46,845	243	6.0 %
2016-17	1,514	72,878,458	48,122	244	5.4 %
2017-18	1,531	76,832,120	50,197	246	4.6 %
2018-19	1,541	80,969,087	52,544	247	3.8 %
2019-20	1,552	85,775,621	55,266	250	3.7 %
2020-21	1,559	90,908,707	58,307	246	9.3 %
2021-22	1,589	98,241,828	61,829	243	7.0 %

Note:

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

Estimates updated November 16, 2022, include new estimates for FY 2020-21 and revised estimates for FY 2012-13 through FY 2019-20, which may not be consistent with prior reported figures.

A) Census Bureau mid-year population estimates. Estimates for FY 2012-13 through FY 2020-21 reflect County population estimates available as of March 2021.

B) Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for FY 2013-2021 reflect County population estimates available as of March 2022.

C) Unemployment rate reflects the March 2022 annual revision.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; California Department of Education, K-12 Public School Enrollment for Sacramento County; and California State Employment Development Department.

COUNTY OF SACRAMENTO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2012-13 THROUGH 2021-22

Full-Time Equivalent Employees as of June 30th

Function	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General Government	890	1,076	894	895	912	905	853	846	832	792
Public Assistance	2,132	2,165	2,179	2,239	2,259	2,224	2,103	2,018	2,005	2,026
Public Protection	3,571	3,591	3,806	3,948	3,960	3,952	4,280	4,231	4,223	4,268
Health and Sanitation	2,032	1,952	1,952	2,057	2,181	2,156	2,230	2,178	2,187	2,195
Recreation and Culture	106	137	138	154	134	157	164	140	125	130
Education	2	1	1	-						
Public Ways and Facilities			271	277	257	246	244	246	239	235
Non-Governmental						11	12	12	12	12
Total	8,733	8,922	9,241	9,570	9,703	9,651	9,886	9,671	9,623	9,658

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

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2012-13 THROUGH 2021-22**

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Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General Government										
Assessor:										
Number of parcels assessed	502,527	501,887	503,717	505,436	505,076	508,941	504,653	509,959	514,745	517,407
Gross total of secured roll (in thousands)	115,975,517	120,409,431	128,067,747	134,202,599	141,838,766	151,097,866	161,271,858	171,708,882	181,977,314	191,921,172
Gross total of unsecured roll (in thousands)	5,519,515	5,902,161	6,430,072	6,488,685	6,220,235	6,450,239	6,909,322	7,456,729	7,870,485	7,783,171
Clerk Recorder:										
Number of recorded documents	433,820	326,097	355,598	362,930	383,763	369,638	336,384	393,676	520,007	411,200
Public Assistance										
Human Assistance total caseload	189,591	216,504	293,840	330,167	328,585	318,056	314,269	333,993	361,402	411,022
Percent served of children in poverty	86	81	66	61	61	62	62	58	56	52
Housing services provided ^A	2,378	2,457	2,203	2,069	1,812	2,319	2,349	1,855	2,923	2,807
Employee non-exempt recipients CalWORKs	41	45	47	52	67	59	61	61	49	54
Public Protection										
District Attorney:										
Filed felonies	8,815	9,342	8,496	8,854	8,641	9,077	8,294	8,027	9,292	8,760
Filed misdemeanors	14,095	13,539	14,553	15,164	14,397	13,342	14,514	13,036	11,780	12,130
Filed probation violations	1,153	1,939	1,785	1,517	1,785	1,884	1,856	1,112	304	318
Probation:										
Cases supervised ^B	24,776	28,402	27,939	28,246	28,383	27,701	26,688	24,261	23,172	20,484
Institutional care for minors (days)	68,597	69,339	69,696	62,776	50,237	46,760	43,535	41,023	36,616	42,992
Juvenile referrals processed	8,836	8,105	6,605	5,519	4,520	3,693	3,086	2,794	2,105	2,161
Prepared adult sentencing reports ^{B, C, D, E}	6,380	6,209	9,081	9,604	11,255	13,999	18,227	20,599	30,950	32,607
Public Defender:										
Felony Unit jury trials	161	147	159	161	199	133	141	81	56	45
Sheriff:										
Emergency calls for service:										
Priority 1	3,985	3,785	4,095	4,070	4,450	4,311	4,319	4,345	4,766	4,583
Emergency response time (minutes):										
Priority 1	12	12	12	13	12	11	11	11	12	15
Processed and booked adult offenders	19,443	19,991	20,292	20,538	15,824	21,616	19,107	10,627	8,181	6,832
Physical arrests	23,143	23,856	23,733	24,441	18,785	24,928	21,659	12,611	10,654	8,522
Total miles patrolled by Sheriffs	813	813	813	813	813	813	813	813	813	813

- A) Housing services provided includes only the programs by DHA, including emergency shelters, and the data does not include the programs DHA does not administer.
- B) Due to restructuring, the County now has the capacity to report on data and critical workload that previously was unable to be captured and quantified.
- C) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.
- D) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.
- E) Pretrial Release Unit reports are captured beginning FY 2019-20.

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2012-13 THROUGH 2021-22**

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Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Health and Sanitation										
Patient treatments at Public Health clinics	61,015	48,229	20,751	19,700	23,613	29,791	30,532	43,170	35,808	59,501
Training:										
Programs in compliance (by inspection) ^{F, G, H}		27	95	100	100	100	100	95	Unknown	80
Public Ways and Facilities										
Number of traffic signs resent and replaced	12,728	12,952	14,909	13,910	16,129	8,635	7,099	6,914	10,204	7,810
Square feet of graffiti removed or abated	96,848	136,989	185,195	205,084	131,490	129,600	200,587	152,281	287,881	237,079
Recreation and Culture										
Number of individuals who use Parks' golf services	162,937	164,579	163,722	157,095	131,248	147,029	142,048	168,110	204,230	186,610
Education										
Library:										
Total circulation ¹	7,329,585	7,113,116	7,339,735	7,480,731	7,064,066	7,573,185	8,112,087	7,000,665	5,464,352	7,266,036
Library cards issued	62,194	64,686	66,835	63,384	60,535	100,733	142,678	69,715	22,796	69,256
Total library cards in use	710,008	665,840	656,423	651,636	692,508	706,452	771,503	766,505	692,074	699,101
Library visits	4,062,724	4,144,307	4,183,751	4,252,802	3,625,829	3,667,015	3,712,147	2,653,910	369,551	1,148,709
Airport										
Number of commercial airlines	11	11	11	10	10	11	16	16	16	17
Number of flights	47,826	46,871	46,621	48,627	50,551	55,879	60,082	57,541	43,076	58,735
Number of enplaned passengers	4,419,545	4,376,237	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732
Solid Waste										
Percent of diversion/recycled waste	73	73	74	73	70	68	63	66	68	68
Tons disposed	607,075	596,972	623,824	657,247	747,704	796,946	890,301	946,063	943,258	920,989
Water Agency										
Water supply:										
Number of water connections	50,813	51,652	52,400	53,439	54,464	55,178	56,137	57,541	58,890	60,004
Water delivered (acre feet)	43,178	41,045	35,112	31,174	35,079	39,750	39,750	43,842	48,555	43,874
Storm Water Utilities										
Drainage:										
Mainline and lateral pipes cleaned (miles)	73	66	66	119	84	107	133	84	58	47
Parking Enterprise										
Daily public parking (count)	126,568	131,163	136,440	151,629	149,112	135,932	116,094	92,848	36,714	54,755
Monthly parking passes issued to County employees (count)	17,304	17,580	17,652	17,640	18,216	21,180	20,676	17,683	17,839	16,673
Outside agency usage	11,703	10,021	8,995	7,792	4,555	4,551	4,040	3,201	746	2,185
County Transit										
Total Passengers	97,597	103,469	105,587	111,016	107,217	103,992	105,479	82,582	29,622	35,807
Total Days	249	250	250	252	251	251	249	249	253	254
Average Daily Passengers	392	414	422	441	427	414	424	332	117	141

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

G) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

H) Three (of fifteen) ALS providers are non-compliant and on monthly check-in. Note relates to programs in compliance (by inspection) FY 2021-22.

I) Books loaned and audio visual media loaned statistics are combined effective.

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2012-13 THROUGH 2021-22**

Page 1 of 2

Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Public Protection										
Sheriff:										
Administrations buildings	1	1	1	1	1	1	1	1	1	1
Aircrafts										
Operational	5	5	5	5	5	5	5	5	5	5
Fixed Wing										
Sheriff	1	1	-	-						1
CAL-MMET	2	2	2	2	2	2	2	2	2	1
Community service centers	5	5	6	7	8	8	8	9	8	7
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	328	328	328	386	385	409	397	410	411	397
Stations	3	3	3	3	3	3	3	3	3	3
Health and Sanitation										
Clinics	1	1	1	1	1	1	1	1	1	1
Mental Health Treatment										
Clinics	1	1	1	1	1	1	1	1	1	5
Public Ways and Facilities										
Centerline miles of roads maintained	2,198	2,202	2,202	2,200	2,203	2,202	2,208	2,208	2,209	2,214
Traffic signals	451	459	461	466	473	476	505	508	511	512
Recreation and Culture										
Number of golf courses	4	4	4	4	4	4	4	4	4	4
Number of developed parks	38	38	38	38	38	38	38	38	38	38
Developed parks acreage	15,187	15,187	15,189	15,189	15,189	15,189	15,189	15,189	15,189	15,189
Education										
Number of libraries ^A	11	11	11	11	11	11	11	11	11	11

A) There are 16 County libraries 11 buildings are County owned and 5 are owned by other government entities or leased.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2012-13 THROUGH 2021-22**

Page 2 of 2

Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed vehicles:										
Cars and light trucks	154	159	168	205	201	189	182	183	188	189
Busses	32	32	32	51	42	28	33	33	31	35
Solid Waste										
Number of collection trucks	105	109	108	100	100	100	100	100	106	116
Number of landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water mains (miles)	776	785	797	805	812	829	851	880	864	889
Storage capacity (thousands of gallons)	61,900	61,900	61,900	61,900	61,900	61,600	61,600	61,600	61,700	61,700
Drainage:										
Drainage inlets	39,439	37,669	38,841	38,651	38,425	37,262	37,145	37,947	38,155	37,957
Drainage manholes	23,489	22,793	23,544	23,573	23,589	23,127	23,302	23,808	24,173	24,189
Drainage pipes (miles)	1,333	1,276	1,359	1,353	1,341	1,293	1,293	1,313	1,326	1,308
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2
County Transit										
Number of buses	15	15	16	17	18	18	18	18	19	19

Source: County of Sacramento Department Records

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



BOND DISCLOSURES

COUNTY OF SACRAMENTO

DEPARTMENT OF AIRPORTS

WATER AGENCY ENTERPRISE FUND

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This meets the County of Sacramento Annual Continuing Disclosure filing required as of December 31, 2022, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of the issuance date of this Annual Comprehensive Financial Report and is subject to change without notice, and shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

This Section contains three separate Annual Continuing Disclosure filings for the following:

1. Certificates of Participation; Pension Obligation Bonds; and River City Regional Stadium Financing Authority Lease Revenue Bonds
2. Airport System Revenue Bonds
3. Water Financing Authority Revenue Bonds

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURES FOR:
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

REQUIRED TABLES

**Sacramento County Investment Pool
(Quarter Ended on September 30, 2022)**

Average Daily Balance	\$5,473,196,972
Period-End Balance	\$5,426,397,458
Yield	1.804%
Weighted Average Maturity	316 Days
Duration in Years	0.781 Years
Historical Cost	\$5,424,075,577
Fair Value	\$5,342,806,426
Percent of Fair Value to Cost	98.50%

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURES FOR:
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

REQUIRED TABLES

**General Fund Adopted Budget⁽¹⁾
(amounts expressed in thousands)**

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
APPROPRIATIONS				
Reserve Increase	\$ 50,634	51,669	150,510	221,174
General Government	57,783	439,239	502,890	129,348
Public Protection	1,231,690	1,264,079	1,371,438	1,528,718
Health and Sanitation	524,399	672,092	664,813	746,909
Public Assistance	889,257	530,908	620,587	1,003,141
Education, Cultural and Recreation	27,141	28,228	32,448	40,336
Contingencies	1,185	1,120	17,146	42,499
TOTAL APPROPRIATIONS	<u>\$ 2,782,089</u>	<u>2,987,335</u>	<u>3,359,832</u>	<u>3,712,125</u>
AVAILABLE FUNDS				
Beginning Appropriated Fund Balance/Carryover	\$ 178,135	217,084	365,134	394,256
Equity Transfer In	15	418	100	377
Reserve Cancellation	29,836	28,019	5,050	3,374
Taxes	626,658	649,686	698,594	778,899
Licenses and Permits	11,283	10,821	11,315	11,632
Fines, Forfeitures and Penalties	24,104	22,123	21,406	20,746
Realignment	649,966	600,465	699,206	794,979
Proposition 172	131,830	116,052	146,537	174,267
Mental Health Services	65,686	78,736	87,944	115,768
Clerk/Recorder Fees	3,037	3,080	3,009	3,009
Use of Money and Property	453	5,319	6,744	7,647
Aid from Other Government Agencies (state and federal)	897,413	1,053,761	1,135,788	1,223,724
Charges for Current Services	121,737	131,130	123,072	138,198
Other Revenues	41,936	70,641	55,933	45,249
TOTAL AVAILABLE FUNDS	<u>\$ 2,782,089</u>	<u>2,987,335</u>	<u>3,359,832</u>	<u>3,712,125</u>

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

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

Fiscal Year	Total Gross Assessed Valuation	Secured/Unsecured Roll Growth	
2013-14	\$ 126,311,592	3.96	%
2014-15	134,497,818	6.48	%
2015-16	140,691,284	4.60	%
2016-17	148,052,405	5.23	%
2017-18	157,548,105	6.41	%
2018-19	168,181,180	6.75	%
2019-20	179,165,611	6.53	%
2020-21	189,847,799	5.96	%
2021-22	199,704,342	5.19	%
2022-23	215,673,183	8.00	%

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

Fiscal Year	Secured Tax Levies	Current Levy Delinquent June 30	Percent Current Levy Delinquent June 30	Total Collections June 30 ¹	Total Collection Current Levy
2013-14	\$ 1,145,549	13,511	1.18 %	1,132,038	98.82 %
2014-15	1,219,035	12,480	1.02 %	1,206,555	98.98 %
2015-16	1,273,652	10,723	0.84 %	1,262,929	99.16 %
2016-17	1,344,330	10,670	0.79 %	1,333,660	99.21 %
2017-18	1,437,087	11,672	0.80 %	1,425,415	99.20 %
2018-19	1,535,361	12,370	0.80 %	1,522,911	99.20 %
2019-20	1,651,294	16,005	0.97 %	1,635,289	99.03 %
2020-21	1,750,891	13,996	0.80 %	1,736,895	99.20 %
2021-22	1,874,955	12,894	0.69 %	1,835,060	99.31 %

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

COUNTY OF SACRAMENTO
Largest Secured Taxpayers FY 2022-23
(includes levies for bond debt service and special assessments)

Taxpayer	Amount
Pacific Gas & Electric Co.	\$ 20,269,768
Intel Corporation	8,888,417
Oakmont Properties	7,635,670
BRE Delta Industrial Sacramento	6,925,004
AT&T	6,800,247
PW Fund	5,958,991
MP Holding LLC	5,893,180
NP Sacramento	6,832,537
Conrad Ethan	5,643,845
Metro Land Ownership	6,304,061
Total (represents 3.01 percent secured tax roll levy):	\$ 81,151,720

COUNTY OF SACRAMENTO
Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2017-18 through FY 2021-22
(amounts expressed in thousands)

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Beginning Fund Balance	\$ 332,758	367,758	354,691	434,900	533,251
Revenues					
Taxes	545,813	587,675	611,245	657,123	744,507
Use of money and property	3,618	12,073	10,470	9,959	2,178
Licenses and permits	12,118	11,460	11,161	11,529	12,630
Intergovernmental	1,582,139	1,590,790	1,817,146	1,862,804	2,108,837
Charges for sales and services	121,064	129,071	131,450	151,125	133,171
Fines, forfeitures and penalties	26,533	28,745	21,999	26,119	21,829
Miscellaneous	67,614	62,037	55,170	92,439	29,282
Total Revenues	<u>2,358,899</u>	<u>2,421,851</u>	<u>2,658,641</u>	<u>2,811,098</u>	<u>3,052,434</u>
Transfers in	10,622	10,882	9,432	16,257	19,269
Issuance of long-term debt					3,203
Total Revenues and Transfers	<u>2,369,521</u>	<u>2,432,733</u>	<u>2,668,073</u>	<u>2,827,355</u>	<u>3,074,906</u>
Expenditures					
General government	105,311	121,310	126,161	132,413	137,717
Public assistance	673,167	675,857	671,279	668,157	754,437
Public protection	801,433	849,736	899,142	935,849	971,907
Health and sanitation	615,740	655,505	743,011	829,250	797,834
Recreation and culture	18,655	22,007	22,671	22,619	25,105
Education	378	389	422	433	436
Debt Service:					
Principal					30,008
Interest and fiscal charges					3,623
Total Expenditures	<u>2,214,684</u>	<u>2,324,804</u>	<u>2,462,686</u>	<u>2,588,721</u>	<u>2,721,067</u>
Transfers out	119,837	120,996	125,178	132,532	162,527
Total Expenditures and Transfers	<u>2,334,521</u>	<u>2,445,800</u>	<u>2,587,864</u>	<u>2,721,253</u>	<u>2,883,594</u>
Net change in fund balance	<u>35,000</u>	<u>(13,067)</u>	<u>80,209</u>	<u>106,102</u>	<u>191,312</u>
Ending Fund Balance	<u>\$ 367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>541,002</u>	<u>724,563</u>

COUNTY OF SACRAMENTO
Financing Obligations

As of July 1, 2022

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	County Liability
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	\$ 36,150,000	\$ 21,395,000	2035	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	20,605,000	2029	66% (if ticket receipts insufficient)
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	68,505,000	2034	100%
2020 COP Refunding	Rio Cosumnes Correctional Center	27,080,000	24,640,000	2030	100%
2019 Key Government Finance, Inc. Master Lease	CISCO Systems Equipment Lease	15,650,124	7,160,219	2024	100%
2013 Motorola SmartZone Radio System Lease	Motorola Systems Equipment Lease	3,771,410	702,010	2024	100%
2015 Motorola Radio System Lease	Motorola Systems Equipment Lease	13,662,797	5,919,867	2026	100%
2020 Motorola Microwave	Motorola Systems Equipment Lease	3,463,701	3,463,701	2025	100%

**COUNTY OF SACRAMENTO
Pension Obligation Bonds**

As of July 1, 2022

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Obligation Bonds, Series 2003B ⁽¹⁾	Partially Refund Series 1995A	\$ 97,441,330	\$ 133,410,000	2024	75%
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	359,165,000	283,665,000	2031	75%
County of Sacramento Taxable Pension Bonds, Series 2011A	Refund Series 1995B,C	183,365,000	58,260,000	2024	75%
County of Sacramento Taxable Pension Bonds, Series 2011B	Refund Series 2009	73,875,000	73,875,000	2025	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	111,960,000	2026	75%

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

COUNTY OF SACRAMENTO

Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and resets quarterly. There are no pre-payment penalties, thereby providing the County with the flexibility to opt-in at a later date into an alternative form of Teeter Plan financing.

As of June 30, 2022
(amounts expressed in thousands)

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 18,241	710	08/01/2022
Sacramento County (Teeter Plan)	20,372	1,521	08/01/2023
Sacramento County (Teeter Plan)	20,639	3,173	08/01/2024
Sacramento County (Teeter Plan)	25,131	6,050	08/01/2025
Sacramento County (Teeter Plan)	22,967	10,697	08/01/2026

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Certificates of Participation Only
(includes principal and interest)
As of July 1, 2022

Period Ending June 30	Series 2003 Juvenile Court COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	Series 2020 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds ⁽¹⁾	(1)
2023	\$ 2,213,575	4,875,375	4,794,750	3,737,750	2,345,917	17,967,367
2024	2,215,450	4,870,500	4,791,375	3,736,000	2,340,980	17,954,305
2025	2,214,281	4,871,000	4,791,000	3,737,500	2,337,278	17,951,059
2026	2,215,419	4,871,250	4,793,125	3,732,000	2,334,002	17,945,796
2027	2,214,006	4,870,750	4,787,500	3,734,125	2,327,147	17,933,528
2028	2,214,938	4,873,875	4,793,625	3,738,250	2,322,568	17,943,256
2029	2,213,106		4,791,000	3,739,000	2,315,989	13,059,095
2030	2,212,000		4,789,375	3,736,125	2,309,799	13,047,299
2031	2,215,750		4,788,250			7,004,000
2032	2,215,000		4,796,875			7,011,875
2033	2,214,625		4,789,875			7,004,500
2034	2,214,375		4,791,875			7,006,250
2035	2,214,000					2,214,000
Total	\$ 28,786,525	\$ 29,232,750	\$ 57,498,625	\$ 29,890,750	\$ 18,633,680	\$ 164,042,330

⁽¹⁾ County required to pay **only** if ticket receipts are insufficient. The County has never been required to make any debt service payments.

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation
(includes principal and interest)
As of July 1, 2022

Period Ending June 30	Series 2003B Refunding POBs	Series 2008 Refunding POBs ⁽¹⁾	Series 2011A Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs ⁽²⁾	FY POBs Total	FY COPs Total	FY Financing Obligations Total ⁽²⁾	FY POBs, COPs, & Financing Obligations Combined
2023	\$99,427,255	36,533,905	3,740,292	4,894,219	8,117,100	152,712,771	17,967,367	6,591,501	177,271,639
2024	40,035,058	38,281,039	60,130,146	4,894,219	8,117,100	151,457,562	17,954,305	7,197,603	176,609,470
2025		39,239,366		76,322,109	34,437,113	149,998,588	17,951,059	2,767,729	170,717,376
2026		41,211,936			87,718,563	128,930,499	17,945,796	1,584,538	148,460,833
2027		43,011,983				43,011,983	17,933,528		60,945,511
2028		44,238,161				44,238,161	17,943,256		62,181,417
2029		46,212,341				46,212,341	13,059,095		59,271,436
2030		47,915,587				47,915,587	13,047,299		60,962,886
2031		48,879,209				48,879,209	7,004,000		55,883,209
2032							7,011,875		7,011,875
2033							7,004,500		7,004,500
2034							7,006,250		7,006,250
2035							2,214,000		2,214,000
Total	\$39,462,313	385,523,527	63,870,438	86,110,547	138,389,876	813,356,701	164,042,330	18,141,371	995,540,402

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

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

⁽³⁾ Does not include financing obligations with a pledge of net revenues of an enterprise fund.

COUNTY OF SACRAMENTO
Variable Rate Debt/Interest Rate Swap

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo LIBOR+130 BPS \$156,750,000; 1-mo LIBOR+145 BPS \$179,315,000
Bond Amount Outstanding as of July 1, 2022	\$271,300,000
Insurer	FSA
Swap Counterparty	Merrill Lynch
Swap Notional Amount	\$271,300,000
Payment Terms	County pays 5.901%; Counterparty pays 100% 1-mo LIBOR
Est. Valuation (includes accrued interest)	Negative (\$35,713,176)
County Credit Rating Risk (threshold for termination event for swap agreement)	County must maintain two of three minimum ratings set forth below with respect to at least one issue of POBs or COPS: rated at or above Baa2 (Moody's), BBB (S&P) or BBB (Fitch)

COUNTY OF SACRAMENTO

Department of Airports Annual Report (Airport Enterprise Fund)

In accordance with the requirements of the Continuing Disclosure Certificates for the County of Sacramento Airport System Senior Revenue Bonds, Series 2008, 2009 and 2010, the Airport System Senior Revenue Refunding Bonds, Series 2016A, 2018A, 2018B, 2018C, and 2020, the Airport System Subordinate and PFC Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B, 2018D, 2018E, and 2018F, (collectively, the “Certificate”), the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2007-2008, and each ACFR thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The ACFR is filed with each National and State Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Department of Airports for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.
- (B) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
 - 4. Historical Enplaned Passengers – Exhibit 1
 - 5. Historical Aircraft Landed Weight – Exhibit 2
 - 6. Airlines’ Market Shares of Enplaned Passengers – Exhibit 3
 - 7. Statement of Revenues, Expenses and Changes in Net Position – Exhibit 4
 - 8. Airline and Nonairline Revenues – Exhibit 5
 - 9. Summary of Historical Revenues, Expenses and Debt Service Coverage – Exhibit 6

REPORTING OF MATERIAL EVENTS

On January 25, 2022, the County has defeased the 2023 and 2024 maturities of the Series 2020 Airport System Senior Bonds and Series 2018 Airport System Senior Bonds. Notices of defeasance for these Airport System Senior Bonds were filed on January 25, 2022.

On November 19, 2021, Standard & Poor’s Global Ratings (S&P) upgraded the Sacramento County Airport System Revenue Bonds, from “A” to “A+” for the senior lien bonds and from “A-” to “A” for the subordinate lien bonds. The outlook is now listed as Stable.

The above events were disclosed as material events when announced. No additional material events, as identified in Section 5 of the Certificate, have occurred for any of the outstanding bonds issued by Sacramento County and there is no knowledge on the part of the County of any impending material events that would require disclosure under the provisions of the Certificate.

COUNTY OF SACRAMENTO
Historical Enplaned Passengers - Last 10 Years
Fiscal Years ended June 30
Exhibit 1

Enplanements	2013 ²	2014 ²	2015	2016	2017	2018	2019	2020	2021	2022
Major and other airlines ¹	4,117,949	4,061,686	4,306,807	4,483,792	4,713,231	5,175,936	5,701,245	4,496,776	3,003,922	5,324,255
Regional airlines	301,596	314,551	321,790	459,393	484,953	585,650	597,202	444,264	206,242	469,477
Total	4,419,545	4,376,237	4,628,597	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732
Percent change from prior year	(1.35)%	(0.98)%	5.77 %	6.80 %	5.16 %	10.84 %	9.32 %	(21.55)%	(35.03)%	80.48 %

Source: Department of Airports statistics reports.

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

² FY 2013-2014 figures have been revised.

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

	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021	2022
Passenger airlines										
Major and other airlines ¹	4,799,438	4,693,297	4,782,686	4,890,000	5,182,816	5,731,091	6,243,996	5,503,729	4,097,086	5,999,400
Regional airlines	334,097	353,852	350,506	508,376	570,233	674,706	689,413	576,404	332,231	573,402
Subtotal	<u>5,133,535</u>	<u>5,047,149</u>	<u>5,133,192</u>	<u>5,398,376</u>	<u>5,753,049</u>	<u>6,405,797</u>	<u>6,933,409</u>	<u>6,080,133</u>	<u>4,429,317</u>	<u>6,572,802</u>
All cargo airlines	646,113	964,965	651,887	687,612	728,575	1,038,232	1,276,124	1,286,887	1,434,370	1,252,780
Total	<u>5,779,648</u>	<u>6,012,114</u>	<u>5,785,079</u>	<u>6,085,988</u>	<u>6,481,624</u>	<u>7,444,029</u>	<u>8,209,533</u>	<u>7,367,020</u>	<u>5,863,687</u>	<u>7,825,582</u>
Percent change from prior year	(2.16)%	4.02 %	(3.78)%	5.20 %	6.50 %	14.85 %	10.28 %	(10.26)%	(20.41)%	33.46 %

Source: Department of Airports records.

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

² FY 2013 figures have been revised.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Year Ended June 30
Exhibit 3

Page 1 of 2

	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021	2022
Percentage of Total Enplanements										
Major Airlines¹										
Southwest Airlines	52.10 %	52.60 %	53.1 %	51.8 %	51.5 %	53.2 %	53.3 %	51.8 %	49.9 %	51.5 %
United Airlines	8.30	8.40	7.6	10.1	9.9	9.9	10.7	9.1	9.8	10.4
Delta Air Lines ²	6.20	6.50	6.3	11.1	10.6	10.6	10.2	10.7	11.6	10.5
Alaska Airlines	5.30	5.30	6.2	8.4	8.1	8.1	7.9	6.3	3.8	6.0
US Airways	5.40	5.50	5.8							
American Airlines	5.50	5.50	5.3	12.2	13.0	12.0	10.7	10.1	11.9	9.4
Jet Blue Airlines	3.20	3.00	2.9	2.8	2.9	2.8	2.4	2.2	0.5	1.0
Horizon Airlines	2.70	2.60	2.3					1.8	3.0	1.6
Hawaiian Airlines	2.00	1.90	1.8	1.7	1.7	1.5	1.5	1.8	1.9	2.4
Frontier Airlines	1.50						0.8	1.2	2.3	1.9
Aeromexico	0.70	0.80	1.0	1.1	1.3	1.0	0.9	0.9	1.2	0.9
Air Canada							0.3	0.3		
Spirit							0.1	2.0	2.1	2.8
Sun Country							0.1	0.3		
Contour							0.1	0.3		
Volaris Airlines	0.30	0.60	0.8	0.8	1.0	0.9	1.0	1.2	2.0	1.6
Republic Airlines		0.10								
Regional Airlines³										
Skywest	6.80	7.20	6.1							
Mesa/Delta Connection			0.8							
Subtotal	100 %	100 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Department of Airports statistics reports.

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

2 Delta number includes Northwest beginning 2011.

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

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 10 Years
Fiscal Year Ended June 30
Exhibit 3

Page 2 of 2

	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ranking										
Major Airlines¹										
Southwest Airlines	1	1	1	1	1	1	1	1	1	1
American Airlines	5	5	7	2	2	2	2	3	2	4
Delta Air Lines ²	4	4	3	3	3	3	4	2	3	2
United Airlines	2	2	2	4	4	4	3	4	4	3
Alaska Airlines	7	7	4	5	5	5	5	5	5	5
US Airways	6	6	6							
Jet Blue Airlines	8	8	8	6	6	6	6	6	12	11
Horizon Airlines	9	9	9							9
Hawaiian Airlines	10	10	10	7	7	7	7	9	10	7
Frontier Airlines	11						10	10	7	8
Aeromexico	12	11	11	8	8	8	9	12	11	12
Air Canada							11	14		13
Spirit							12	7	8	
Sun Country							13	13	13	
Contour							14	15		
Boutique							15	16	14	14
Volaris Airlines	13	12	12	9	9	9	8	11	9	10
Swift Air									15	15
Seaport			13							
Virgin America	14									
Republic Airlines	15									
Regional Airlines³										
Skywest	3	3	5							
Mesa/Delta Connection			12							

Source: Department of Airports statistics reports.

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

² Delta number includes Northwest beginning 2011.

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

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

Page 1 of 2

	2013	2014 ¹	2015	2016	2017	2018	2019	2020	2021	2022
Operating revenue:										
Concessions	\$ 68,752,509	69,451,723	73,880,574	78,775,227	82,409,252	90,323,536	99,038,728	80,277,417	56,012,009	93,641,280
Building rents	61,114,151	61,119,198	61,887,092	65,012,503	66,066,673	60,059,320	58,504,461	69,725,164	57,906,467	64,390,549
Airfield charges	21,849,813	25,299,370	19,102,672	21,043,860	23,671,438	27,172,330	27,879,071	25,519,182	31,005,490	31,170,310
Ground leases	1,900,740	1,927,849	1,910,052	2,034,604	2,107,408	3,046,387	3,524,845	3,951,171	4,209,371	10,692,383
Sale of fuel	809,600	854,030	664,423	604,640	461,300	554,321	747,844	418,914	544,327	464,859
Airport services	4,819,705	331,277	798,098	1,000,679	949,129	498,253	380,200	617,198	403,387	919,883
Other	146,116	13,902	196,451	72,246	84,267	6,391	(4,148,559)	3,414	24,029	14,553
Total operating revenue	<u>159,392,634</u>	<u>158,997,349</u>	<u>158,439,362</u>	<u>168,543,759</u>	<u>175,749,467</u>	<u>181,660,538</u>	<u>185,926,590</u>	<u>180,512,460</u>	<u>150,105,080</u>	<u>201,293,817</u>
Operating expense:										
Salaries and benefits	36,149,138	30,302,735	27,021,772	26,842,856	30,372,684	33,422,424	34,463,798	40,599,630	44,608,558	35,393,935
Services and supplies	57,088,926	54,044,934	51,885,789	58,110,395	57,602,169	64,470,461	68,725,697	77,594,078	71,175,541	85,264,445
Cost of sales and services	641,268	648,940	509,938	431,554	361,608	499,671	680,942	558,780	493,926	861,995
Depreciation and amortization	51,673,862	54,204,762	53,531,817	50,565,547	52,011,580	52,013,372	52,647,894	52,842,238	54,892,487	55,649,935
Other	238,992	413,110	229,703	480,259	574,703	218,429	51,266	10,984,101	310,098	484,516
Total operating expense	<u>145,792,186</u>	<u>139,614,481</u>	<u>133,179,019</u>	<u>136,430,611</u>	<u>140,922,744</u>	<u>150,624,357</u>	<u>156,569,597</u>	<u>182,578,827</u>	<u>171,480,610</u>	<u>177,654,826</u>
Operating income (loss):	<u>13,600,448</u>	<u>19,382,868</u>	<u>25,260,343</u>	<u>32,113,148</u>	<u>34,826,723</u>	<u>31,036,181</u>	<u>29,356,993</u>	<u>(2,066,367)</u>	<u>(21,375,530)</u>	<u>23,638,991</u>
Nonoperating revenue (expense):										
Investment income (loss)	1,836,288	813,327	(54,853)	2,000,910	1,915,111	3,222,805	8,479,767	5,981,289	936,698	(2,474,652)
Passenger facility charges revenue	17,604,328	17,160,771	18,514,213	19,285,187	20,544,539	22,782,880	25,587,275	19,191,446	13,680,710	22,865,394
Customer facility charges revenue							1,269,420	5,840,576	3,233,524	5,066,535
Intergovernmental revenue	1,578,104	838,145	467,561	867,632	404,582	1,695,305	595,695	35,484,822	16,327,555	50,451,763
Gain (loss) on disposal of assets	44,886	(62,967)	141,167	(29,493)	260,372	369,892	(212,510)	(893,634)	67,175	105,558
Other nonoperating revenue (expense)	176,702	(32,690)	208,536	299,019	149,481	139,045	153,682	1,843,812	4,710,955	2,857,024
Amortization of bond issuance cost ¹	(703,026)	(405,146)	(405,146)	(405,146)	(388,175)	(313,653)	(25,902)	(25,902)	(24,220)	(23,337)
Interest expense	<u>(59,286,319)</u>	<u>(58,323,780)</u>	<u>(57,381,887)</u>	<u>(56,140,352)</u>	<u>(53,042,527)</u>	<u>(49,551,243)</u>	<u>(39,402,511)</u>	<u>(38,910,448)</u>	<u>(34,480,405)</u>	<u>(33,427,662)</u>
Net nonoperating revenue (expense)	<u>(38,749,037)</u>	<u>(40,012,340)</u>	<u>(38,510,409)</u>	<u>(34,122,243)</u>	<u>(30,156,617)</u>	<u>(21,654,969)</u>	<u>(3,555,084)</u>	<u>28,511,961</u>	<u>4,451,992</u>	<u>45,420,623</u>

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

Page 2 of 2

	<u>2013</u>	<u>2014¹</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Income (loss) before capital contributions and transfers	(25,148,589)	(20,629,472)	(13,250,066)	(2,009,095)	4,670,106	9,381,212	25,801,909	26,445,594	(16,923,538)	69,059,614
Capital contributions	54,969,536	9,421,605	11,456,573	11,368,943	15,534,748	3,279,101	11,421,118	20,520,520	5,668,571	7,552,491
Transfer out ²		(2,711,985)	(2,765,151)	(2,231,084)	(2,406,265)	(2,484,035)	(2,552,322)	(2,546,362)	(2,814,183)	(2,902,410)
Changes in net position	29,820,947	(13,919,852)	(4,558,644)	7,128,764	17,798,589	10,176,278	34,670,705	44,419,752	(14,069,150)	73,709,695
Total net position, beginning of year ³	<u>569,120,479</u>	<u>591,684,369</u>	<u>553,291,895</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>571,733,735</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>
Total net position, end of year	<u>\$ 598,941,426</u>	<u>577,764,517</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>573,660,604</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>	<u>720,641,015</u>

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

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

³ The beginning net positions for FY 2015 and 2018 have been restated to reflect the implementation of GASB Statement No. 68 and GASB Statement No. 75, respectively.

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

Page 1 of 2

	2016	2017	2018 ²	2019 ²	2020 ²	2021	2022
Airline Revenue							
Terminal building rents and fees	\$ 51,435,525	52,839,550	44,431,455	52,452,234	60,813,934	46,698,567	52,804,244
Aircraft parking fees	3,265,090	3,416,495	2,479,673	2,374,015	2,767,919	3,476,740	4,558,768
Loading bridge fees	3,387,186	2,922,392	1,673,891	1,580,825	1,595,724	1,394,900	2,105,216
Landing fees	20,811,054	23,677,390	26,790,520	26,843,659	27,388,248	30,911,283	31,069,803
Airlines revenue sharing			(4,163,064)	(10,660,522)			
Total Airline Revenue	<u>78,898,855</u>	<u>82,855,827</u>	<u>71,212,475</u>	<u>72,590,211</u>	<u>92,565,825</u>	<u>82,481,490</u>	<u>90,538,031</u>
Less cargo revenues	<u>2,541,996</u>	<u>2,966,959</u>	<u>4,321,249</u>	<u>5,263,448</u>	<u>6,123,700</u>	<u>9,031,621</u>	<u>5,821,439</u>
Passenger airline operating revenues	<u>\$ 76,356,859</u>	<u>79,888,868</u>	<u>66,891,226</u>	<u>67,326,763</u>	<u>86,442,125</u>	<u>73,449,869</u>	<u>84,716,592</u>
Enplaned passengers	4,943,185	5,198,184	5,761,586	6,298,447	4,941,040	3,210,164	5,793,732
Cost per Enplaned Passenger (CPE)	\$ 15.45	15.37	11.61	10.69	17.49	22.88	14.62
Nonairline Revenue							
Airfield area							
Commercial fees	\$ 29,320	-					
Other landing fees	61,668	56,359	-				
Fuel sales	877,125	737,132	1,060,702	1,489,918	1,475,151	1,552,406	1,898,107
Subtotal	<u>968,113</u>	<u>793,491</u>	<u>1,060,702</u>	<u>1,489,918</u>	<u>1,475,151</u>	<u>1,552,406</u>	<u>1,898,107</u>
Terminal building							
Food/beverage	4,156,648	4,662,410	4,873,267	5,655,423	4,842,511	3,430,125	3,878,105
Merchandise	2,203,245	2,323,964	2,372,005	2,483,578	2,317,653	2,182,660	1,755,446
Advertising	850,159	813,827	724,537	724,409	767,367	705,914	166,701
Telephones	380,803	394,664	409,439	404,196	428,162	439,319	30,251
Vending	407,224	445,267	434,162	327,444	377,124	375,411	291,434
Other terminal rents	1,389,435	1,422,993	2,016,294	1,759,039	1,798,162	1,590,343	1,796,290
Subtotal	<u>9,387,514</u>	<u>10,063,125</u>	<u>10,829,704</u>	<u>11,354,089</u>	<u>10,530,979</u>	<u>8,723,772</u>	<u>7,918,227</u>
Parking	<u>55,438,637</u>	<u>57,052,230</u>	<u>61,446,320</u>	<u>66,700,985</u>	<u>51,510,237</u>	<u>32,638,657</u>	<u>65,445,614</u>

Source: Airports financial statements.

¹ As defined in the Bond Indenture.

² Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

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

Page 2 of 2

	<u>2016</u>	<u>2017</u>	<u>2018 ²</u>	<u>2019 ²</u>	<u>2020 ²</u>	<u>2021</u>	<u>2022</u>
Other areas							
Autorentals	\$ 11,295,361	11,841,060	12,882,207	14,161,083	11,927,386	9,760,797	15,052,041
Autorental shuttle bus fees	3,073,675	3,577,686	4,420,013	4,667,613	4,990,880	5,166,015	4,413,678
Taxi/TNC	954,025	1,293,349	2,364,656	3,491,081	2,797,975	1,072,975	2,191,504
Tiedown and hangars	715,793	734,240	716,462	746,577	737,232	729,161	754,699
FBO rentals	91,461	92,460	92,334	92,334	95,860	75,988	94,486
Aviation ground leases	1,762,119	1,831,576	2,540,006	2,782,772	3,093,218	3,201,291	2,442,127
Other rentals/miscellaneous	4,817,517	4,705,159	3,931,754	4,186,758	4,259,218	4,216,467	10,001,953
Subtotal	<u>22,709,951</u>	<u>24,075,529</u>	<u>26,947,432</u>	<u>30,128,218</u>	<u>27,901,769</u>	<u>24,222,694</u>	<u>34,950,488</u>
Other revenue							
Service fees	1,000,679	949,129	498,253	380,200	418,914	403,387	464,859
Miscellaneous revenue	1,006,661	514,198	1,728,539	829,399	36,087,202	20,975,539	50,730,646
Subtotal	<u>2,007,340</u>	<u>1,463,327</u>	<u>2,226,792</u>	<u>1,209,599</u>	<u>36,506,116</u>	<u>21,378,926</u>	<u>51,195,505</u>
Total Non Airline Revenue	90,511,555	93,447,702	102,510,950	110,882,809	127,924,252	88,516,455	161,407,941
Interest income ¹	1,440,381	1,805,024	3,882,123	7,159,293	3,823,472	(555,647)	469,389
Total Non Airline Revenue	<u>\$ 91,951,936</u>	<u>95,252,726</u>	<u>106,393,073</u>	<u>118,042,102</u>	<u>131,747,724</u>	<u>87,960,808</u>	<u>161,877,330</u>

Source: Airports financial statements.

¹ As defined in the Bond Indenture.

² Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year settlement.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rate Covenant per Section 6.04 (b)(i)										
Revenues ¹	\$ 162,934,925	160,589,380	158,928,261	171,150,791	178,108,554	187,410,070	193,835,260	209,664,618	170,587,943	252,523,996
Operating expenses ²	(94,118,325)	(88,121,704)	(82,412,353)	(88,096,148)	(91,317,429)	(101,128,080)	(106,474,025)	(121,588,396)	(119,402,306)	(124,907,302)
Net revenues	68,816,600	72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694
Transfer (limited to 25%)	13,031,769	12,357,018	13,391,226	13,390,638	13,338,831	9,800,819	10,972,283	11,714,793	6,895,236	6,655,225
Net revenues + Transfer	\$ 81,848,369	84,824,694	89,907,134	96,445,281	100,129,956	96,082,809	98,333,518	99,791,015	58,080,873	134,271,919
Accrued debt service on senior obligations ³	\$ 52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900
Debt service coverage (>1.25)	1.57	1.72	1.68	1.80	1.88	2.45	2.24	2.13	2.11	5.04
Rate Covenant per Section 6.04 (b)(ii)										
Net revenues	\$ 68,816,600	72,467,676	76,515,908	83,054,643	86,791,125	86,281,990	87,361,235	88,076,222	51,185,637	127,616,694
Transfer (limited to 10%)	5,212,707	4,942,807	5,356,490	5,356,255	5,335,533	3,920,328	4,388,913	4,685,917	2,758,095	2,662,090
Net revenues + Transfers	\$ 74,029,307	77,410,483	81,872,398	88,410,898	92,126,658	90,202,318	91,750,148	92,762,139	53,943,732	130,278,784
Accrued debt service on senior obligations	\$ 52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900
Debt service on subordinate obligations	30,159,794	30,211,816	30,271,621	21,944,846	20,832,404	13,494,431	16,145,064	16,703,950	16,709,750	16,709,750
Less: PFC Revenues	(21,939,794)	(21,940,816)	(21,942,737)	(21,944,846)	(20,832,404)	(13,494,431)	(16,145,064)	(16,703,950)	(16,709,750)	(16,709,750)
Less: Available Grant Revenues	(8,220,000)	(8,271,000)	(8,328,884)							
Accrued debt service on sr. & sub. obligations	\$ 52,127,074	49,428,071	53,564,902	53,562,551	53,355,325	39,203,276	43,889,132	46,859,170	27,580,945	26,620,900
Debt Service Coverage (>1.10)	1.42	1.57	1.53	1.65	1.73	2.30	2.09	1.98	1.96	4.89

Note: The information presented in the above table reflects the definitions, conventions and debt service coverage calculation methodology set forth in the Master Indenture of Trust, approved by the Board of Supervisors and dated May 1, 2008, and under the terms of supplemental indentures.

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

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

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

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2018 through 2022**

On April 8, 2003, the Sacramento County Water Agency (Agency) entered into a Joint Exercise of Powers Agreement with Sacramento County to form the Sacramento County Water Agency Financing Authority (the Authority) for the purpose of facilitating the financing of acquisition and/or construction of real and personal property in and for the Agency. The Board of Directors of the Agency serves as the Authority's governing board. For financial reporting purposes, the Master Installment Purchase Contract between the Agency and the Authority has been eliminated.

The Authority is a blended component unit of the Sacramento County Water Agency. The Sacramento County Water Agency includes the Agency's Enterprise Fund, however, it includes more than one fund. All balances and transactions of the Authority are presented in the financial statements of the Agency Enterprise Fund.

This section is provided in accordance with the requirements of the Continuing Disclosure Certificate (the Certificate) for the Sacramento County Water Financing Authority Revenue Bonds Series 2007B, the Sacramento County Water Financing Authority Revenue Bonds Series 2019, the Sacramento County Water Financing Authority Revenue Bonds Series 2022A. The material provided under the Certificate is intended to meet or exceed the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The data tables provided herein apply to the 2007B, 2019, and 2022A issues.

This Bond Disclosure Section included within the Sacramento County's Annual Comprehensive Financial Report (ACFR) provides the information required by the Continuing Disclosure Certificate. The ACFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided, that if the Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (B) The Annual Report shall include an annual updating, to reflect results of the most recently completed fiscal year, of information of the type contained in the following tables contained in the Official Statement for the Series 2007B, Series 2019, and Series 2022A Bonds dated April 26, 2007, October 16, 2019, and February 1, 2022 respectively (the "Official Statement"). Projections do not have to be updated.
 - 1. Approximate number of connections to which the Agency delivered water - Exhibit 1
 - 2. Historical and Projected Monthly Service Fees - Exhibit 2
 - 3. Historical and Projected Impact & Connection Fees - Exhibit 3
 - 4. Annual Water Production Summary - Exhibit 4
 - 5. Water Service Accounts by Service Areas - Exhibit 5
 - 6. Zone 40 and 41 Service Areas Top Ten Customers - Exhibit 6
 - 7. Historical Operating Results - Exhibit 7

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2018 through 2022**

REPORTING OF SIGNIFICANT EVENTS

On November 10, 2021, S&P Global Ratings upgraded the Sacramento County Water Financing Authority's (Authority) Revenue Bonds, to "AA-" from "A+". At the same time, S&P Global Ratings assigned its "AA-" long-term rating to the Authority's \$81.2 million Water Infrastructure Finance and Innovation Act (WIFIA) loan. The outlook is stable.

On December 8, 2021, the Sacramento County Water Agency (Agency) entered into a WIFIA Credit Agreement, dated as of December 8, 2021 (WIFIA Credit Agreement), with the Sacramento County Water Financing Authority (Authority) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (WIFIA Credit Provider) and a Fourth Supplemental Installment Purchase Contract, dated as of December 8, 2021 (WIFIA Supplemental Contract), with the Authority. In connection with the execution and delivery of the WIFIA Credit Agreement and the WIFIA Supplemental Contract, the Authority entered into an Assignment Agreement, dated as of December 8, 2021 (Assignment Agreement) and, collectively with the WIFIA Credit Agreement and the WIFIA Supplemental Contract (WIFIA Financing Documents), with the WIFIA Credit Provider. The Agency and the Authority entered into the WIFIA Financing Documents to finance the costs of certain additions, betterments and improvements to the Agency's water system.

ADDITIONAL INFORMATION

The Certificate requires that the following information be updated annually:

Exhibit 1 - A table indicating the approximate number of connections to which the Agency delivered water.

Fiscal Year:	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Number of connections	55,178	56,137	57,541	58,890	60,004
Annual Percent Increase	1.3 %	1.7 %	2.5 %	2.3 %	1.9 %

**Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 40 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Monthly Rate:	\$ 28.80	28.80	28.80	28.80	28.80

**Exhibit 2 - Historical and Projected Monthly Service Fees
Zone 41 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Monthly Rate:	\$ 44.54	46.22	47.90	49.57	49.57

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2018 through 2022**

**Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 40 Impact Fees.**

Effective Date (Month-Yr)	Mar-18	Mar-19	Mar-18	Mar-21	Mar-22
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 16,651	16,962	17,601	17,985	19,535
Annual increase	3 %	2 %	4 %	2 %	9 %
Commercial Service (per acre)	\$ 9,486	9,663	10,027	10,245	11,128
Annual increase	3 %	2 %	4 %	2 %	9 %
Other Service (per acre)	\$ 1,838	1,872	1,942	1,984	2,155
Annual increase	3 %	2 %	4 %	2 %	9 %

**Exhibit 3 - Historical and Projected Impact & Connection Fees
Zone 41 Connection Fees.**

Effective Date (Month-Yr)	Mar-18	Mar-19	Mar-18	Mar-21	Mar-22
Connection Fee (per EDU)	\$ 376	376	376	376	376

Exhibit 4 - Annual Water Production Summary

Water Supply Production (In Acre Feet)	2018	2019	2020	2021	2022
Ground Water	21,086	19,821	22,299	29,212	24,649
Surface Water	17,570	18,761	20,119	17,832	18,116
Recycled Water	866	826	977	987	686
Total Production	39,522	39,408	43,395	48,031	43,451
Percentage Breakdown					
Ground Water	53 %	50 %	52 %	61 %	57 %
Surface Water	45 %	48 %	46 %	37 %	41 %
Recycled Water	2 %	2 %	2 %	2 %	2 %

Exhibit 5 - Water Service Accounts by Service Area

	2018	2019	2020	2021	2022
Zone 40 and Zone 41	51,579	52,530	53,933	55,262	56,364
Zone 40 but not within Zone 41	4,416	4,438	4,772	4,913	4,927
Zone 41 but not within Zone 40	3,599	3,607	3,608	3,628	3,640
Total	59,594	60,575	62,313	63,803	64,931

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2018 through 2022**

Exhibit 6 - Zone 40 and 41 Service Areas Top Ten Customers

Customer	Annual Water use Acre Feet (AF)	% of Total Water use
Elk Grove Unified School District	288	0.7 %
Sacramento Regional County Sanitation District	272	0.6 %
Bre Delta Industrial Sacramento Ltd Partnership	148	0.3 %
Cintas Sales Corporation	121	0.3 %
Aramark Uniform Services Inc.	121	0.3 %
Ragingwire Enterprise Solutions Incorporated	107	0.2 %
Federal Government	91	0.2 %
Cosumnes Community Services District	67	0.2 %
DS Properties 18 LP	46	0.1 %
Folsom Cordova Unified School District	44	0.1 %
Total	1,305	3.0 %

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2018 through 2022**

Exhibit 7 - Historical Operating Results

(amounts expressed in thousands)

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues:					
Operating revenues					
Water service charges	\$ 49,703	50,257	54,570	58,126	58,647
Charges for services	2,283	2,390	2,325	2,179	2,486
Development fees (2)	26,149	29,204	26,141	30,840	
Connection fees	734	502	507	483	633
Other	1,563	2,383	1,787	1,969	3,314
Total net operating revenues	<u>80,432</u>	<u>84,736</u>	<u>85,330</u>	<u>93,597</u>	<u>65,080</u>
Nonoperating revenues					
Total interest income	1,928	2,688	3,873	1,669	1,864
Less: interest earnings on reserves	<u>(1,188)</u>	<u>(1,204)</u>	<u>(1,191)</u>	<u>(1,198)</u>	<u>(1,212)</u>
Net interest income	740	1,484	2,682	471	652
Development fees (2)	-				42,890
Total nonoperating revenues	<u>740</u>	<u>1,484</u>	<u>2,682</u>	<u>471</u>	<u>43,542</u>
Total revenues	<u>81,172</u>	<u>86,220</u>	<u>88,012</u>	<u>94,068</u>	<u>108,622</u>
Adjusted annual revenues (1)	81,172	86,220	88,012	94,068	108,622
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	<u>27,169</u>	<u>27,521</u>	<u>29,156</u>	<u>32,456</u>	<u>34,159</u>
Net revenues (1)	<u>54,003</u>	<u>58,699</u>	<u>58,856</u>	<u>61,612</u>	<u>74,463</u>
Impact fee credits	<u>(3,494)</u>	<u>(3,561)</u>	<u>(2,396)</u>	<u>(2,467)</u>	<u>(1,720)</u>
Net revenue less impact fee credits	<u>50,509</u>	<u>55,138</u>	<u>56,460</u>	<u>59,145</u>	<u>72,743</u>
Debt service					
Debt service on 2007 Bonds	25,681	25,712	9,578	9,627	9,627
Debt service on 2019 bonds			14,771	13,666	13,656
Less interest earnings on reserve	<u>(1,188)</u>	<u>(1,204)</u>	<u>(1,191)</u>	<u>(1,198)</u>	<u>(1,207)</u>
Adjusted annual debt service	<u>24,493</u>	<u>24,508</u>	<u>23,158</u>	<u>22,095</u>	<u>22,076</u>
Debt service coverage (1)	2.20	2.40	2.54	2.79	3.37
Pay-as-you-go capital	<u>6,653</u>	<u>17,155</u>	<u>20,742</u>	<u>25,542</u>	<u>29,296</u>
Net cash flow of year's operations	<u>\$ 19,363</u>	<u>13,475</u>	<u>12,560</u>	<u>11,508</u>	<u>21,235</u>
Reserves end of year	<u>\$ 55,498</u>	<u>65,648</u>	<u>64,986</u>	<u>71,318</u>	<u>52,506</u>
Bond reserve account end of year	<u>\$ 25,713</u>	<u>25,713</u>	<u>22,892</u>	<u>22,892</u>	<u>22,892</u>

(1) Calculated in accordance with the Master Installment Purchase Contract

(2) Beginning FY2021-22 Zone 40 Development fees were reclassified from operating revenues to nonoperating revenue

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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2022**

