



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**BEN LAMERA  
DIRECTOR OF FINANCE**

**COUNTY OF SACRAMENTO  
STATE OF CALIFORNIA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Photo Credit:** Ulysses Simmons, Airports Operations Officer  
Airports

**The cover image captures a sunset over Terminal B at the Sacramento International Airport. The photo was taken at 7:27 p.m., around sunset, on September 18, 2018 from the top floor of the parking garage.**

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Fiscal Year Ended June 30, 2021**



**COUNTY OF SACRAMENTO**  
**STATE OF CALIFORNIA**

*Ben Lamera, Director of Finance*

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**COUNTY OF SACRAMENTO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## INTRODUCTORY SECTION

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**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 24, 2021

To the Citizens of Sacramento County  
Sacramento, California

Dear Citizens:

The Comprehensive Annual Financial Report (Annual Report) of the County of Sacramento (County) for the fiscal year ended June 30, 2021, 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, 2021, 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 Annual Report 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, 2020 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 - 21 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

**PROFILE OF SACRAMENTO COUNTY**

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

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

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

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

The County has a charter form of government. It is governed by a five-member Board of Supervisors (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., Sacramento County as legally defined), as well as all of its component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable.

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

### **ECONOMIC CONDITION AND OUTLOOK**

Despite initial concerns about the impact of the COVID-19 pandemic on County revenues, particularly those derived from sales taxes, FY2020-21 revenues performed much better than expected and additional revenue growth is budgeted for FY 2021-22, supported by the positive trends in the housing market and labor market described below. While the COVID-19 pandemic did not result in a negative impact to the County's revenues as originally anticipated, the County had and continues to have the need for increased expenditures as a result of the COVID-19 pandemic, both due to public health and other costs associated with the County's response to the emergency; however, additional State and Federal revenue has largely offset these costs, including significant support through the Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA). The County recognizes that the CARES Act and ARPA funding are one-time resources and, as such, should be identified primarily for one-time uses rather than for adding additional ongoing programs.

#### **Housing Market**

The U.S. Department of Commerce reported that housing starts in June 2021 increased 6.3% from May 2021 and were 29.1% above the June 2020 level. Permits for new construction, a sign of future demand, decreased 5.1% from May to June 2021 but were 23.3% above the June 2020 level.

Active listings declined 43.1% nationally over the last year, according to a report from Realtor.com, while the total inventory of unsold homes declined

by 20.3%. The median home price increased in June 2021 by 12.7% year-over-year nationally, and the typical home spent 37 days on the market in June 2021 compared to the average 72 days during June 2020. In California, median home prices are continuing to increase. A report from California Association of Realtors showed that in June 2021 the median home price was \$819,630, an increase of 30.9% over the prior year.

According to the Federal Reserve Bank of St. Louis, the House Price Index (HPI), a broad measure of movement of single-family property prices, in the Sacramento, Roseville, and Folsom Metropolitan Statistical Area (MSA) was 318.2 in January 2021, up from 291.5 in January 2020. Home prices in Sacramento County are also continuing to rise. According to a recent report from the California Association of Realtors, the median home price was \$525,000 as of June 2021, a 25.9% increase over the prior year.

In FY 2021-22, the County's gross assessed property value increased by 5.2%, following an increase of 6.0% in FY 2020-21. This is the ninth consecutive annual increase since FY 2012-13, for a total increase of 51.1%.

### **Labor Market**

The national unemployment rate decreased to 6.1% in June 2021, down from 10.5% in June 2020, reflecting recovery from the impact of COVID-19. The number of jobs added each month has been relatively strong, with non-farm employment rising by 5.9% in June compared to the prior year, with notable employment gains in the areas of leisure and hospitality, public and private education, professional and business services, retail trade, and other services.

According to a report by the Employment Development Department Labor Market Information Division, the unemployment rate in the Sacramento, Roseville, and Arden-Arcade MSA was 6.8% in June 2021, up from 6.2 percent in May 2021, but well below the 11.2% in June 2020. Between June 2020 and June 2021, total jobs in the region increased 4.8%, or 45,800 jobs, mainly in the areas of trade, transportation and utilities, government, construction, and leisure and hospitality.

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

Recognizing that expenditure and revenue decisions made in one year can have a significant effect on the resources that will be available to General Fund programs in future years, but also recognizing the difficulties in predicting future year economic and fiscal conditions, County staff prepares a General Fund Five-Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition under three different scenarios: a Baseline Forecast, that staff believes is the most realistic scenario to use for planning purposes, and More Pessimistic 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 2026-27 would be in the area of \$26 million. If this were to happen, budget reductions would likely be required, because there would be insufficient available fund balance to cover budgeted Net County Cost after FY 2022-23.
- Under the *More Pessimistic Scenario*, the projected unrestricted fund balance at the end of FY 2026-27 would be a negative \$177.2 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 probably as early as FY 2022-23
- Under the *More Optimistic Scenario*, the projected unrestricted fund balance at the end of FY 2026-27 would increase to approximately \$274.7 million.

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 of 2021 and identified capital and technology needs through FY 2025-26.

### **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% 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% 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% 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% of discretionary revenues and reimbursements.

The FY 2021-22 Adopted Budget complied with this policy by restoring General Reserves used to balance the budget in FY 2019-20 and FY 2020-21 and increasing General Reserves by 10% of the Available Fund Balance carry-forward, for a total increase of \$34 million.

### **MAJOR INITIATIVES**

In FY 2021-22, Sacramento County is implementing or continuing a number of initiatives:

**Homeless Services:** The FY 2021-22 Budget includes \$9.6 million to fund a robust street, shelter, and housing program designed to get people experiencing homelessness in the County into temporary and eventually permanent housing. This includes funding for two sanctioned encampment sites, each serving 100 people, four encampment teams, and additional staffing and services to coordinate encampment efforts and address the impact of homelessness in the County.

**Alternative Emergency Response to Persons Experiencing Mental Health Issues:** The County is budgeting \$12 million to implement a Mental Health Crisis Response System as an alternative to law enforcement response to emergency calls for service related to persons experiencing mental health issues. This will include operating a mental health crisis call center and crisis response team 24 hours a day, 7 days a week that would provide an alternative to Sheriff/police response throughout the County, except in the City of Sacramento.

**Corrections:** An additional \$6.8 million has been budgeted for continuing efforts to provide enhanced staffing and services in the County's jails in order to meet the County's obligations under the Mays consent decree related to conditions of confinement.

**Pre-Trial Programs:** The County continues the Pre-Trial Assessment and Monitoring Program in the Probation Department, with the goal of identifying detainees in the County's jails who can be safely monitored in the community pending trial, under conditions that will support their future appearance. Additionally, the FY 2020-21 Budget includes additional funding to support the Pretrial Support Project in the Public Defender's Office, with the goal of securing safe pretrial release. A combined \$5.6 million is budgeted for these pre-trial programs.

**DEPARTMENT FOCUS**

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. For FY 2020-21, we have selected the following activities:

**Human Assistance (DHA)**

- Veterans Services – In FY 2020, COVID-19 affected the traffic and operation of the County Veterans Services Office (CVSO). More veterans sought assistance from DHA’s CVSO as Veteran organizations and neighboring county Veterans offices closed. DHA’s CVSO team trained on remote technology capabilities within the California Department of Veterans Affairs system to facilitate uninterrupted service to our veterans. In FY 2021, the Veterans Services Office assisted more than 6,000 veterans, which culminated in the awarding of over \$2.8 million in cumulative recurring monthly payments and over \$2.1 million in one-time retroactive 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 devastating blow of the pandemic to persons residing unsheltered in the community as well as those residing in congregate shelter settings. In FY 2021, these efforts included Collaborating with City and Community Partners on the COVID-19 response for sheltering. This included expanding non-congregate shelter units in motels for single adults and families, providing isolation units for COVID-19 positive persons experiencing homelessness, and providing funding and technical support to congregate shelter sites to reduce the spread of the virus. DHA oversaw Project Roomkey and managed the operations of the four motels Sacramento County used for this effort. Approximately 1,250 persons were provided shelter during FY 2021 due to the pandemic.

**Health Services**

Public Health has been the lead agency for the COVID-19 pandemic response. The division successfully established 11 community testing sites, coordinated case investigation and contact tracing with multiple agencies, provided guidelines for business sectors, provided education to the public, collaborated with multiple agencies to provide support to individuals and communities impacted by COVID-19, and oversaw the vaccination effort, including running a mass vaccination site.

Clinic Services quickly adapted to telehealth services in order to continue serving their patients in a safer manner, and shifted internal supports to rapidly meet the needs of both the clinic and the Homeless Isolation Team. Despite COVID-19, the Clinic forged ahead with multiple projects including:

- Restarting Homeless services in a safer location;
- Start of the Foster Care clinic;
- Start of Care Coordination program to plug high risk emergency room/hospital utilizers with a doctor

Emergency Medical Services provided County-wide support during COVID-19, including the deployment of the County's Mobile Medical Shelter in multiple locations across multiple counties to increase the regional service capacity, and managing the distribution of over 10 million pieces of PPE.

- Coordinated the development and operations of five vaccination dispensing points.
- Tracked hospital volume trends related to pandemic delays and enacted a program to facilitate provider-hospital communication to reduce ambulance offload wait times.

**Environmental Management Department (EMD)**

- In response to COVID-19, the EMD:
  - Continued its additional efforts to assist businesses during the pandemic, including providing COVID-19 guidance information to comply with Public Health requirements and conducting over 13,000 COVID-19 field assessments by Environmental Health and Environmental Compliance

specialists. In an effort to reduce the spread of COVID-19 in businesses, Environmental Health staff conducted over 5,830 COVID-19 outreach and education phone surveys, and sent nearly 150,000 informative emails to regulated businesses.

- Provided support to Public Health during the COVID-19 pandemic through the creation of a messaging team that worked closely with the Public Health Officer to provide guidance and resource materials to regulated businesses and the public. EMD also provided 8 full-time staff to Public Health to work as contract tracers during the pandemic.
- The Environmental Compliance section developed and implemented the Sacramento Regional Solid Waste Authority (SWA) Organics Inspections program within the unincorporated County and the City of Sacramento in accordance with Senate Bill 1383, which established targets to achieve a reduction in the level of the statewide disposal of organic waste. The implementation of this program resulted in 3,645 organic inspections that were conducted alongside routine EMD inspections.
- EMD obtained Board approval to amend its fee schedule as codified in various sections of the Sacramento County Code, thereby establishing a five-year implementation of fees for full cost recovery for multiple services. This amendment was the result of a comprehensive fee and service level study and extensive multi-year outreach to stakeholders and regulated businesses.

### **Construction Management and Inspection**

- 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. Since approval, over 3 million square feet of industrial buildings have been introduced into the County building permit system (grading, foundation and building permits). The next step will be commercial development in and around the new interchange and the Metro Air Parkway 'spine' to Elkhorn Boulevard. Currently, development applications are in process for the vast majority of the MAP acreage south of West Elkhorn Boulevard. Infrastructure construction associated with the MAP fee program implementation is robust and is providing significant construction jobs.

### **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 2020-21 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2022.

#### **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. 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. 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 conducts public hearings on the budget and at the conclusion of the hearings makes a final determination thereon. The budget, which includes the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Proprietary Funds, is adopted no later than August 30. The Board may, by resolution, extend on a permanent basis or for a limited time, the date from August 30 to October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures. The following funds are not subject to the California Budget Act, thus do not have a legally adopted budget: 1) Inmate Welfare Special Revenue Fund; 2) Tobacco Securitization Authority of Northern California Debt Service Fund; and 3) Sacramento County Public Financing Authority Debt Service Fund.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled at the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board. During FY 2020-21, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments.

### **Cash Management**

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, washington supranationals, and U.S. Treasury and Agency investments. The average yield on investments during FY 2020-21 was 10.6598%. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 0.07%.

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**

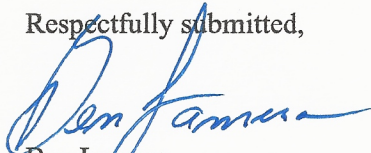
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its comprehensive annual financial reports for each of the last 32 fiscal years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which must conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Acknowledgments**

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

Respectfully submitted,



Ben Lamera  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Sacramento  
California**

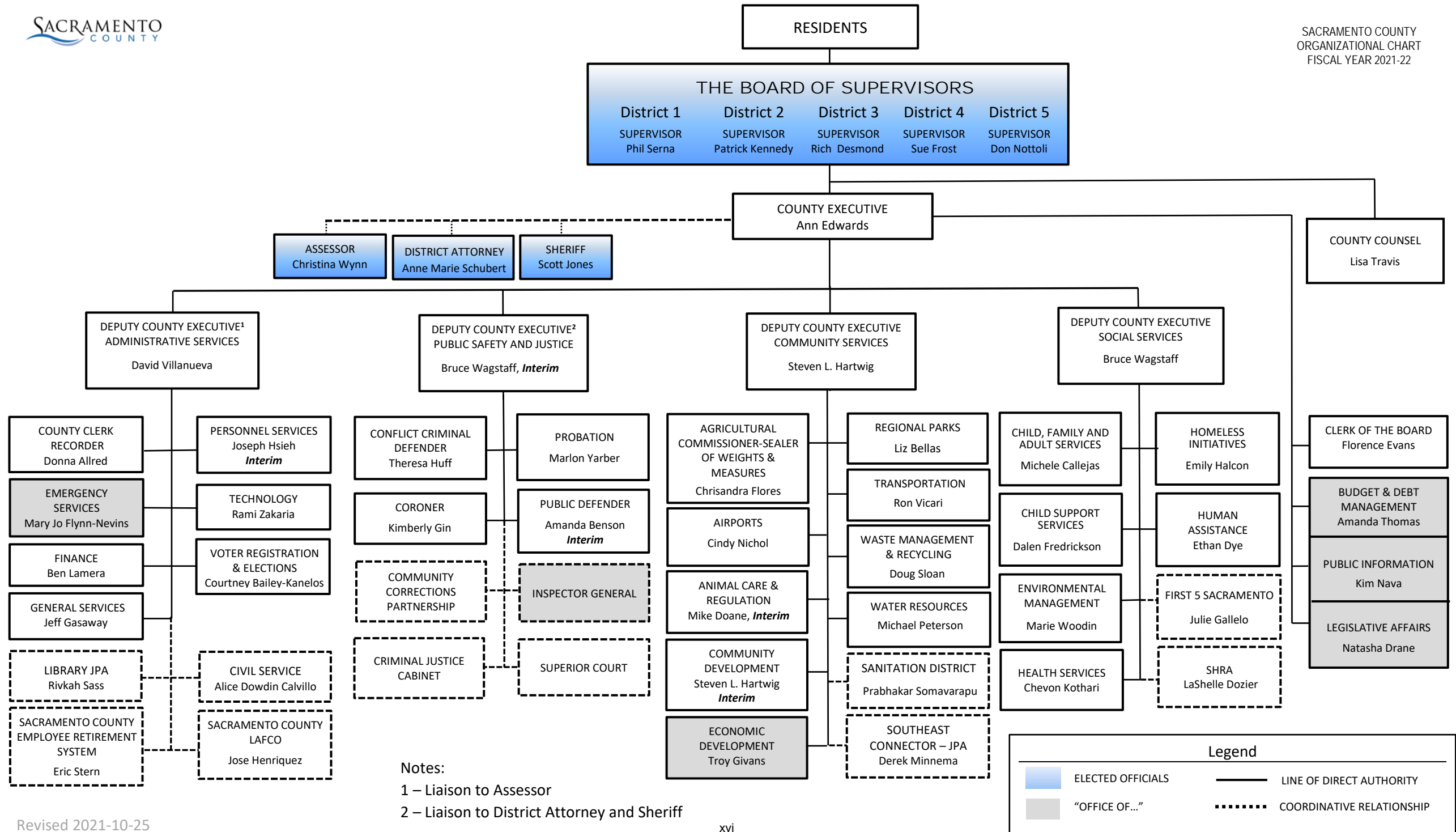
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO





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

**Legend**

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

**COUNTY OF SACRAMENTO  
LIST OF PUBLIC OFFICIALS  
JUNE 30, 2021**

ELECTED:

Board of Supervisors:

Phil Serna	District 1
Patrick Kennedy	District 2
Rich Desmond	District 3
Sue Frost, Chair	District 4
Don Nottoli, Vice 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 COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE**  
**COUNTY OF SACRAMENTO**

For the Fiscal Year Ended June 30, 2021

**ACKNOWLEDGEMENT**

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

**Ben Lamera, Director of Finance**  
**Joyce Renison, Assistant Auditor-Controller**  
**Mark Aspesi, Chief of Financial Reporting and Control**  
**Sean Stoyanowski, Senior Accounting Manager**  
**Richard Wan, Accounting Manager**  
**Jun Nguyen, Accounting Manager**  
**Greg Cundari, Senior Accountant**  
**Olga Bachylo, Senior Accountant**

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FINANCIAL  
SECTION**

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## Independent Auditor's Report

Honorable Board of Supervisors  
County of Sacramento, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (County), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sacramento County Employees' Retirement System (SCERS), a fiduciary component unit, which represents 73% of assets, 74% of fund balance/net position, and 14% of revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of



the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory section, statistical section, and bond disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, 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, flowing style.

Sacramento, California  
November 24, 2021

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## FINANCIAL SECTION

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

(dollar amounts expressed in thousands unless otherwise noted)

This section of the County of Sacramento's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2021. 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 FY 2020-21 by \$1,181,906 (net position). Of this amount, \$760,850 is restricted for specific purposes (restricted net position), and \$2,622,698 is the County's net investment in capital assets. The County's total net position increased by \$148,752 during the current fiscal year.
- As of June 30, 2021, the County governmental funds reported combined fund balances of \$994,484 for an increase of \$123,006, in comparison with the prior fiscal year. Total amounts available for spending include restricted, assigned, and unassigned fund balances, which totaled \$970,155 (97.6 percent), of the ending fund balance. Of this amount, \$710,404 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund increased \$98,351 to \$533,251, which equates to 20.5 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 \$204,828 or 7.9 percent of total General Fund expenditures. Unassigned fund balance was \$54,923 or 2.1 percent of total General Fund expenditures.
- The County's investment in capital assets increased by \$67,131 or 1.69 percent in comparison with June 30, 2020 balances.
- The County's total long-term obligations had a net decrease of \$148,324 in comparison with June 30, 2020 balances. This net decrease was comprised of a gross decrease of \$696,069 and a gross increase of \$547,745 in long-term obligation activities. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes, pension obligation bonds and compensated absences. The increase resulted primarily from the issuance of a Teeter note, capital leases, certificates of participation, revenue bonds refunding, and compensated absences.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Blended component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and/or that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One; Water Agency; Solid Waste Authority; Sunrise, Carmichael, and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (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 Authority 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 with 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; Laguna Creek Ranch/Elliott Ranch No. 1 Improvement Area No.1 and No.2; Metro Air Park CFD No. 1998-1; and etc.

Sacramento County First 5 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 41 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 and 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. The accounting used for fiduciary funds is the same that is used for proprietary funds. Fiduciary funds report the Pension Trust Fund, Investment Trust Funds, Private-Purpose Trust Funds and Custodial Funds.

The fiduciary fund financial statements can be found on pages 40 - 41 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 - 141 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 147 - 221 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 \$1,181,906 at the close of the most recent fiscal year (see Condensed Statement of Net Position and analysis on page 9).

In FY 2020-21, the balances in the statement of net position changed from the FY 2019-20 balances as follows: 1) Changes to Pension related items; 2) Governmental activities; 3) Business-type activities.

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 assets. The County's proportionate share of the SCERS NPL increased by \$546,450 in FY 2020-21 to \$2,389,783, primarily due to a change in actuarial assumptions, which were partially offset by the pension plan's investment returns. Deferred outflows and inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, differences between expected and actual experience, and also contributions to the plan made subsequent to the liability's measurement date. Deferred outflows of resources related to pensions increased by \$110,892 in FY 2020-21 to \$772,626. Deferred inflows of resources related to pensions decreased by \$202,394 in FY 2020-21 to \$28,510.

**Governmental activities** increased the County's net position by \$129,323, from \$(447,525) to \$(318,202) in the current fiscal year. The County's long-term liabilities (excluding pension and OPEB) decreased by \$106,035, capital assets increased by \$65,233, and current and other assets increased by \$342,983, of which \$150,000 relates to funding received from the American Recovery Plan Act. The County's increase in net pension related items totaled \$222,225 and total OPEB related items increased \$1,049. 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 \$19,429 to \$1,500,108 in the current fiscal year. See page 15 for additional comments on changes to proprietary funds net position.

Condensed Statements of Net Position  
June 30, 2021 and 2020  
(amount expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 1,866,707	1,523,724	614,443	616,124	2,481,150	2,139,848
Capital assets, net of depreciation	1,798,299	1,733,066	2,241,548	2,239,650	4,039,847	3,972,716
<b>Total assets</b>	<b>3,665,006</b>	<b>3,256,790</b>	<b>2,855,991</b>	<b>2,855,774</b>	<b>6,520,997</b>	<b>6,112,564</b>
<b>Deferred outflows of resources:</b>						
Accumulated decrease in fair value of SWAP agreement	73,869	98,343	67,818	89,190	141,687	187,533
Deferred amounts related to refundings	24,211	24,515	30,406	32,829	54,617	57,344
Deferred outflows - pensions	736,981	635,003	35,645	26,731	772,626	661,734
Deferred outflows - OPEB	25,657	10,365	1,370	472	27,027	10,837
<b>Total deferred outflows of resources</b>	<b>860,718</b>	<b>768,226</b>	<b>135,239</b>	<b>149,222</b>	<b>995,957</b>	<b>917,448</b>
<b>Liabilities:</b>						
Current and other liabilities	832,024	695,148	173,810	186,748	1,005,834	881,896
Long-term debt obligations	1,491,076	1,597,111	1,197,725	1,240,014	2,688,801	2,837,125
Net pension liability	2,287,164	1,771,181	102,619	72,152	2,389,783	1,843,333
Total OPEB liability	153,943	128,532	8,381	6,705	162,324	135,237
<b>Total liabilities</b>	<b>4,764,207</b>	<b>4,191,972</b>	<b>1,482,535</b>	<b>1,505,619</b>	<b>6,246,742</b>	<b>5,697,591</b>
<b>Deferred inflows of resources:</b>						
Deferred amounts related to refundings			5,031	4,154	5,031	4,154
Deferred inflows - pensions	28,057	219,837	453	11,067	28,510	230,904
Deferred inflows - OPEB	51,662	60,732	3,103	3,477	54,765	64,209
<b>Total deferred inflows of resources</b>	<b>79,719</b>	<b>280,569</b>	<b>8,587</b>	<b>18,698</b>	<b>88,306</b>	<b>299,267</b>
<b>Net position:</b>						
Net investment in capital assets	1,473,398	1,429,186	1,149,300	1,123,159	2,622,698	2,552,345
Restricted	662,416	609,131	98,434	95,800	760,850	704,931
Unrestricted	(2,454,016)	(2,485,842)	252,374	261,720	(2,201,642)	(2,224,122)
<b>Total net position (deficit)</b>	<b>\$ (318,202)</b>	<b>(447,525)</b>	<b>1,500,108</b>	<b>1,480,679</b>	<b>1,181,906</b>	<b>1,033,154</b>



**Net Position.** The largest portion of the County's net position totaling \$2,622,698, reflects its net investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment plus deferred outflows of resources less deferred inflows of resources related to debt, net of depreciation and less any related debt used to acquire those assets that is still outstanding). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The \$70,353, increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt. Capital asset additions, net of Construction in Progress transfers totaling \$265,220 were related primarily to infrastructure (roads and road improvements), building projects, and additions to equipment. The County recorded depreciation of \$196,486 against its assets in the current fiscal year.

Another significant portion of the County's net position totaling \$760,850 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 \$35,650, capital projects \$108,833, health and sanitation programs \$213,007, public protection \$100,748, public assistance \$49,969, passenger facility charges \$36,538, transportation programs \$112,407, economic development programs \$41,372, and general government programs \$23,049. The County's restricted net position increased by \$55,919 from the prior year restricted net position amount of \$704,931. The increase is primarily revenues related to Road and Roadway projects and the timing of related expenses.

The remaining balance of total net position, a negative \$2,201,642 is unrestricted. Unrestricted net position increased by \$22,480 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 \$148,752 during the current fiscal year, which results in an increase of 14.4 percent of total net position from prior year.

**Revenues.** When compared to the prior year, government-wide revenues increased approximately \$170,522 (4.8 percent). Program revenues decreased by \$(3,385) ((0.1) percent) mostly due to a decrease in operating grants and contributions of \$(38,138) ((2.4) 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 63.8 percent of the County's funding.

General revenues increased by \$173,907 (14.8 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 \$38,483 (7.2 percent), sales and use tax of \$6,743 (5.9 percent) and grants and contributions not restricted to specific programs revenue \$122,796 (34.9 percent). Total general revenues represent 36.2 percent of the County's funding.

**Expenses.** As a service delivery entity, the County's major cost component is salaries and benefits. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 217 FTEs from 12,448 in the prior year to 12,665 at June 30, 2021. When compared to the prior year, government-wide expenses increased \$130,602 (3.8 percent). The following functions provided the most significant increases in expenses in the current year: public protection \$60,817 (5.6 percent); and health and sanitation of \$102,260 (12.7 percent). These increases are due to changes in payroll costs, other postemployment benefits, pension related items, coupled with increased governmental funding in the fiscal year. The increase was offset by a decrease of \$33,843 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, 2021 and 2020  
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for service	\$ 444,384	386,057	363,879	368,398	808,263	754,455
Operating grants and contributions	1,511,575	1,531,492	19,706	37,927	1,531,281	1,569,419
Capital grants and contributions	30,828	33,580	11,128	27,431	41,956	61,011
General revenue:						
Taxes:						
Property	574,282	535,799			574,282	535,799
Transient occupancy	5,240	5,055			5,240	5,055
Sales and use	121,066	114,323			121,066	114,323
Unrestricted investment earnings	15,151	28,394	3,353	12,716	18,504	41,110
Grants and contributions not restricted to specific programs	474,453	351,657			474,453	351,657
Pledged tobacco settlement	16,650	20,931			16,650	20,931
Miscellaneous	141,114	108,527			141,114	108,527
Total revenues	<u>3,334,743</u>	<u>3,115,815</u>	<u>398,066</u>	<u>446,472</u>	<u>3,732,809</u>	<u>3,562,287</u>
Expenses:						
General government	195,548	193,085			195,548	193,085
Public assistance	709,042	688,348			709,042	688,348
Public protection	1,145,784	1,084,967			1,145,784	1,084,967
Health and sanitation	903,661	801,401			903,661	801,401
Public ways and facilities	137,447	171,290			137,447	171,290
Recreation and culture	41,593	49,902			41,593	49,902
Education	1,116	1,638			1,116	1,638
Interest and fiscal charges	78,271	94,672			78,271	94,672
Airports			204,996	209,392	204,996	209,392
Solid Waste			96,778	93,532	96,778	93,532
Water Agency			64,997	59,902	64,997	59,902
Parking Enterprise			2,279	2,649	2,279	2,649
County Transit			2,545	2,677	2,545	2,677
Total expenses	<u>3,212,462</u>	<u>3,085,303</u>	<u>371,595</u>	<u>368,152</u>	<u>3,584,057</u>	<u>3,453,455</u>
Changes in net position before transfers	122,281	30,512	26,471	78,320	148,752	108,832
Transfers	7,042	6,708	(7,042)	(6,708)		
Changes in net position	129,323	37,220	19,429	71,612	148,752	108,832
Net position (deficit), beginning of year	(447,525)	(484,745)	1,480,679	1,409,067	1,033,154	924,322
Net position (deficit), end of year	<u>\$ (318,202)</u>	<u>(447,525)</u>	<u>1,500,108</u>	<u>1,480,679</u>	<u>1,181,906</u>	<u>1,033,154</u>

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2021, the County's governmental funds reported combined fund balances of \$994,484, a increase of \$123,006 in comparison with the prior year's total ending fund balance of \$871,478. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

- *Nonspendable fund balance*, \$24,329, are amounts that are not in spendable form or are legally or contractually required to be maintained intact, and are made up of 1) inventory of \$1,461; 2) prepaid items of \$13,550; 3) long-term receivables/advances of \$1,509; 4) legally required Teeter Tax program loss reserves of \$7,063; and 5) Teeter Tax delinquencies of \$746.
- *Restricted fund balance*, \$710,404, 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 \$204,852; 2) capital projects of \$107,030; 3) public ways and facilities of \$110,332; 4) public protection of \$100,748; 5) debt service of \$57,733; 6) economic development of \$41,372; and 7) public assistance \$49,969.
- *Assigned fund balance*, \$204,828, represents amounts intended for use as determined by the County Board of Supervisors.

Approximately 97.6 percent, or \$970,155, of the total fund balances is considered spendable. With the exception of the nonspendable portion totaling \$24,329, \$710,404 is available for appropriation for restricted purposes, \$204,828 is assigned for County Board of Supervisors approved uses, and \$54,923 is unassigned.

The increase of \$123,006 in the governmental funds combined fund balance is attributable to an increase in the General Fund totaling \$98,351, special revenue funds totaling \$29,993 and \$4,940 in the capital project funds, offset by a decrease in debt service funds totaling \$10,278.

The General Fund is the principal operating fund of the County. The General Fund's total fund balance increased by 22.6 percent, or \$98,351, to \$533,251 at June 30, 2021. The nonspendable portion of fund balance was \$24,329, which is an increase of \$8,393 from the prior year balance of \$15,936 and the spendable portion was \$508,922, an increase of \$89,958 from the prior year spendable balance of \$418,964. General Fund revenues increased by \$163,161, while expenditures increased by \$144,490 when compared to FY 2019-20. 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 20.5 percent of total General Fund expenditures while spendable fund balance equates to 19.5 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$249,171, or 49.0 percent, is restricted.

**Other governmental funds:** The total fund balances of the remaining governmental funds increased 5.6 percent, or \$24,655, to \$461,233. Other governmental funds revenues increased by \$19,064, while expenditures increased by \$6,539. See analysis beginning below for significant changes in revenues and expenditures for other governmental funds.

Revenues for total governmental funds totaled \$3,297,164 in FY 2020-21, which represents an increase of \$182,225 or 5.9 percent from FY 2019-20.

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

Revenue by Source	FY 2021		FY 2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 700,588	21.25 %	655,177	21.03 %	45,411	6.93 %
Use of money and property	15,394	0.47 %	25,523	0.82 %	(10,129)	(39.69)%
Licenses and permits	86,176	2.61 %	65,511	2.10 %	20,665	31.54 %
Intergovernmental	1,977,677	59.98 %	1,925,701	61.83 %	51,976	2.70 %
Charges for sales and services	313,193	9.50 %	288,442	9.26 %	24,751	8.58 %
Fines, forfeitures and penalties	43,625	1.32 %	32,104	1.03 %	11,521	35.89 %
Pledged tobacco settlement	15,751	0.48 %	13,954	0.45 %	1,797	12.88 %
Contributions from property owners	4,007	0.12 %			4,007	100.00 %
Miscellaneous	140,753	4.27 %	108,527	3.48 %	32,226	29.69 %
<b>Total</b>	<b>\$ 3,297,164</b>	<b>100.00 %</b>	<b>3,114,939</b>	<b>100.00 %</b>	<b>182,225</b>	<b>5.85 %</b>

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

- Taxes increased \$45.4 million, of which the General Fund had an increase of \$38.7 million. The increase is primarily due to \$31.7 million increase in property tax revenue due to an increase in assessed property values and \$6.8 million in Sales/Use Taxes revenues due to increased spending during COVID-19.
- Use of money and property decreased by \$10.1 million primarily due to market conditions. The decrease is comprised of a decrease in the General Fund totaling \$0.5 million and \$9.6 million for other governmental funds. The County's pool rate of return decreased by 64.3 percent when compared to the rate of return in FY 2019-2020. For the General Fund, the decline in market conditions was offset by a significant increase in cash and investments relating to funding received from the American Rescue Plan Act.
- Intergovernmental increased \$52.0 million in FY 2020-21. Intergovernmental revenues for the General Fund increased by \$62.0 million and decreased by \$10.0 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: Mental Health Services Act \$44.2 million; Proposition 172 \$16.1 million; 1991 & 2011 Realignment \$23.4 million; and \$30.6 million in Emergency Rental Assistance Program. These increases were offset by a decrease in Emergency Funding provided by the U.S Treasury totaling \$35.0 million.
- Licenses and permits increased \$21.0 million, with nearly 100 percent of the increase relating to other governmental funds.

The increase is primarily due to permits issued relating to various roadway projects in FY 2020-21.

- Charges for sales and services increased by \$24.7 million. The increase is comprised of an increase of \$21.3 million in the General Fund and \$3.5 million in other governmental funds. The primary reasons for the increase in the General Fund is due to the following: \$2.8 million in increased revenues for recording fees from the Clerk Recorder office; \$9.9 million in increased charges relating to housing of inmates; \$5.7 million in increased pavement & road maintenance projects.
- Fines, forfeitures and penalties increased \$11.5 million. The increase is comprised of an increase in the General Fund totaling \$4.1 million and \$7.4 million for other governmental funds. The primary reason for the increase in other governmental funds is due to \$8.0 million in collections relating to delinquent proper tax bills in FY 2020-21. During the pandemic, the County has not seen any decline in collections relating to property taxes.
- Contributions from property owners increased by \$4.0 million due to a contribution in the North Vineyard Community Facilities District in FY 2020-21 relating to Special Assessment debt. There was no special assessment debt issued in FY 2019-20; 100% of the increase relates to other governmental funds.
- Miscellaneous revenues increased by \$32.2 million in FY 2020-21. The increase is comprised of an increase in the General Fund totaling \$37.2 million and a decrease in other governmental funds totaling \$5.0 million. The primary reasons in the General Fund are due to the following: \$7.4 million in miscellaneous child support recoveries; and \$13.5 million in child protective services.

Expenditures for governmental funds totaled \$3,205,420 in FY 2020-21, which represents an increase of \$151,029 or 4.9 percent from FY 2019-20.

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

Expenditures by Function	FY 2021		FY 2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 180,464	5.63 %	176,569	5.78 %	3,895	2.21 %
Public assistance	685,610	21.39 %	671,279	21.98 %	14,331	2.13 %
Public protection	1,007,918	31.45 %	971,533	31.81 %	36,385	3.75 %
Health and sanitation	871,488	27.19 %	778,957	25.50 %	92,531	11.88 %
Public ways and facilities	157,358	4.91 %	152,750	5.00 %	4,608	3.02 %
Recreation and culture	38,617	1.20 %	41,667	1.36 %	(3,050)	(7.32)%
Education	1,518	0.05 %	1,553	0.05 %	(35)	(2.25)%
Capital outlay	53,407	1.67 %	55,380	1.81 %	(1,973)	(3.56)%
Debt service:						
Principal	132,148	4.12 %	117,773	3.86 %	14,375	12.21 %
Interest and fiscal charges	74,200	2.31 %	86,930	2.85 %	(12,730)	(14.64)%
Bond issuance costs	2,692	0.08 %			2,692	
Total	<u>\$ 3,205,420</u>	<u>100.00 %</u>	<u>3,054,391</u>	<u>100.00 %</u>	<u>151,029</u>	<u>4.94 %</u>

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

- Public protection increased by \$36.4. The increase is comprised of an increase in the General Fund totaling \$36.7 million and a decrease in other governmental funds totaling \$0.3 million. The increase in the general fund is primarily due to 1) a \$21.2 million increase in salaries and benefits resulting from Cost of Living Adjustments (COLAs) and equity adjustments; and 2) a \$3.2 million increase in liability insurance costs.
- Health and sanitation increased by \$92.5 million. The increase is comprised of an increase in the General Fund totaling \$87.2 million and an increase in other governmental funds totaling \$5.3 million. The increase in the General Fund is primarily due to 1) a \$10.7 million increase in salaries and benefits resulting from COLAs and equity adjustments; 2) increase of \$23.5 million in provider payments; 3) increase of \$9.6 million in contributions made to local agencies; and 4) increase of \$42.5 million in various professional services due to COVID-19.

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

	FY 2021	FY 2020	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 199,160	182,066	17,094	9.39 %
Transfers out	(181,740)	(164,943)	(16,797)	10.18 %
Issuance of debt	25,131	20,639	4,492	21.76 %
Premiums on debt issued	38,224		38,224	
Refunding debt issued	263,207		263,207	
Payment to refunded bonds escrow agent	(312,720)		(312,720)	
Total other financing sources (uses)	<u>\$ 31,262</u>	<u>37,762</u>	<u>(6,500)</u>	<u>(17.21)%</u>

- 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: In FY 2020-21, the County and the Tobacco Authority issued the 2021 Tobacco Revenue Bonds, 2020 Certificates of Participation Bonds, and the 2020 Sunrise Recreation & Park District Certificates of Participation Bonds at a premium totaling \$301,431. No refunding debt was issued in FY 2019-20.
- Payment to refunded bonds escrow agent: The proceeds from the 2021 Tobacco Revenue Bonds were used to defease the 2005 Tobacco Revenue Bonds. The 2020 Certificates of Participation Bonds were used to defease the 2010 Certificates of Participation and 2007 Sunrise Recreation & Park District Certificates of Participation.

**Proprietary funds.** The County’s proprietary funds reported an increase in net position totaling \$16,650. The following provides an explanation of the operating and nonoperating activities that changed significantly over the prior year:

- Airport operating revenues decreased from \$169.8 million to \$150.1 million mostly due to decreased concessions revenue and decreased travel demand due to COVID-19 travel restrictions. Operating expenses stayed fairly consistent with prior year. Net nonoperating revenues decreased by \$24.0 million primarily due to a decrease of \$19.2 million in intergovernmental revenue, as Airports recognized the CARES Act award in the

previous year and a \$8.1 million decrease in combined passenger and customer facility charges. This is offset by nonoperating expenses decreasing by \$4.4 million due to a decrease in interest expense from the refunding of the 2010 bond series and defeasance of the 2021 and 2022 bond maturities at the end of fiscal year 2020.

- The Solid Waste operating income (loss) increased from an operating loss of \$10.0 million in FY 2019-20 to an operating loss of \$2.0 million in FY 2020-21, a net increase of \$8.0 million. Operating revenues increased by \$11.8 million mainly consisting of an increase in service charges of \$3.7 million and an increase in tipping fees of \$7.5 million. This is offset by a \$3.7 million increase in operating expenses primarily due to a \$2.9 million increase in personnel costs. Nonoperating revenues and expenses stayed fairly consistent from prior year.
- The Water Agency had its operating income increase from \$35.1 million in FY 2019-20 to \$39.7 million in FY 2020-21. Operating revenues increased by \$8.3 million due to a \$3.6 million increase from additional water retail accounts, an increase in monthly water rates and a \$4.7 million increase in development and commercial service fees. Operating expenses increased by \$3.7 million due to labor growth of \$1.3 million, and increased services and supplies expense due to the need to rent additional equipment related to COVID-19. Net nonoperating expenses increased by \$3.3 million mostly due a decrease in interest income of \$1.0 million from lower Treasury pool rates, a decrease in fair value adjustments for investments of \$1.2 million, offset by an increase to interest expense of \$1.3 million related to the 2019 SCWA bond.

The Internal Service Funds total net position increased by \$13.5 million. This is primarily due to the General Services Fund net position increase of \$8.7 million, primarily due to charges to County departments for future replacement of capital assets. There was also an increase of \$6.5 million in the Self-Insurance Funds, primarily due to the County becoming self-insured for dental claims.

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

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

	Major Enterprise Funds			Nonmajor Enterprise Funds		Totals	Internal Service Funds
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit		
Operating revenues	\$ 150,105	96,202	93,597	2,232	66	342,202	346,050
Operating expenses	(171,481)	(98,165)	(53,944)	(2,217)	(2,545)	(328,352)	(324,016)
Operating income (loss)	(21,376)	(1,963)	39,653	15	(2,479)	13,850	22,034
Nonoperating revenues (expenses)	4,452	1,280	(9,491)	(157)	2,630	(1,286)	1,837
Income (loss) before capital contributions and transfers	(16,924)	(683)	30,162	(142)	151	12,564	23,871
Transfers in (out)	(2,814)	(3,120)	(1,080)	(28)		(7,042)	(10,378)
Capital contributions	5,669		5,108		351	11,128	
Changes in net position	\$ (14,069)	(3,803)	34,190	(170)	502	16,650	13,493

The income before capital contributions and transfers of enterprise funds of \$12,564 resulted primarily from a net decrease for Airports of \$16,924, net increase for the Water Agency of \$30,162, and net decrease in Solid Waste of \$683.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget resulted in a \$375.8 million increase in expenditures. A majority of the increase is due to the rolling over of the FY 2019-20 Adopted Budget as the Original FY 2020-21 Budget, which did not include negotiated salary and benefit increases or other year-over-year cost increases. Additional increases are due to budgeting for costs resulting from COVID-19. Changes are briefly summarized as follows:

**General Government:** Increased by \$61.3 million primarily due to a \$68.3 million increase in Appropriation for Contingency resulting from sales tax revenues coming in higher than anticipated, as well as increases in litigation settlement costs, election costs and salary and benefit costs. These increases were partially offset by a decrease in Interagency Procurement costs and a reduction in debt service payments.

**Public Assistance:** Increased by \$74.0 million due to the addition of 130 positions, other salary and benefit costs increases, and implementation of programs in response to the COVID-19 pandemic, including the Emergency Rental Assistance Program, stimulus payments for child care providers, Housing for the Harvest, the Sacramento COVID-19 Homeless Response Plan and Project Roomkey.

**Public Protection:** Increased by \$77.8 million primarily due to a \$40.2 million increase in the Sheriff's budget related to additional contract services, additional staffing to address deficiencies in the jails, and costs associated with body-work cameras; an increase in the District Attorney budget and \$2.1 million in the Public Defender budget, primarily due to increased salary and benefit costs; a \$16.2 million increase in Probation due to salary and benefit costs and COVID-19 related transactions; a \$3.9 million increase in Correctional Health to address deficiencies in the jails; and increases in realignment expenditures resulting from higher than anticipated sales tax revenue.

**Health and Sanitation:** Increased by \$161.6 million due to a \$104.6 million increase in Health Services resulting primarily from COVID-19 related expenditures and increased salary and benefit costs; a \$20.8 million increase in costs for the In Home Supportive Services program; and a \$45.6 million expansion of services funded by the Mental Health Services Act. These increases were partially offset by adjustments in other budget units.

Actual revenues for the General Fund were \$75.7 million less than the final budgetary estimates. The lower actuals of revenues is due primarily to \$125.5 million less in intergovernmental revenues than budgeted, caused by reduced caseloads, program implementation timelines and difficulty filling positions resulting in fewer eligible expenditures for reimbursement. These lower actuals are partially offset by \$23.9 million increase in taxes revenue; a \$12.7 increase in charges for services, primarily in the Sheriff's Office, Clerk-Recorder's Office, and the Golf Fund; and \$9.7 million in higher miscellaneous revenues, primarily related to cost settlements and other reimbursement recoveries.

Actual expenditures were \$412.5 million less than budgetary estimates. Expenditures less than budget were primarily due to reduced public assistance \$124.8 million, health and sanitation of \$122.2 million, general government of \$90.0 million, and public protection of \$71.1 million program costs resulting primarily from the timing of program implementations; difficulty filling positions and receiving supplies due to COVID-19; the inability to provide certain services due to the pandemic; and reductions in caseloads. Additionally, there were miscellaneous decreases 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, 2021, amounted to \$4,039,847, net of accumulated depreciation. This investment in capital assets includes land and easements, computer software and other intangibles, water facility rights, infrastructure, building and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current year was 1.69 percent.

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

Schedule of Capital Assets  
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease) Percent of Change
	2021	2020	2021	2020	2021	2020	
<b>Nondepreciable:</b>							
Land	\$ 134,615	134,485	135,737	135,719	270,352	270,204	0.05 %
Construction in progress	37,832	39,314	103,769	92,798	141,601	132,112	7.18 %
Permanent easement	17,661	15,719	57	57	17,718	15,776	12.31 %
Water facility rights			198,306	197,202	198,306	197,202	0.56 %
Other intangibles			1,904	1,904	1,904	1,904	0.00 %
Intangible assets under project	66	66			66	66	0.00 %
<b>Depreciable:</b>							
Buildings and improvements	370,432	382,240	1,581,329	1,596,975	1,951,761	1,979,215	(1.39)%
Infrastructure	1,139,229	1,066,665	171,124	164,743	1,310,353	1,231,408	6.41 %
Equipment	97,129	92,471	48,221	48,998	145,350	141,469	2.74 %
Computer software	1,335	2,106	334	462	1,669	2,568	(35.01)%
Water facility rights			767	792	767	792	(3.16)%
<b>Total</b>	<b>\$ 1,798,299</b>	<b>1,733,066</b>	<b>2,241,548</b>	<b>2,239,650</b>	<b>4,039,847</b>	<b>3,972,716</b>	<b>1.69 %</b>

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

- **Buildings and improvements:** Decreased in total by approximately \$27.5 million. For Governmental activities this is due to increases in completed projects in the governmental funds of \$13.5 million, including \$2.6 million for security upgrades and to replace a fuel storage tank under the administrative building at 700 H Street, \$2.4 million in replacements and upgrades to the Paul F. Hom Primary Care Facility at Stockton Blvd. and Broadway, \$1.5 million for roofing replacements on various facilities at the Rio Consumnes Correctional Center, \$1.3 million for Phase I of the redevelopment of Gibbons Park in Carmichael, and \$5.7 million in other various projects throughout the County. For business-type activities Airports capitalized \$23.2 million in project costs including \$6.9 million to rehabilitate jet bridges at Terminal A, \$5.8 million for Phase II of the East Taxiways project, \$5.4 million on the Runway 16R/34L Rehabilitation, \$3.5 million for the Terminal A Security Checkpoint Expansion and ceiling replacement, and \$1.6 million in various projects. Solid Waste completed \$24.3 million in project costs for the Kiefer Landfill Liner and other ancillary projects. The Water Agency Enterprise Fund concluded \$7.3 million in structural improvements.

The increases were offset by depreciation of \$25.2 million in governmental activities, \$51.2 million in Airports, \$4.9 million in Solid Waste, and \$15.3 million in the Water Agency Enterprise Fund.

- Infrastructure: increased in total by approximately \$78.9 million. This is primarily due to increases in completed projects funded by the Road Fund of \$122.7 million, which included \$47.6 million of 1911 Improvement Act bond roadway expenses. These roadway costs incurred included the following community facility districts: Florin Vineyard, Vineyard Roadways, and Metro Air Park. These increases were offset by depreciation of \$59.6 million in governmental activities.
- Construction in progress: increased in total by approximately \$9.5 million. This is primarily due to a combination of decreases due to governmental fund projects being completed and project cost capitalized to building and improvements, and infrastructure of \$21.9 million, as well as other projects being capitalized to building and improvements, and infrastructure for Airports of \$12.4 million and the Water Agency Enterprise Fund for \$14.7 million. Increases from construction projects were \$23.3 million for governmental funds, \$17.6 million for Airports, \$2.8 million for Solid Waste, and \$28.2 million for the Water Agency Enterprise Fund

Additional information on the County's capital assets can be found in Note 5 on pages 90 - 92.

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 \$22.6 million in agreements related to the construction of capital projects at June 30, 2021. 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. Total commitments can be found in Note 12 on page 116.

**Debt Administration.** At June 30, 2021, the County’s governmental activities had long-term obligations, totaling \$1.5 billion. Of this amount, \$129.7 million are certificates of participation, \$284.2 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 \$4.7 million, and \$76.8 million as litigation liability. Other significant long-term obligations include \$22.5 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), \$712.8 million in pension obligation bonds, and \$48.0 million associated accreted interest for pension obligation bonds. In addition, compensated absences amounted to \$141.7 million, capital lease obligations were \$22.5 million, and a net premium/discount of \$45.4 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 \$851.7 million of Airports and Water Agency revenue bonds; \$337.7 million relating to revenue bond premiums, Airports PFC and subordinate debt, and Sacramento County Water Agency reimbursement agreements and water rights. More detail of the Airport 2020 Refunding Series can be found in Note 8 on pages 97 - 109.

For the fiscal year ended June 30, 2021, the County’s total long-term obligations had a net decrease of \$148.3 million. The net decrease is primarily a result of scheduled principal retirements of revenue bonds and associated accreted interest in the amount of \$89.5 million, a net decrease in pension obligation bonds and associated accreted interest in the amount of \$88.7 million, a litigation liability payment of \$5.3 million, and a net decrease in certificates of participation of \$19.6 million. The decreases were offset by a \$50.3 million increase related to unamortized amounts and an increase in compensated absences of \$9.7 million.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2021	2020	2021	2020	2021	2020	Amount	Percent
<b>Governmental activities:</b>								
Compensated absences	\$ 141,661	132,657	8,364	7,620	150,025	140,277	9,748	6.95 %
Certificates of participation	129,661	149,305			129,661	149,305	(19,644)	(13.16)%
Teeter notes	22,523	21,131			22,523	21,131	1,392	6.59 %
Pension obligation bonds	712,785	791,614			712,785	791,614	(78,829)	(9.96)%
Accreted interest	47,960	57,816			47,960	57,816	(9,856)	(17.05)%
Revenue bonds	284,217	291,992	851,669	898,455	1,135,886	1,190,447	(54,561)	(4.58)%
Accreted interest	4,731	39,711			4,731	39,711	(34,980)	(88.09)%
Other long-term debt	2,838	691			2,838	691	2,147	310.71 %
Litigation liability	76,825	82,080			76,825	82,080	(5,255)	(6.40)%
Capital lease obligations	22,503	23,652			22,503	23,652	(1,149)	(4.86)%
Unamortized amounts								
Issuance premiums	47,350	11,687	115,228	103,860	162,578	115,547	47,031	40.70 %
Issuance discounts	(1,978)	(5,225)			(1,978)	(5,225)	3,247	(62.14)%
PFC and subordinate revenue bonds			220,095	225,575	220,095	225,575	(5,480)	(2.43)%
Reimbursement agreements			1,966	3,342	1,966	3,342	(1,376)	(41.17)%
Water rights - SMUD assignment			403	1,162	403	1,162	(759)	(65.32)%
	<u>\$ 1,491,076</u>	<u>1,597,111</u>	<u>1,197,725</u>	<u>1,240,014</u>	<u>2,688,801</u>	<u>2,837,125</u>	<u>(148,324)</u>	<u>(5.23)%</u>

On July 30, 2020 S&P Global Ratings downgraded 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 Negative. Additional information regarding the County's long-term debt can be found in Note 8 starting on page 97.

### **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 2021-22 in the amount of \$522,232, are projected to increase over the FY 2020-21 Adopted Budget by \$27,402 (5.5%). The FY 2021-22 projection is a \$25,917 (5.2%) increase over FY 2020-21 actual levels.
- Sales and use tax revenue budgeted for FY 2021-22 in the amount of \$102,008 is projected to decrease from the FY 2020-21 Adopted Budget by \$15,569 (18.0%). The FY 2020-21 projection is a \$20,017 (16.4%) decrease from the FY 2020-21 actual levels.
- Utility user tax revenue budgeted for FY 2021-22 in the amount of \$20,500 is projected to increase from the FY 2020-21 Adopted Budget by \$1,400 (7.3%). The FY 2021-22 projection is a \$268 (1.3%) increase from the FY 2020-21 actual level.
- Proposition 172 revenue budgeted for FY 2021-22 in the amount of \$146,537 is projected to decrease from the FY 2020-21 Adopted Budget by \$30,485 (26.3%). The FY 2021-22 projection is a \$1,418 (1.0%) increase from the FY 2020-21 actual level.
- Non-CalWORKS Realignment revenue budgeted for FY 2021-22 in the amount of \$567,803 is projected to increase from the FY 2020-21 Adopted Budget by \$109,282 (23.8%). The FY 2021-22 projection is a \$41,158 (7.8%) increase from the FY 2020-21 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 \$150 million of American Rescue Plan Act (ARPA) funding not expended at June 30, 2021. ARPA funding will be expended on qualifying purposes in future years.

### **Request for Information**

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

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## FINANCIAL SECTION

### BASIC FINANCIAL STATEMENTS

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**COUNTY OF SACRAMENTO  
GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
JUNE 30, 2021  
(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	\$ 1,438,093	339,712	1,777,805	24,916
Restricted cash and investments		25,211	25,211	
Receivables, net of allowance for uncollectibles:				
Billed	57,855	31,501	89,356	
Interest	2,751	1,148	3,899	
Intergovernmental	283,074	5,403	288,477	1,736
Prepaid items	17,224	284	17,508	
Internal balances	(42,111)	42,111		
Inventories	2,842	812	3,654	
Total current assets	<u>1,759,728</u>	<u>446,182</u>	<u>2,205,910</u>	<u>26,652</u>
Noncurrent assets:				
Restricted assets		167,862	167,862	
Loan receivable from County Successor Agency	55,879		55,879	
Loan receivable from City Successor Agency	5,713		5,713	
Long-term receivables	42,088		42,088	
Prepaid bond insurance	3,299	399	3,698	
Capital assets:				
Land and other nondepreciable assets	190,174	439,773	629,947	
Buildings & improvements, infrastructure, equipment and intangibles, net	1,608,125	1,801,775	3,409,900	
Total capital assets, net	<u>1,798,299</u>	<u>2,241,548</u>	<u>4,039,847</u>	
Total noncurrent assets	<u>1,905,278</u>	<u>2,409,809</u>	<u>4,315,087</u>	
Total assets	<u>3,665,006</u>	<u>2,855,991</u>	<u>6,520,997</u>	<u>26,652</u>
Deferred outflows of resources:				
Accumulated decrease in fair value of SWAP agreement	73,869	67,818	141,687	
Deferred amounts related to refunding	24,211	30,406	54,617	
Deferred outflows related to pensions	736,981	35,645	772,626	876
Deferred outflows related to OPEB	25,657	1,370	27,027	18
Total deferred outflows of resources	<u>860,718</u>	<u>135,239</u>	<u>995,957</u>	<u>894</u>
Total assets and deferred outflows of resources	<u>4,525,724</u>	<u>2,991,230</u>	<u>7,516,954</u>	<u>27,546</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, 2021  
(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	\$ 23,759	3,248	27,007	2,473
Accrued liabilities	147,921	33,895	181,816	
Intergovernmental payable	44,076	31	44,107	1,730
Accrued interest payable	16,934		16,934	
Current portion of insurance claims payable	44,920		44,920	
Current portion of long-term debt obligations	142,884	17,210	160,094	30
Current liabilities payable from restricted assets		19,506	19,506	
Unearned revenues	267,882	4,776	272,658	
Total current liabilities	<u>688,376</u>	<u>78,666</u>	<u>767,042</u>	<u>4,233</u>
Noncurrent liabilities:				
Insurance claims payable	212,663		212,663	
Long-term debt obligations	1,348,192	1,180,515	2,528,707	269
Derivative instrument liability	73,869	67,818	141,687	
Landfill closure and postclosure care		44,536	44,536	
Net pension liability	2,287,164	102,619	2,389,783	2,532
Total OPEB liability	153,943	8,381	162,324	144
Total noncurrent liabilities	<u>4,075,831</u>	<u>1,403,869</u>	<u>5,479,700</u>	<u>2,945</u>
Total liabilities	<u>4,764,207</u>	<u>1,482,535</u>	<u>6,246,742</u>	<u>7,178</u>
Deferred inflows of resources:				
Deferred inflows related to refunding		5,031	5,031	
Deferred inflows related to pensions	28,057	453	28,510	140
Deferred inflows related to OPEB	51,662	3,103	54,765	65
Total deferred inflows of resources	<u>79,719</u>	<u>8,587</u>	<u>88,306</u>	<u>205</u>
Total liabilities and deferred inflows of resources	<u>4,843,926</u>	<u>1,491,122</u>	<u>6,335,048</u>	<u>7,383</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, 2021  
(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	\$ 1,473,398	1,149,300	2,622,698	
Restricted for:				
Bond reserves		35,650	35,650	
Landfill closure		10,420	10,420	
Kiefer Wetlands Preserve		1,077	1,077	
Debt service		372	372	
Capital projects	107,011	1,822	108,833	
General government	23,049		23,049	
Passenger facility charges		36,538	36,538	
Customer facility charges		9,493	9,493	
Public protection	100,748		100,748	
Public assistance	49,969		49,969	
Health and sanitation programs	213,007		213,007	
Transportation	111,374	1,033	112,407	
Lighting and landscape maintenance	4,122		4,122	
Economic development	41,372		41,372	
Other	11,764		11,764	
Nonexpendable		2,029	2,029	
Unrestricted	(2,454,016)	252,374	(2,201,642)	20,163
Total net position (deficit)	<u>\$ (318,202)</u>	<u>1,500,108</u>	<u>1,181,906</u>	<u>20,163</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, 2021  
(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	\$ 195,548	114,780	13,304		(67,464)	(67,464)	
Public assistance	709,042		670,542		(38,500)	(38,500)	
Public protection	1,145,784	176,185	125,612	2,566	(841,421)	(841,421)	
Health and sanitation	903,661	36,783	652,367	2,007	(212,504)	(212,504)	
Public ways and facilities	137,447	102,909	49,930	26,255	41,647	41,647	
Recreation and culture	41,593	13,727	(180)		(28,046)	(28,046)	
Education	1,116				(1,116)	(1,116)	
Interest and fiscal charges	78,271				(78,271)	(78,271)	
Total governmental activities	<u>3,212,462</u>	<u>444,384</u>	<u>1,511,575</u>	<u>30,828</u>	<u>(1,225,675)</u>	<u>(1,225,675)</u>	
Business-type activities:							
Airport	204,996	171,773	16,327	5,669		(11,227)	(11,227)
Solid waste	96,778	96,211	524			(43)	(43)
Water agency	64,997	93,597	234	5,108		33,942	33,942
Parking enterprise	2,279	2,232				(47)	(47)
County transit	2,545	66	2,621	351		493	493
Total business-type activities	<u>371,595</u>	<u>363,879</u>	<u>19,706</u>	<u>11,128</u>		<u>23,118</u>	<u>23,118</u>
Total primary government	<u>\$ 3,584,057</u>	<u>808,263</u>	<u>1,531,281</u>	<u>41,956</u>	<u>(1,225,675)</u>	<u>23,118</u>	<u>(1,202,557)</u>
Component unit:							
First 5 commission	<u>\$ 20,884</u>		<u>17,698</u>				<u>(3,186)</u>
General Revenues:							
Taxes:							
Property taxes					574,282	574,282	
Transient occupancy					5,240	5,240	
Sales/Use taxes					121,066	121,066	
Unrestricted investment earnings					15,151	3,353	18,504
Grants and contributions not restricted to specific programs					474,453	474,453	(43)
Pledged tobacco settlement					16,650	16,650	
Miscellaneous					141,114	141,114	
Transfers					7,042	(7,042)	
Total general revenues and transfers					<u>1,354,998</u>	<u>(3,689)</u>	<u>1,351,309</u>
Changes in net position					129,323	19,429	148,752
Net position (deficit), beginning of year					(447,525)	1,480,679	1,033,154
Net position (deficit), end of year					<u>\$ (318,202)</u>	<u>1,500,108</u>	<u>1,181,906</u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021  
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
<b>Assets:</b>			
Cash and investments	\$ 677,512	454,177	1,131,689
Receivables, net of allowance for uncollectibles:			
Billed	46,618	10,952	57,570
Interest	1,656	1,080	2,736
Intergovernmental	269,726	12,953	282,679
Prepaid items	13,550		13,550
Inventories	1,461		1,461
Loan receivable from County Successor Agency		55,879	55,879
Loan receivable from City Successor Agency		5,713	5,713
Long-term receivables	10,417	31,553	41,970
<b>Total assets</b>	<b>\$ 1,020,940</b>	<b>572,307</b>	<b>1,593,247</b>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>			
<b>Liabilities:</b>			
Warrants payable	\$ 14,854	4,876	19,730
Accrued liabilities	114,148	24,387	138,535
Intergovernmental payable	35,436	8,611	44,047
Unearned revenues	260,318	1,843	262,161
Long-term advances from other funds	5,096		5,096
<b>Total liabilities</b>	<b>429,852</b>	<b>39,717</b>	<b>469,569</b>
Deferred inflows of resources:			
Unavailable revenues	57,837	71,357	129,194
<b>Fund balances:</b>			
Nonspendable	24,329		24,329
Restricted	249,171	461,233	710,404
Assigned	204,828		204,828
Unassigned	54,923		54,923
<b>Total fund balances</b>	<b>533,251</b>	<b>461,233</b>	<b>994,484</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,020,940</b>	<b>572,307</b>	<b>1,593,247</b>

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

**COUNTY OF SACRAMENTO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**  
**(amounts expressed in thousands)**

Fund balances - total governmental funds	\$ 994,484
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,721,393
Accrued interest payable is not reported in the funds.	(16,934)
Prepaid bond insurance of the governmental activities are not current financial resources and, therefore are not reported in the funds.	3,299
Long-term liabilities and related deferred outflows of resources including accumulated decrease in fair value of SWAP agreement and the deferred loss 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.	(1,438,924)
Other long-term assets are not available to pay for current period expenditures, therefore are reported as deferred inflows of resources in the funds.	129,194
Net pension liability including related deferred outflows and inflows of resources are not reported in the funds.	(1,490,993)
Total OPEB liability including related deferred outflows and inflows of resources are not reported in the funds.	(167,981)
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 certain internal service funds are included in governmental activities in the statement net position.	<u>(51,740)</u>
Net position (deficit) of governmental activities	<u><u>\$ (318,202)</u></u>

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

**COUNTY OF SACRAMENTO  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 649,915	50,673	700,588
Use of money and property	9,959	5,435	15,394
Licenses and permits	11,529	74,647	86,176
Intergovernmental	1,879,169	98,508	1,977,677
Charges for sales and services	152,713	160,480	313,193
Fines, forfeitures and penalties	26,119	17,506	43,625
Pledged tobacco settlement		15,751	15,751
Contributions from property owners		4,007	4,007
Miscellaneous	92,398	48,355	140,753
Total revenues	<u>2,821,802</u>	<u>475,362</u>	<u>3,297,164</u>
Expenditures:			
Current:			
General government	132,413	48,051	180,464
Public assistance	685,610		685,610
Public protection	935,849	72,069	1,007,918
Health and sanitation	830,252	41,236	871,488
Public ways and facilities		157,358	157,358
Recreation and culture	22,619	15,998	38,617
Education	433	1,085	1,518
Capital outlay		53,407	53,407
Debt service:			
Principal		132,148	132,148
Bond issuance costs		2,692	2,692
Interest and fiscal charges		74,200	74,200
Total expenditures	<u>2,607,176</u>	<u>598,244</u>	<u>3,205,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>214,626</u>	<u>(122,882)</u>	<u>91,744</u>
Other financing sources (uses):			
Transfers in	16,257	182,903	199,160
Transfers out	(132,532)	(49,208)	(181,740)
Issuance of long-term debt		25,131	25,131
Refunding debt issued		263,207	263,207
Premiums on debt issued		38,224	38,224
Payment to refunded bonds escrow agent		(312,720)	(312,720)
Total other financing sources (uses)	<u>(116,275)</u>	<u>147,537</u>	<u>31,262</u>
Changes in fund balances	98,351	24,655	123,006
Fund balances - beginning	434,900	436,578	871,478
Fund balances - ending	<u>\$ 533,251</u>	<u>461,233</u>	<u>994,484</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, 2021**  
**(amounts expressed in thousands)**

Changes in fund balances - total governmental funds	\$ 123,006
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	61,470
Change in accrued interest payable.	3,387
Change in prepaid bond insurance.	(362)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	106,631
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.	(212,207)
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.	(1,138)
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.	37,822
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>10,714</u>
Change in net position of governmental activities	<u><u>\$ 129,323</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, 2021  
(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	\$ 602,980	626,010	649,915	23,905
Use of money and property	7,987	8,745	9,959	1,214
Licenses and permits	11,283	10,821	11,529	708
Intergovernmental	1,765,996	2,004,692	1,879,169	(125,523)
Charges for sales and services	134,210	139,968	152,713	12,745
Fines, forfeitures and penalties	24,344	24,544	26,119	1,575
Miscellaneous	37,246	82,685	92,398	9,713
Total revenues	<u>2,584,046</u>	<u>2,897,465</u>	<u>2,821,802</u>	<u>(75,663)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	32,468	20,847	19,210	1,637
Finance	79,652	151,041	65,057	85,984
Counsel	4,997	4,869	5,083	(214)
Human resources	15,348	14,647	13,398	1,249
Elections	12,414	14,587	14,112	475
Other	16,276	16,445	15,553	892
Total general government	<u>161,155</u>	<u>222,436</u>	<u>132,413</u>	<u>90,023</u>
Public assistance:				
Administration	321,898	405,337	336,480	68,857
Aid programs	376,681	368,202	315,115	53,087
Other	37,804	36,893	34,015	2,878
Total public assistance	<u>736,383</u>	<u>810,432</u>	<u>685,610</u>	<u>124,822</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, 2021  
(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	\$ 164,615	159,430	151,496	7,934
Police protection	352,104	385,823	369,626	16,197
Detention and correction	350,127	391,388	355,597	35,791
Protection and inspection	5,053	5,144	4,754	390
Other	57,277	65,178	54,376	10,802
Total public protection	<u>929,176</u>	<u>1,006,963</u>	<u>935,849</u>	<u>71,114</u>
Health and sanitation	790,877	952,459	830,252	122,207
Recreation and culture	25,829	26,904	22,619	4,285
Education	422	433	433	
Total expenditures	<u>2,643,842</u>	<u>3,019,627</u>	<u>2,607,176</u>	<u>412,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,796)</u>	<u>(122,162)</u>	<u>214,626</u>	<u>336,788</u>
Other financing sources (uses):				
Transfers in	16,257	16,257	16,257	
Transfers out	(132,532)	(132,532)	(132,532)	
Total other financing sources (uses)	<u>(116,275)</u>	<u>(116,275)</u>	<u>(116,275)</u>	
Changes in fund balance	(176,071)	(238,437)	98,351	336,788
Fund balance - beginning	434,900	434,900	434,900	
Fund balance - ending	<u>\$ 258,829</u>	<u>196,463</u>	<u>533,251</u>	<u>336,788</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, 2021  
 (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	\$ 198,494	42,979	90,486	7,753	339,712	306,404
Restricted cash and investments	25,211				25,211	
Receivables, net of allowance for uncollectibles:						
Billed	13,196	12,399	5,894	12	31,501	285
Interest	711	170	246	21	1,148	15
Intergovernmental	2,885	530	58	1,930	5,403	395
Prepaid items	104		180		284	3,674
Inventories	780	32			812	1,381
Total current assets	<u>241,381</u>	<u>56,110</u>	<u>96,864</u>	<u>9,716</u>	<u>404,071</u>	<u>312,154</u>
Noncurrent assets:						
Restricted assets	120,565	20,879	26,418		167,862	
Long-term advances to other funds						5,096
Prepaid bond insurance	399				399	
Long-term receivables						118
Capital assets:						
Land and other nondepreciable assets	102,271	40,219	295,984	1,299	439,773	
Buildings & improvements, infrastructure, equipment and intangibles, net	1,122,663	111,341	565,764	2,007	1,801,775	76,906
Total capital assets	<u>1,224,934</u>	<u>151,560</u>	<u>861,748</u>	<u>3,306</u>	<u>2,241,548</u>	<u>76,906</u>
Total noncurrent assets	<u>1,345,898</u>	<u>172,439</u>	<u>888,166</u>	<u>3,306</u>	<u>2,409,809</u>	<u>82,120</u>
Total assets	<u>1,587,279</u>	<u>228,549</u>	<u>985,030</u>	<u>13,022</u>	<u>2,813,880</u>	<u>394,274</u>
Deferred outflows of resources:						
Accumulated decrease in fair value of SWAP agreement			67,818		67,818	
Deferred outflows related to refunding	30,018		388		30,406	
Deferred outflows related to pensions	17,246	11,420	6,820	159	35,645	40,460
Deferred outflows related to OPEB	688	428	246	8	1,370	1,192
Total deferred outflows of resources	<u>47,952</u>	<u>11,848</u>	<u>75,272</u>	<u>167</u>	<u>135,239</u>	<u>41,652</u>
Total assets and deferred outflows of resources	<u>1,635,231</u>	<u>240,397</u>	<u>1,060,302</u>	<u>13,189</u>	<u>2,949,119</u>	<u>435,926</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, 2021  
 (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	\$ 2,000	644	190	414	3,248	4,029
Accrued liabilities	22,470	6,177	5,238	10	33,895	9,386
Intergovernmental payable				31	31	29
Current portion of insurance claims payable						44,920
Current portion of long-term debt obligations	5,862	175	11,169	4	17,210	4,188
Current liabilities payable from restricted assets	19,506				19,506	
Unearned revenues	4,776				4,776	5,721
<b>Total current liabilities</b>	<b>54,614</b>	<b>6,996</b>	<b>16,597</b>	<b>459</b>	<b>78,666</b>	<b>68,273</b>
Noncurrent liabilities:						
Insurance claims payable						212,663
Long-term debt obligations	877,581	2,605	300,303	26	1,180,515	23,753
Derivative instrument liability			67,818		67,818	
Landfill closure and postclosure care		44,536			44,536	
Net pension liability	49,133	33,071	19,971	444	102,619	121,634
Total OPEB liability	3,841	2,997	1,476	67	8,381	9,091
<b>Total noncurrent liabilities</b>	<b>930,555</b>	<b>83,209</b>	<b>389,568</b>	<b>537</b>	<b>1,403,869</b>	<b>367,141</b>
<b>Total liabilities</b>	<b>985,169</b>	<b>90,205</b>	<b>406,165</b>	<b>996</b>	<b>1,482,535</b>	<b>435,414</b>
Deferred inflows of resources:						
Deferred inflows related to refunding	1,509		3,522		5,031	
Deferred inflows related to pensions	163	114	143	33	453	6,073
Deferred inflows related to OPEB	1,459	1,071	538	35	3,103	4,068
<b>Total deferred inflows of resources</b>	<b>3,131</b>	<b>1,185</b>	<b>4,203</b>	<b>68</b>	<b>8,587</b>	<b>10,141</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>988,300</b>	<b>91,390</b>	<b>410,368</b>	<b>1,064</b>	<b>1,491,122</b>	<b>445,555</b>

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

**COUNTY OF SACRAMENTO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2021  
 (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	\$ 415,817	151,560	578,617	3,306	1,149,300	61,701
Restricted for:						
Bond reserves	35,650				35,650	
Landfill closure		10,420			10,420	
Kiefer Wetlands Preserve		1,077			1,077	
Debt service	372				372	
Capital projects				1,822	1,822	
Passenger facility charges	36,538				36,538	
Customer facility charges	9,493				9,493	
Transportation				1,033	1,033	
Endowments:						
Nonexpendable	2,029				2,029	
Unrestricted	147,032	(14,050)	71,317	5,964	210,263	(71,330)
Total net position (deficit)	\$ 646,931	149,007	649,934	12,125	1,457,997	(9,629)
Adjustment to reflect internal service fund activities related to enterprise funds					42,111	
Net position of business-type activities					\$ 1,500,108	

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, 2021**

	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	\$ 150,081	94,662	91,628	2,097	338,468	339,067
Other	24	1,540	1,969	201	3,734	6,983
Total operating revenues	<u>150,105</u>	<u>96,202</u>	<u>93,597</u>	<u>2,298</u>	<u>342,202</u>	<u>346,050</u>
Operating expenses:						
Salaries and benefits	44,609	37,189	15,612	348	97,758	114,088
Services and supplies	71,176	48,321	14,514	1,878	135,889	112,160
Cost of sales and services	494			1,750	2,244	2,850
Depreciation and amortization	54,892	10,858	20,396	585	86,731	19,975
Claim payments and actuarial estimates						73,402
Landfill closure costs		1,797			1,797	
Other	310		3,422	201	3,933	1,541
Total operating expenses	<u>171,481</u>	<u>98,165</u>	<u>53,944</u>	<u>4,762</u>	<u>328,352</u>	<u>324,016</u>
Operating income (loss)	<u>(21,376)</u>	<u>(1,963)</u>	<u>39,653</u>	<u>(2,464)</u>	<u>13,850</u>	<u>22,034</u>
Nonoperating revenues (expenses):						
Use of money and property	937	747	1,669		3,353	(243)
Intergovernmental	16,327	524	234	2,621	19,706	
Passenger facility charges	13,681				13,681	
Customer facility charges	3,233				3,233	
Interest expense	(34,480)		(11,394)		(45,874)	(70)
Other revenues (expenses)	4,754	9		(148)	4,615	2,150
Total nonoperating revenues (expenses)	<u>4,452</u>	<u>1,280</u>	<u>(9,491)</u>	<u>2,473</u>	<u>(1,286)</u>	<u>1,837</u>
Income before transfers and capital contributions	(16,924)	(683)	30,162	9	12,564	23,871
Transfers out	(2,814)	(3,120)	(1,080)	(28)	(7,042)	(10,378)
Capital contributions	5,669		5,108	351	11,128	
Changes in net position	<u>(14,069)</u>	<u>(3,803)</u>	<u>34,190</u>	<u>332</u>	<u>16,650</u>	<u>13,493</u>
Net position (deficit), beginning of year	661,000	152,810	615,744	11,793		(23,122)
Net position (deficit), end of year	<u>\$ 646,931</u>	<u>149,007</u>	<u>649,934</u>	<u>12,125</u>		<u>(9,629)</u>
Adjustment to reflect internal service fund activities related to enterprise funds					2,779	
Change in net position of business-type activities					<u>\$ 19,429</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, 2021  
 (amounts expressed in thousands)**

Page 1 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 154,594	87,763	88,885	2,293	333,535	105,675
Receipts from interfund services provided						236,994
Receipts for other operating activities	4,711	6,796	1,969		13,476	5,135
Payments to suppliers	(38,204)	(48,926)	(20,103)	(4,013)	(111,246)	(161,338)
Payments to employees	(38,518)	(33,312)	(13,132)	(305)	(85,267)	(103,357)
Payments for other operating activities		(1,679)		(201)	(1,880)	(2,058)
Payments for interfund services used	(23,298)	(4,138)			(27,436)	(16,986)
Net cash provided by (used for) operating activities	<u>59,285</u>	<u>6,504</u>	<u>57,619</u>	<u>(2,226)</u>	<u>121,182</u>	<u>64,065</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Receipt on advances to other funds						6,727
Transfers to other funds	(2,814)	(3,120)	(1,080)	(28)	(7,042)	(10,378)
Intergovernmental revenue	50,852	2,521		2,055	55,428	69
Net cash provided by (used for) noncapital financing activities	<u>48,038</u>	<u>(599)</u>	<u>(1,080)</u>	<u>2,027</u>	<u>48,386</u>	<u>(3,582)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Restricted cash used for bond refunding	(960)				(960)	
Passenger facility charges	11,534				11,534	
Customer facility charges	3,106				3,106	
Capital contributions	7,763			285	8,048	
Acquisition and construction of capital assets	(29,257)	(24,299)	(25,615)	(841)	(80,012)	(23,712)
Principal paid on long-term obligations	(21,240)		(12,005)		(33,245)	
Interest paid on long-term obligations	(39,683)		(13,529)		(53,212)	(70)
Proceeds from the sale of capital assets	86	90			176	2,250
Net cash provided by (used for) capital and related financing activities	<u>(68,651)</u>	<u>(24,209)</u>	<u>(51,149)</u>	<u>(556)</u>	<u>(144,565)</u>	<u>(21,532)</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, 2021  
 (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:						
Interest received on cash and investments	\$ 2,495	1,321	2,155	54	6,025	(212)
Net increase (decrease) in cash and cash equivalents	41,167	(16,983)	7,545	(701)	31,028	38,739
Cash and cash equivalents, beginning of year	295,780	80,841	85,210	8,454	470,285	267,665
Cash and cash equivalents, end of year	<u>\$ 336,947</u>	<u>63,858</u>	<u>92,755</u>	<u>7,753</u>	<u>501,313</u>	<u>306,404</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 198,494	42,979	90,486	7,753	339,712	306,404
Restricted cash and investments	25,211				25,211	
Restricted noncurrent assets (net of accrued interest)	120,565	20,879	26,418		167,862	
Less: Long-term investments included in restricted assets	(7,323)		(24,149)		(31,472)	
Cash and cash equivalents	<u>\$ 336,947</u>	<u>63,858</u>	<u>92,755</u>	<u>7,753</u>	<u>501,313</u>	<u>306,404</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, 2021  
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ (21,376)	(1,963)	39,653	(2,464)	13,850	22,034
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	54,892	10,858	20,396	585	86,731	19,975
Provision for uncollectible accounts	(27)				(27)	
Impact fee credits applied			(2,467)		(2,467)	
Other nonoperating revenue	4,711				4,711	
Other nonoperating expense		(1,721)			(1,721)	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables:						
Billed	1,429	(1,115)	(340)	(5)	(31)	680
Intergovernmental		(11)	64		53	179
Prepaid items	114				114	(1,299)
Inventories	(232)				(232)	240
Long-term receivables						(32)
Warrants payable	(166)	(249)	(1,103)	69	(1,449)	(543)
Accrued liabilities	10,843	(4,528)	(982)	(456)	4,877	316
Intergovernmental payable				10	10	(185)
Unearned revenues	3,088				3,088	894
Deferred charges						32
Landfill closure and postclosure care		1,519			1,519	
Compensated absences	370	262	189	(8)	813	704
Insurance claims payable						11,142
Net pension liability and related deferred outflows and inflows	5,355	3,384	2,156	44	10,939	10,015
Total OPEB liability and related deferred outflows and inflows	284	68	53	(1)	404	(87)
Total adjustments	80,661	8,467	17,966	238	107,332	42,031
Net cash provided by (used for) operating activities	\$ 59,285	6,504	57,619	(2,226)	121,182	64,065
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets	\$		5,108		5,108	
Amortization of bonds premiums	6,405		1,604		8,009	
Capital assets purchases using long-term debt						15,203
Capital grants receivable	2,095				2,095	
Amortization of deferred outflows and inflows - bonds	2,299		473		2,772	
Capital assets purchases included in accrued liabilities and warrants payable	4,230				4,230	

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, 2021  
(amounts expressed in thousands)**

	Custodial				
	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust	Non-Pooled Investments	Other Custodial
			Fund		
<b>Assets:</b>					
Cash and investments	\$ 10,144	3,251,648	5,544	535,972	204,945
Other cash and cash equivalents	125,248				
Short-term investments with fiscal agents	298,000				
Receivables, net of allowance for uncollectibles:					
Billed					1,600
Interest		7,987	72		1,113
Intergovernmental			2,782		
Member and employer contributions	48,602				
Accrued investment income	19,121				
Investment sales and other	187,380				
Investments	12,346,764				
Securities lending collateral	400,356				
Prepaid items					321
Other assets	374				
Long-term receivables					28
Buildings & improvements, infrastructure, equipment and intangibles, net	13,913		2,306		
<b>Total assets</b>	<b>13,449,902</b>	<b>3,259,635</b>	<b>10,704</b>	<b>535,972</b>	<b>208,007</b>
<b>Liabilities:</b>					
Warrants payable	1,737				13,129
Accrued liabilities	32,548		947		20,359
Intergovernmental payable			4,534		44
Investment purchases and other	459,146				
Securities lending obligation	392,322				
Other long-term liabilities			4,714		
Due within one year			2,065		
Due after one year			53,814		
<b>Total liabilities</b>	<b>885,753</b>		<b>66,074</b>		<b>33,532</b>
Net position (deficit) restricted for:					
Pension	12,564,149				
Pool participants		3,259,635	(55,370)		
Individuals, organizations and other governments				535,972	174,475
<b>Total net position (deficit)</b>	<b>\$ 12,564,149</b>	<b>3,259,635</b>	<b>(55,370)</b>	<b>535,972</b>	<b>174,475</b>

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



**COUNTY OF SACRAMENTO  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	Pension Trust	Investment Trust	Successor Agency Private-Purpose Trust Fund	Custodial	
				Non-Pooled Investments	Other Custodial
<b>Additions:</b>					
Property taxes	\$		5,023		3,236,028
Contributions on pooled investments		9,310,417		5,125,371	1,167,354
Member contributions	120,597				
Employer contributions	295,269				
Investment income, net	2,752,032				
Securities lending income, net	1,377				
Use of money and property		51,526		5,718	1,384
Miscellaneous	3,081				
<b>Total additions</b>	<b>3,172,356</b>	<b>9,361,943</b>	<b>5,023</b>	<b>5,131,089</b>	<b>4,404,766</b>
<b>Deductions:</b>					
Distributions to taxing entities					4,393,058
Distributions from pooled investments		9,028,967		5,008,963	
Benefits paid	575,329				
Withdrawal of contributions	3,092				
Administrative expenses	9,165				
Services and supplies			742		
Interest expense			3,655		
<b>Total deductions</b>	<b>587,586</b>	<b>9,028,967</b>	<b>4,397</b>	<b>5,008,963</b>	<b>4,393,058</b>
Changes in net position	2,584,770	332,976	626	122,126	11,708
Net position (deficit), beginning of year, as restated	9,979,379	2,926,659	(55,996)	413,846	162,767
Net position (deficit), end of year	\$ 12,564,149	3,259,635	(55,370)	535,972	174,475

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

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## FINANCIAL SECTION

### NOTES TO BASIC FINANCIAL STATEMENTS

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**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

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

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

**Scope of Financial Reporting Entity**

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

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

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

Blended Component Units:

Lighting and Landscape Maintenance District Special Revenue Fund:

County Service Area Number One  
Sacramento County Landscape Maintenance District

Park Districts and Park Service Areas Special Revenue Fund:

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

Other Special Revenue Funds:

Natomas Fire District  
County Service Area Number Ten  
Water Agencies Special Revenue Fund  
In-Home Support Services Authority  
Solid Waste Authority

Enterprise Fund:

Water Agency Water Supply

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

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

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(amounts expressed in thousands)**

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

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

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

The *Successor Agency Private-Purpose Trust Fund* was created in accordance 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 as 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 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 a 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 them are the Counties, 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 the 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  
Metro Air Park CFD No. 1998-1

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

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(amounts expressed in thousands)**

Discretely Presented Component Unit:

*Sacramento County First 5 Commission (First 5 Commission)* is a discretely presented component unit. The Commission is administered by a governing board of seven members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County, funded by additional State taxes on tobacco products approved by California voters via Proposition 10 in November 1998. The Commission is 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 Sacramento County First 5 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  
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**Joint Power Authorities or Jointly Governed Organizations**

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

**AGENCY**

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

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

**PURPOSE**

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

The Sacramento County Director of Finance acts as the Auditor-Controller and as the Treasurer and depository for all the above agencies except for the Sacramento Housing and Redevelopment Agency, Library Joint Powers Authority, and Sacramento Metropolitan Air Quality Management District. Funding, if any, for each of these agencies from the County is based on annual appropriations. The County Board does not appoint a voting majority and cannot impose its will. The County has no continuing financial liability and does not expect any financial benefit/burden from its participation in any of these agencies. Separate financial statements of the JPAs can be obtained by contacting the individual agencies or the County Department of Finance, Auditor-Controller Division.

**Joint Ventures**

The Sacramento County Water Enterprise Fund entered into a joint venture in 2002 with the East Bay Municipal Utility District establishing the Freeport Regional Water Authority (FRWA). The purpose of 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. Copies of the FRWA's financial statements may be obtained from the FRWA Authority Treasurer, MS #801, P.O. Box 24055, Oakland, CA 94623-1055.

**Government-Wide and Fund Financial Statements Presentation**

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

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

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

The County also reports the following fund types:

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

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

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

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

The pension trust fund is a fiduciary component unit use by the County to report is 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 accrual basis accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property and sales taxes, grants, entitlements and donations. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes are recognized as revenues in the year for which they are levied, even if not collected within the availability period.

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

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

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

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

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

Implementation of New Governmental Accounting Standards

GASB Statement No. 84, *Fiduciary Activities*

Effective July 1, 2020, the County implemented Statement No. 84. This statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. See Note 21, Restatement on page 138 for additional disclosure detail on the impact to beginning net position.

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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 2020-21 is July 1 and the lien date is January 1 (unsecured property taxes are paid in one installment August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

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

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

A description of the debt related to the Teeter Plan can be found in Note 8 - Long-Term Obligations, which begins on page 97.

**Deferred Outflows/Inflows of Resources**

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

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

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 was not received within the County's 120-day availability policy. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as revenue until that time.

**Intergovernmental Revenues**

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

**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 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, structures and improvements, infrastructure, machinery and equipment, computer software, water facility rights, and other intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial 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. Capital outlay is recorded as expenditures of the general, special revenue, and capital projects funds and as assets in the proprietary funds and government-wide financial statements to the extent the County’s capitalization threshold is met. Amortization of assets acquired under capital leases are included in depreciation and amortization. Structures and improvements, infrastructure, equipment and intangible assets of the primary government, are depreciated using the straight line method over the following estimated used lives:

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

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

**Long-Term Obligations**

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

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

**COUNTY OF SACRAMENTO**  
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**Fund Equity**

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

- Nonspendable fund balance – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (Resolution by the Board of Supervisors), and that remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the County’s intent to be used for specific purposes on an annual basis. The intent can be established at either the highest level of decision-making (Resolution by Board of Supervisors), or by a body or an official designated by the Board of Supervisors for that purpose. The Board of Supervisors has adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Executive in consultation with the County Director of Finance. This is also the classification for residual funds in the County’s special revenue, capital projects, and debt service funds.
- Unassigned fund balance – the residual classification for the County’s General Fund that includes amounts not contained in the other classification. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**Fund Balance Policy**

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

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

**Net Position**

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

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

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**Use of Estimates in the Preparation of Financial Statements**

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

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

As of June 30, 2021, the Liability, Workers' Compensation and Department of Technology ISF have deficit net position of \$21,830, \$85,725 and \$24,130, respectively. These deficits in net position represent the County's actuarially determined claims liability for the liability and workers' compensation. The County is collecting additional amounts from the departments to eliminate the unfunded liability. The deficit in the Department of Technology ISF is primarily the result of the fund's net pension liability.

**Investments/Fair Value**

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

**Pension**

In the government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting (See Note 14 and the required supplementary information (RSI) section immediately following the Notes to Basic Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

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

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

Projected earnings on pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings, changes in assumptions, and changes in proportions are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional basis five-year period of recognition.

**Other Postemployment Benefits (OPEB)**

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

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

Total fund balances of the County's governmental funds of \$994,484 differs from net position of governmental activities of \$(318,202) 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	\$ 1,131,689		306,404		1,438,093
Receivables, net of allowance for uncollectibles:					
Billed	57,570		285		57,855
Interest	2,736		15		2,751
Intergovernmental	282,679		395		283,074
Prepaid items	13,550		3,674		17,224
Due from other funds/internal balances			(42,111)		(42,111)
Inventories	1,461		1,381		2,842
Total current assets	<u>1,489,685</u>		<u>270,043</u>		<u>1,759,728</u>
Noncurrent assets:					
Loan receivable from County Successor Agency	55,879				55,879
Loan receivable from City Successor Agency	5,713				5,713
Long-term receivables	41,970		118		42,088
Prepaid bond insurance		3,299			3,299
Loan receivable from Successor Agency			5,096	(5,096)	
Capital assets:					
Land and other nondepreciable assets		190,174			190,174
Buildings & improvements, infrastructure, equipment and intangibles, net		1,531,219	76,906		1,608,125
Total capital assets		<u>1,721,393</u>	<u>76,906</u>		<u>1,798,299</u>
Total noncurrent assets	<u>103,562</u>	<u>1,724,692</u>	<u>82,120</u>	<u>(5,096)</u>	<u>1,905,278</u>
Total assets	<u>1,593,247</u>	<u>1,724,692</u>	<u>352,163</u>	<u>(5,096)</u>	<u>3,665,006</u>
Deferred outflows of resources:					
Accumulated decrease in fair value of SWAP agreement		73,869			73,869
Deferred amounts related to refunding		24,211			24,211
Deferred outflows related to pensions		696,521	40,460		736,981
Deferred outflows related to OPEB		24,465	1,192		25,657
Total deferred outflows of resources		<u>819,066</u>	<u>41,652</u>		<u>860,718</u>
Total assets and deferred outflows of resources	<u>1,593,247</u>	<u>2,543,758</u>	<u>393,815</u>	<u>(5,096)</u>	<u>4,525,724</u>

**COUNTY OF SACRAMENTO**  
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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	\$ 19,730		4,029		23,759
Accrued liabilities	138,535		9,386		147,921
Intergovernmental payable	44,047		29		44,076
Accrued interest payable		16,934			16,934
Current portion of insurance claims payable			44,920		44,920
Current portion of long-term debt obligations		138,686	5,371		144,057
Unearned revenues	262,161		5,721		267,882
<b>Total current liabilities</b>	<b>464,473</b>	<b>155,620</b>	<b>69,456</b>		<b>689,549</b>
Noncurrent liabilities:					
Insurance claims payable			212,663		212,663
Long-term debt obligations		1,324,449	22,570		1,347,019
Derivative instrument liability		73,869			73,869
Net pension liability		2,165,530	121,634		2,287,164
Total OPEB liability		144,852	9,091		153,943
Long-term advances from other funds	5,096			(5,096)	
<b>Total noncurrent liabilities</b>	<b>5,096</b>	<b>3,708,700</b>	<b>365,958</b>	<b>(5,096)</b>	<b>4,074,658</b>
<b>Total liabilities</b>	<b>469,569</b>	<b>3,864,320</b>	<b>435,414</b>	<b>(5,096)</b>	<b>4,764,207</b>
Deferred inflows of resources:					
Unavailable revenues	129,194	(129,194)			
Deferred inflows related to pensions		21,984	6,073		28,057
Deferred inflows related to OPEB		47,594	4,068		51,662
<b>Total deferred inflows of resources</b>	<b>129,194</b>	<b>(59,616)</b>	<b>10,141</b>		<b>79,719</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>598,763</b>	<b>3,804,704</b>	<b>445,555</b>	<b>(5,096)</b>	<b>4,843,926</b>
Fund balances/net position:					
Nonspendable	24,329			(24,329)	
Restricted	710,404			(710,404)	
Assigned	204,828			(204,828)	
Unassigned	54,923			(54,923)	
Net investment in capital assets		1,721,393	61,701	(309,696)	1,473,398
Restricted				662,416	662,416
Unrestricted		(2,982,339)	(113,441)	641,764	(2,454,016)
<b>Total fund balances / net position (deficit)</b>	<b>\$ 994,484</b>	<b>(1,260,946)</b>	<b>(51,740)</b>		<b>(318,202)</b>



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

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

Cost of capital assets	\$ 4,606,369
Accumulated depreciation	<u>(2,884,976)</u>
Total	<u>1,721,393</u>
Accrued interest payable	(16,934)
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.	3,299
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	(128,920)
Bonds, notes, COPs, capital leases, other payables	(1,204,699)
Derivative instrument liability	(73,869)
Accreted interest	(52,691)
Accumulated decrease in fair value of SWAP agreement	73,869
Loss on refunding	24,211
Litigation liability	<u>(76,825)</u>
Total	<u>(1,438,924)</u>
Net Pension Liability:	
Deferred outflows related to pensions	696,521
Net pension liability	(2,165,530)
Deferred inflows related to pensions	<u>(21,984)</u>
Total	<u>(1,490,993)</u>
Total OPEB Liability:	
Deferred outflows related to OPEB	24,465
Total OPEB liability	(144,852)
Deferred inflows related to OPEB	<u>(47,594)</u>
Total	<u>(167,981)</u>

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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	\$ 129,194
Total	<u>\$ (1,260,946)</u>
(2) Internal service funds are used by management to charge the costs of certain activities, related to general services, self-insurance, regional communications and department of technology to individual funds. The assets and deferred outflows, and liabilities and deferred inflows, of certain internal service funds are included in governmental activities in the statement of net position.	<u>\$ (51,740)</u>

The net change in fund balances for governmental funds of \$123,006 differs from the change in net position for governmental activities of \$129,323 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

	Total Governmental Funds	Capital- Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Revenues:						
Taxes:						
Property	\$ 574,282					574,282
Transient occupancy	5,240					5,240
Sales / use taxes	121,066					121,066
Use of money and property	15,394			(243)		15,151
Licenses and permits	86,176				(86,176)	
Intergovernmental	1,977,677		36,923		(2,011,374)	3,226
Charges for sales and services	313,193				129,801	442,994
Operating grants and contributions					1,511,575	1,511,575
Capital grants and contributions					30,828	30,828
Grants and contributions not restricted to specific programs					472,978	472,978
Contributions from property owners	4,007				(4,007)	
Fines, forfeitures and penalties	43,625				(43,625)	
Pledged tobacco settlement	15,751		899			16,650
Miscellaneous	140,753					140,753
Total revenues	3,297,164		37,822	(243)		3,334,743

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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	\$ 180,464	7,662	9,717	(2,295)		195,548
Public assistance	685,610	318	26,786	(3,672)		709,042
Public protection	1,007,918	4,522	142,149	(8,805)		1,145,784
Health and sanitation	871,488	978	34,133	(2,938)		903,661
Public ways and facilities	157,358	(22,702)	4,022	(1,231)		137,447
Recreation and culture	38,617	1,474	1,710	(208)		41,593
Education	1,518	(315)	19	(106)		1,116
Capital outlay	53,407	(53,407)				
Debt service:						
Principal	132,148		(132,148)			
Bond issuance costs	2,692				(2,692)	
Interest and fiscal charges	74,200		324	(2,080)	5,827	78,271
Total expenditures/expenses	<u>3,205,420</u>	<u>(61,470)</u>	<u>86,712</u>	<u>(21,335)</u>	<u>3,135</u>	<u>3,212,462</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>91,744</u>	<u>61,470</u>	<u>(48,890)</u>	<u>21,092</u>	<u>(3,135)</u>	<u>122,281</u>
Other financing sources (uses):						
Transfers in	199,160					199,160
Transfers out	(181,740)			(10,378)		(192,118)
Issuance of long-term debt	282,917		(282,917)			
Refunding debt issued	5,421		(5,421)			
Premiums on debt issue	38,224		(38,224)			
Payment to refunded bonds escrow agent	(312,720)		309,585		3,135	
Total other financing sources (uses)	<u>31,262</u>		<u>(16,977)</u>	<u>(10,378)</u>	<u>3,135</u>	<u>7,042</u>
Changes in fund balances/net position	123,006	61,470	(65,867)	10,714		129,323
Fund balances/net position (deficit) - beginning	871,478	1,659,923	(2,916,472)	(62,454)		(447,525)
Fund balances/net position (deficit) - ending	<u>\$ 994,484</u>	<u>1,721,393</u>	<u>(2,982,339)</u>	<u>(51,740)</u>		<u>(318,202)</u>

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

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

Capital expenditures	\$ 151,250
Depreciation expense	<u>(89,780)</u>
Total	<u><u>\$ 61,470</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.

\$ (362)

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	52,145
Teeter notes	23,739
Revenue bonds	238,481
Pension obligation bonds	78,829
Accreted interest	48,545
Capital lease obligations	1,343
Litigation liability	5,255
Other long-term debt	311
Total	<u><u>448,648</u></u>

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

Teeter notes	\$ (25,131)
Certificate of participation	(32,501)
Revenue bonds	(230,706)
Issuance premium	<u>(38,224)</u>
Total	<u>(326,562)</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	(8,298)
Accreted interest	(3,709)
Current year other long-term debt	(2,458)
Amortization of deferred amount on refunded debt	(304)
Amortization of issuance premiums/discounts	<u>(686)</u>
Total	<u>(15,455)</u>

Net effect of long-term debt and related items	106,631
Changes in net pension liability and related deferred outflows/inflows	(212,207)
Changes in total other postemployment benefits (OPEB) liability and related deferred outflows/inflows	(1,138)

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.

Decrease in accrued interest	<u>3,387</u>
Total	<u>\$ (65,867)</u>

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

\$ 10,714

**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 2020-21 was adopted on September 22, 2020. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors in June 2020. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

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

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

During FY 2020-21, 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 2020-21, the appropriation limit for the FY 2020-21 budget year was reviewed and determined to be calculated in accordance with Article XIII B of the California Constitution.

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

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

All investments are reported on the statement of net position/balance sheet at fair value, except for the investment agreement(s) and certain money market mutual funds, which are carried at net asset value. The cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net position/balance sheets as "cash and investments". The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain 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 <http://www.finance.saccounty.net/Investments/Pages/Reports.aspx>.

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Cash, investments, and restricted assets as shown on the basic financial statements at June 30, 2021, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 1,777,805
Restricted cash and investments	25,211
Restricted assets, included in noncurrent assets	167,862
Fiduciary funds statement of net position:	
Pension Trust	10,144
Investment Trust	3,251,648
Successor Agency - Private-Purpose Trust Fund	5,544
Non-Pooled Investments	535,972
Other Custodial	204,945
Discretely presented component unit (First 5 Commission)	<u>24,916</u>
Total cash, investments, and restricted assets including interest receivable	6,004,047
Less interest receivable included in restricted assets	<u>(15,681)</u>
Total cash, investments, and restricted cash and investments	<u><u>\$ 5,988,366</u></u>

**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, 2021, all cash and investments held by fiscal agents was covered by federal depository insurance or by Securities Investor Protection Corporation insurance, or by collateral held by the County’s financial institutions in the County’s name.

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

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

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

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

Specific restrictions of investments are noted below:

Government Code Section 53601 and the County Investment Policy lists the investments in which the Treasurer may 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

**COUNTY OF SACRAMENTO**  
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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 and not to exceed 20 percent of the portfolio; shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized previously.

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

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

**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, 2021, of the County’s \$5.2 billion in investments held by the Treasurer and \$19 million held by fiscal agents, 74.0 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 302 days.

**Credit Risk** – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers’ rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively, by 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 65.

**Custodial Credit Risk** – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. As of June 30, 2021, 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 Bank	\$ 719,516
International Bank for Reconstruction and Development	358,389
Skandinaviska Enskilda Banken AB	265,025
Inter - American Development Bank	264,419

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The following schedule indicates the credit and interest rate risk at June 30, 2021. 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							5,127
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							13
Cash in banks							721,777
Total cash and cash deposits in custody of the Treasurer							721,790
Investments held by Treasurer:							
Treasury bills	Aaa/AA+	\$ 321,263	88,811	55,008			465,082
Federal Farm Credit Bank	Aaa/AA+		75,278	15,137	161,622		252,037
Federal Home Loan Bank	Aaa/AA+	25,009	70,541	53,679	169,680		318,909
Federal Home Loan Banks discount notes	P-1/A-1+	4,569	396,038				400,607
Federal National Mortgage Association	Aaa/AA+		40,140	40,470	139,903		220,513
Federal Home Loan Mortgage Corporation	Aaa/AA+		10,012		69,957		79,969
State and local government securities	Aaa/AAA					4,682	4,682
Commercial paper	P-1/A-1	329,984	1,155,495				1,485,479
Washington supranationals	Aaa/AAA	42,027	20,047	90,652	463,505		616,231
Washington supranationals discount notes	P-1/A-1+	149,997					149,997
Negotiable certificates of deposit	P-1/A-1	400,010	605,097				1,005,107
Negotiable certificates of deposit	NR			59,975			59,975
Other assets held by Treasurer (primarily Teeter Plan notes)	NR		836		21,688		22,524
Local Agency Investment Fund	NR	75,000					75,000
Money market mutual funds	Aaa/AAAm	62,731					62,731
Guaranteed investment contracts	NR					22,595	22,595
Total investments held by Treasurer		1,410,590	2,462,295	314,921	1,026,355	27,277	5,241,438
Total in custody of Treasurer							5,963,228
Investments held by fiscal agents:							
Money market mutual funds	Aaa/AAAm	4,842					4,842
Money market mutual funds	Aaa/AAAm	13,592					13,592
Negotiable certificates of deposit	A+				1,020		1,020
Total investments held by fiscal agents		18,434			1,020		19,454
Total investments		\$ 1,429,024	2,462,295	314,921	1,027,375	27,277	
Total cash and investments							\$ 5,988,366

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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, 2021:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	<u>\$ 5,308,334</u>	<u>640,872</u>	<u>5,949,206</u>
Equity of internal pool participants	\$ 2,056,686	104,900	2,161,586
Equity of external pool participants	<u>3,251,648</u>	<u>535,972</u>	<u>3,787,620</u>
Total equity	<u>\$ 5,308,334</u>	<u>640,872</u>	<u>5,949,206</u>
Statement of changes in net position			
Net position at July 1, 2020, as restated	\$ 4,608,990	542,102	5,151,092
Net changes in investments by pool participants	<u>699,344</u>	<u>98,770</u>	<u>798,114</u>
Net position at June 30, 2021	<u>\$ 5,308,334</u>	<u>640,872</u>	<u>5,949,206</u>

A summary of the investments held by the Treasurer's Pool and Non-Pooled Funds at June 30, 2021, are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Governmental securities	\$ 1,741,239	1,727,603	.002-3.38	7/21-5/26
Washington supranationals	766,228	751,085	.025-3.00	7/21-6/26
Commercial paper	1,485,479	1,485,108	.05-.018	7/21-11/21
Negotiable certificates of deposit	1,065,082	1,064,875	.06-.20	7/21-5/22
Other assets held by Treasurer (primarily Teeter Plan notes)	22,524	22,524	.726	8/21-8/25
Local Agency Investment Fund	75,000	75,000	.262	N/A
Money market mutual funds	63,291	63,435	0.00-0.45	N/A
Guaranteed investment contracts	<u>22,595</u>	<u>22,595</u>	5.30	5/31/2039
Total investments held by Treasurer	<u>\$ 5,241,438</u>	<u>5,212,225</u>		

**COUNTY OF SACRAMENTO**  
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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, 2021. 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, 2021 was \$62,731. 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, 2021, was \$18,434. 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, 2021, 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	\$ 465,082		465,082	
Federal Farm Credit Bank	252,037		252,037	
Federal Home Loan Bank (FHLB)	318,909		318,909	
Federal National Mortgage Association	220,513		220,513	
FHLB discount notes	400,607		400,607	
Federal Home Loan Mortgage Corporation (FHLMC)	79,969		79,969	
Washington supranationals	616,231		616,231	
Washington supranationals discount notes	149,997		149,997	
Commercial paper	1,485,479		1,485,479	
Negotiable certificates of deposits	1,065,082		1,065,082	
Negotiable certificates of deposits held by Fiscal Agent	1,020		1,020	
State and local government securities	4,682		4,682	
Other assets held by Treasurer (primarily Teeter Plan notes)	22,524			22,524
Total Investments by fair value level	<u>5,082,132</u>		<u>5,059,608</u>	<u>22,524</u>
Investments held by Treasurer not measured at fair value or subject to fair value hierarchy:				
Local Agency Investment Fund	75,000			
Guaranteed investment contracts	22,595			
Total Investments Not Measured at Fair Value or subject to fair value hierarchy	<u>97,595</u>			
Investments held by Treasurer measured at NAV:				
Money market mutual funds	62,731			
Total Investments held by Treasurer	5,241,438			
Total Investments held by Fiscal Agents:				
Money market mutual funds	18,434			
Total Investments	<u>\$ 5,260,892</u>			

**COUNTY OF SACRAMENTO  
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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 categories and underlying asset classes with return expectations that correspond to expected liabilities. The strategic asset allocation also emphasizes maximum diversification of the portfolio 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, 2021 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	20.00 %
International Equity	20.00 %
Fixed Income	20.00 %
Real Assets	7.00 %
Real Estate	7.00 %
Absolute Return	10.00 %
Private Credit	4.00 %
Private Equity	9.00 %
Liquid Real Return	2.00 %
Cash	1.00 %
	<u>100.00 %</u>

**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 \$12,943 at June 30, 2021. The pool was not rated, and the weighted-average maturity of the pool was 300 days at June 30, 2021.

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 County's Comprehensive Annual Financial Report.

Other Cash and Cash Equivalents:

At June 30, 2021, other cash and cash equivalents constituted balances in bank demand deposit accounts of \$125,248.

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, 2021, the fair value of SCERS short-term investments with fiscal agents was \$298,000. 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 Investors Services and P-1 by Standard & Poor's Corporation (S&P) at the time of issuance. As of June 30, 2021, the STIF is not rated by credit rating agencies. Most investments range in maturity from overnight to 90 days with 28 percent of the investment over 90 days. For the fiscal year ended June 30, 2021, the weighted-average maturities was 48 days. Investments in the STIF from all participating custodial clients of State Street was \$63.1 billion on June 30, 2021.

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, 2021, SCERS had the following fair value measurements:

	Total	Fair Value Measurements by Using		Significant Unobservable Inputs (Level 3)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
<b>Equity Securities</b>				
Communication Services	\$ 360,065	360,065		
Consumer Discretionary	552,310	552,310		
Consumer Staples	246,876	246,876		
Energy	96,981	96,981		
Financials	547,884	547,884		
Health Care	557,667	557,667		
Industrials	628,946	628,946		
Information Technology	710,375	710,375		
Materials	207,166	207,166		
Real Estate	134,875	134,638	237	
Utilities	104,684	104,684		
<b>Total Equity Securities</b>	<b>4,147,829</b>	<b>4,147,592</b>	<b>237</b>	
<b>Fixed Income Securities</b>				
Securitized Obligations Asset-Backed Securities	110,666		110,666	
Credit Obligations				
Corporate Bonds	299,741	451	299,290	
Municipals	11,964		11,964	
Yankee	58,406		58,406	
U.S. Government & Agency Obligations				
Agency Securities	11,594		11,594	
Treasury Bills	920,644		920,644	
International Government	7,436		7,436	
Collateralized Mortgage Obligations	134,318		134,318	
Mortgage Pass-Through				
Federal Home Loan Mortgage Corporation (FHLMC)	33,893		33,893	
Federal National Mortgage Association (FNMA)	200,196		200,196	
Government National Mortgage Association (GNMA)	51,830		51,830	
<b>Total Fixed Income Securities</b>	<b>1,840,688</b>	<b>451</b>	<b>1,840,237</b>	
<b>Total Investments by Fair Value Level</b>	<b>\$ 5,988,517</b>	<b>4,148,043</b>	<b>1,840,474</b>	

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Investments Measured at Net Asset Value (NAV):

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)*</u>	<u>Redemption Notice Period</u>
Equity Commingled Funds	\$ 1,102,012		Daily and Monthly	1-60 days
Fixed Income Commingled Funds	522,346		Monthly and Quarterly	30-90 days
Real Assets	934,055	456,213	Quarterly and 3-Years	90 days
Real Estate	861,839	153,915	Daily and Quarterly	1-90 days
Absolute Return	1,084,545		Monthly, and Quarterly	30-90 days
Private Credit	256,226	313,740		
Private Equity	1,597,224	748,070		
Securities Lending Collateral	400,356			
Total Investments Measured at NAV	<u>6,758,603</u>			
Total Investments	<u>\$ 12,747,120</u>			

\*Not applicable for closed end real assets and real estate funds

Investments Derivative Instruments:

	<u>Total</u>	<u>Fair Value Measurements by Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Forwards	\$ 1,833	1,833		
Options	6		6	
Rights/Warrants	55	55		
Swaps	82,342		82,342	
<b>Liabilities</b>				
Forwards	(743)	(743)		
Options	(37)		(37)	
Swaps	(84,599)		(84,599)	
Total Investment Derivative Instruments	<u>\$ (1,143)</u>	<u>1,145</u>	<u>(2,288)</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.

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 of 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, activist equity, 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.

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 CSA's, 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.

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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.

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 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.

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 12 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 credit strategies. Private equity investments include limited partnerships, commingled funds, and fund of funds (FoF) that invest in domestic and international private buyouts, venture capital,

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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.

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 2 to 12 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 27.4%.

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**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.

During the fiscal year ended June 30, 2021, 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 default. 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, 2021, 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, 2021 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	\$ 343,908	337,439	70,261	409,789
Equity	56,448	54,883	38,719	93,344
Total	<u>\$ 400,356</u>	<u>392,322</u>	<u>108,980</u>	<u>503,133</u>

Securities Lending Collateral Credit Risk

All of the cash collateral received for securities lending is invested in the State Street Compass STIF - 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, 2021, the weighted average maturity was 20 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 Standard & Poor's (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 has two actively-managed investment strategies, referenced as strategy 1 and strategy 2. Strategy 2 will have a minimum average credit quality rating of Baa1/BBB+ by a Nationally Recognized Statistical Rating Organization (NRSRO). Portfolio diversification is constrained by the following parameters in order to minimize overall market and credit risk:

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- For strategy 2, securities rated below B-/B3 by an NRSRO are limited to 10% of the portfolio at the time of purchase, while securities rated below CCC- or Caa3 at the time of purchase, by an NRSRO are prohibited.
- No more than 10% and 5% of the portfolio will be concentrated in any one issuer except U.S. Government and agency securities for strategies 1 and 2, respectively.
- No more than 20% and 25% of the portfolio will be invested in high yield or below investment grade straight securities for strategies 1 and 2, respectively.
- No more than 15% and 10% of the portfolio will be invested in convertible securities, which include bonds and preferred issues, for strategies 1 and 2, respectively.
- No more than 20% of the portfolio will be invested in non-U.S. dollar bonds for each strategy.
- No more than 15% of the portfolio will be invested in Emerging Markets at the time of purchase for strategy 2.
- Net exposure to interest rate derivatives will be limited to 25% of the duration of the portfolio for strategy 2.
- Net exposure to credit derivatives (CDS, CDX) will be limited to 25% of the fair value of the portfolio for strategy 2.
- Gross notional exposure to credit derivatives (CDS, CDX) will be limited to 50% of the fair value of the portfolio for strategy 2.



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The following table depicts the fixed income assets by credit ratings as of June 30, 2021:

Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government & Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
AAA	\$ 137,174	67,411	2,450				67,313			
AA+	260,330	271	943		10,712		14,315	33,893	200,196	
AA-1	1,443	1,282	161							
AA	5,838	2,966	2,724				148			
AA-2	737	367	370							
AA-	8,588	203	7,554				831			
AA-3	2,000		985				1,015			
A+	15,870		15,008		588		274			
A-1	1,681	1,013	276				392			
A	14,967	6,344	8,526				97			
A-2	100	100								
A-	41,219	1,270	39,783				166			
A-3	622	622								
BBB+	68,595	802	66,345				1,448			
BAA-1	2,197		1,923				274			
BBB	85,455	1,406	78,212			3,504	2,333			
BAA-2	395	200	195							
BBB-	68,511	1,718	61,758			1,313	3,722			
BAA-3	4,181	597	680			998	1,906			
BB+	18,823	417	17,698			417	291			
BA-1	1,739		1,528				211			
BB	17,734	160	16,873				701			
BA-2	3,529		2,911			140	478			
BB-	21,963		13,600				8,363			
BA-3	2,832		1,216				1,616			
B+	8,891	1,086	7,513				292			
B-1	970		970							
B	16,256	4,762	9,314		294	1,064	822			
B-2	216		216							
B-	3,661	49	2,532				1,080			
CCC+	1,996		1,996							
CAA1	703		703							
CCC	11,427	5,571	2,573				3,283			
CAA2	251		251							
CCC-	452		452							
CAA3	190		190							

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Credit Rating	Total	Securitized Obligations	Credit Obligations	Commingled Funds	U.S. Government & Agency Obligations	International Government	Collateralized Mortgage Obligations	Mortgage Pass-Through		
								FHLMC	FNMA	GNMA
D	\$ 1,080	755	325							
NA	972,474				920,644					51,830
NR	557,944	513,023	1,357	20,617			22,947			
Total	\$ 2,363,034	612,395	370,111	20,617	932,238	7,436	134,318	33,893	200,196	51,830

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, 2021, 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, 2021, 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, 2021, the bank balance of cash and cash equivalents on deposit with SCERS' custodian bank and financial institutions totaled \$109,155, of which \$108,905 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, 2021, deposits held in SCERS name for the margin accounts of \$15,933 was not insured or not collateralized, and these deposits were exposed to custodial credit risk.

As of June 30, 2021, 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 +/-20% and +/-30%, for strategies 1 and 2, respectively, from the effective duration of the relevant Bloomberg Barclays Capital Aggregate benchmark based on the portfolio total.

The following tables depict the duration in years of the long-term fixed income portfolio vs. the benchmark as of June 30, 2021.

<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	\$ 612,395	1.41	2.10	(0.69)
Credit Obligations				
Corporate Bonds	299,741	6.09	14.48	(8.39)
Municipals	11,964	0.46	11.74	(11.28)
Yankee	58,406	0.85	6.60	(5.75)
U.S. Government & Agency Obligations				
Agency Securities	11,594	0.09	3.79	(3.70)
Treasury Bills	920,644	6.72	7.32	(0.60)
International Government	7,436	6.25	5.29	0.96
Collateralized Mortgage Obligations	134,318	2.65	4.51	(1.86)
Mortgage Pass-Through				
FHLMC	33,893	3.88	3.79	0.09
FNMA	200,196	4.04	3.79	0.25
GNMA	51,830	3.38	3.84	(0.46)
No Effective Duration				
Commingled Fund	20,617	NA	NA	NA
Total Fair Value with Weighted Average	<u>\$ 2,363,034</u>	4.46	6.80	(2.34)

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, 2021:

Local Currency Name	Cash and Cash						Total
	Equivalents	Equity	Fixed Income	Real Estate	Private Credit	Private Equity	
Australian Dollar	\$ 28	62,130					62,158
Brazilian Real		5,237					5,237
Canadian Dollar	232	114,816	163				115,211
Chilean Peso		273					273
Danish Krone	91	84,135					84,226
Euro Currency	517	509,137	34,495	171,388	5,128	155,726	876,391
Hong Kong Dollar	352	82,279					82,631
Hungarian Forint	18						18
Indian Rupee		8,699					8,699
Indonesian Rupiah		466					466
Japanese Yen	1,792	340,014					341,806
Malaysian Ringgit		264					264
Mexican Peso	23	3,341					3,364
New Israeli Shekel		8,510					8,510
New Zealand Dollar	24	2,107					2,131
Norwegian Krone	(28)	9,414					9,386
Polish Zlotky	4						4
Pound Sterling	630	207,587	7,608	2,291			218,116
Singapore Dollar	31	13,929					13,960
South African Rand	158	1,257					1,415
South Korean Won	3	1,217					1,220
Swedish Krona	74	49,067					49,141
Swiss Franc	24	162,744					162,768
Yuan Renminbi	32	4,392					4,424
Total	\$ 4,005	1,671,015	42,266	173,679	5,128	155,726	2,051,819

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, 2021, SCERS' investments included Collateralized Mortgage Obligations and Mortgage Pass-Through securities totaling \$420,237. 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, 2021, total commodities investments were \$39,202. 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 derivatives 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 derivatives for speculative purposes or to create leverage, however, this does not apply to investments in external pools. As of June 30, 2021, 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, 2021:

Investment Derivatives Instruments	Net Appreciation/ (Depreciation) in Fair Value of Investments	Financial Statement Classification	Fair Value	Notional
Forwards	\$ 9,317	Investment Sales and Other	1,090	149,217
Futures	5,326	Investment Sales and Other		176,867
Options	457	Investment Purchases and Other	(31)	(2,424)
Rights/Warrants	(537)	Investment Sales and Other	55	42 *
Swaps	(2,093)	Investment Purchases and Other	(2,257)	84,111
Total Derivatives Instruments	\$ 12,470		(1,143)	

\* 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, 2021, 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, 2021.

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, 2021:

S&P Rating	Forwards	Swaps	Total
A	\$ 145		145
A-	193		193
A+	852	1	853
AA-	67		67
BBB+	493	415	908
NR		4	4
Investments in Asset Position	1,750	420	2,170
Investment in Liability Position	(660)	(2,412)	(3,072)
Total investments in Asset/(Liability) Position	\$ 1,090	(1,992)	(902)

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SCERS could be exposed to risk if the counterparties to derivative contracts 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, 2021, was \$2,170. 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, 2021, 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, 2021, SCERS did not have any significant exposure to counterparty credit risk with any single party.

Interest Rate Risk:

At June 30, 2021, 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	\$ (363)		(363)		
Credit Default Swaps Written	(25)	4	(29)		
Fixed Income Options Bought	4	4			
Fixed Income Options Written	(13)	(13)			
Interest Rate Swaps	(1,868)		(807)	(1,014)	(47)
Total	\$ (2,265)	(5)	(1,199)	(1,014)	(47)

Derivative Instruments Highly Sensitive to Interest Changes:

Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 0.373875%	\$ 22	\$ 1,500
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 0.38%	19	1,330
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 0.915%	8	310
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 0.9305%	2	105
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.2%	(11)	214
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 0.6804%	(2)	337
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 0.95%	(7)	495
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 1.38217%	(17)	800
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1.15%	(25)	588
Interest Rate Swaps	Receive Variable 12-month FEDL, Pay Fixed 1.44882%	(39)	1,640
Interest Rate Swaps	Receive Variable 12-month SONIA, Pay Fixed 1%	(82)	3,164
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 9.3%	80	546
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 10.65%	64	994

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Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.66%	\$ 40	1,541
Interest Rate Swaps	Pay Variable 6-month BBSW, Receive Fixed 1.80002%	34	1,584
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 8.6%	25	252
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.5%	22	791
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.84%	21	420
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.9%	15	273
Interest Rate Swaps	Pay Variable 6-month BBSW, Receive Fixed 1.85%	14	529
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.67%	13	909
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.625%	10	280
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 7.481%	9	336
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.67%	5	340
Interest Rate Swaps	Pay Variable 3-month NZDBB, Receive Fixed 1.92%	4	772
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.64%	4	298
Interest Rate Swaps	Pay Variable 6-month WIBOR, Receive Fixed 1.76%	2	825
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.46%	(5)	385
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.435%	(6)	380
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.45%	(6)	460
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.45%	(6)	465
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.465%	(8)	745
Interest Rate Swaps	Pay Variable 1-month TIIE, Receive Fixed 5.55%	(9)	68
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 5.9025%	(9)	1,058
Interest Rate Swaps	Pay Variable BBSW, Receive Fixed 1.073%	(9)	203
Interest Rate Swaps	Pay Variable 1-month TIIE, Receive Fixed 5.55%	(9)	90
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 5.9025%	(10)	624
Interest Rate Swaps	Pay Variable 6-month BUBOR, Receive Fixed 1.605%	(100)	1,250
Interest Rate Swaps	Pay Variable 3-month NZDBB, Receive Fixed 1.5225%	(7)	349
Interest Rate Swaps	Pay Variable 6-month BBSW, Receive Fixed 1.21%	(23)	1,126
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 4.505%	(1)	253
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 5.0814%	(5)	125
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 5.072%	(7)	179
Interest Rate Swaps	Pay Variable 6-month BUBOR, Receive Fixed 1.8027%	(23)	348
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 4.565%	(2)	727
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 5.078%	(17)	449
Interest Rate Swaps	Pay Variable 6-month WIBOR, Receive Fixed 1.2%	(10)	218
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.445%	(10)	755
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.4475%	(10)	760
Interest Rate Swaps	Pay Variable 3-month NZDBB, Receive Fixed 1.09%	(12)	175
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.46875%	(14)	1,250
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.89%	(15)	402
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.845%	(16)	417



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Investment Type	Reference Rate	Fair Value	Notional Value
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.185%	\$ (17)	480
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 6.05%	(17)	815
Interest Rate Swaps	Pay Variable 3-month NZDBB, Receive Fixed 1.0975%	(21)	314
Interest Rate Swaps	Pay Variable 0-month BRCI, Receive Fixed 6.89%	(26)	698
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 5.46%	(28)	256
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 5.715%	(28)	242
Interest Rate Swaps	Pay Variable 0-month CETIP, Receive Fixed 6.3425%	(33)	1,157
Interest Rate Swaps	Pay Variable 0-month BRCI, Receive Fixed 6.3425%	(36)	1,235
Interest Rate Swaps	Pay Variable 3-month CDOR, Receive Fixed 0.875%	(42)	1,857
Interest Rate Swaps	Pay Variable 0-month BRCI, Receive Fixed 6.359%	(55)	1,907
Interest Rate Swaps	Pay Variable 12-month USCPI, Receive Fixed 2.23%	(57)	1,400
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 5.02%	(59)	623
Interest Rate Swaps	Pay Variable 6-month BBSW, Receive Fixed 1.081%	(65)	1,517
Interest Rate Swaps	Pay Variable 3-month JIBAR, Receive Fixed 6.765%	(80)	2,255
Interest Rate Swaps	Pay Variable 6-month CLOIS, Receive Fixed 1.6338%	(84)	1,126
Interest Rate Swaps	Pay Variable 3-month CDOR, Receive Fixed 0.864875%	(85)	3,674
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 5.45%	(93)	849
Interest Rate Swaps	Pay Variable 6-month WIBOR, Receive Fixed 1.17%	(96)	1,939
Interest Rate Swaps	Pay Variable 3-month NZDBB, Receive Fixed 1.096%	(125)	1,859
Interest Rate Swaps	Pay Variable 1-month TIE, Receive Fixed 5.45%	(146)	1,339
Interest Rate Swaps	Pay Variable 6-month CLOIS, Receive Fixed 2.3075%	(156)	1,373
Interest Rate Swaps	Pay Variable 3-month IBRCO, Receive Fixed 3.08%	(194)	2,466
Interest Rate Swaps	Pay Variable 6-month CLOIS, Receive Fixed 1.645%	(206)	2,747
Total Interest Rate Swaps		<u>\$ (1,868)</u>	<u>66,562</u>

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Foreign Currency Risk

At June 30, 2021, SCERS was exposed to foreign currency risk on its investments in forward contracts and swaps denominated in foreign currencies as presented in the following table:

Currency Name	Forward Contracts			Total Exposure
	Net Receivables	Net Payables	Swaps	
Australian Dollar	\$ (60)	99	(49)	(10)
Brazilian Real	82	(1)	(168)	(87)
Canadian Dollar	(31)	90	(127)	(68)
Chilean Peso	4	15	(447)	(428)
Colombian Peso	(17)	(3)	(225)	(245)
Czech Koruna	(5)	26		21
Danish Krone	(5)	20		15
Euro Currency	(105)	745		640
Hong Kong Dollar		1		1
Hungarian Forint	(9)	16	(123)	(116)
Indian Rupee	(25)			(25)
Indonesian Rupiah	(20)	8		(12)
Japanese Yen	(44)	116		72
Mexican Peso	(4)	(3)	(389)	(396)
New Israeli Shekel	(3)	1		(2)
New Taiwan Dollar	(4)	6		2
New Zealand Dollar	(8)	5	(161)	(164)
Norwegian Krone	(1)	5		4
Peruvian Sol		(13)		(13)
Polish Zloty	(28)	4	(105)	(129)
Pound Sterling	(35)	76	(128)	(87)
Russian Ruble	(4)	1		(3)
Singapore Dollar		6		6
South African Rand	(5)	116	198	309
South Korean Won	(14)	4		(10)
Swedish Krona	(10)	37		27
Swiss Franc	(22)	80		58
Thailand Baht	(33)	28		(5)
Yuan Renminbi	(3)	12		9
Grand Total	<u>\$ (409)</u>	<u>1,497</u>	<u>(1,724)</u>	<u>(636)</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, 2021.

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

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 134,485	130		134,615
Construction in progress	39,314	23,282	(24,764)	37,832
Permanent easement	15,719	1,942		17,661
Intangible assets under project	66			66
Total capital assets not being depreciated	<u>189,584</u>	<u>25,354</u>	<u>(24,764)</u>	<u>190,174</u>
Capital assets, being depreciated:				
Buildings and improvements	959,038	13,466		972,504
Infrastructure	3,201,490	132,176		3,333,666
Equipment	291,707	29,024	(13,251)	307,480
Intangible - computer software	38,115	928	(2,016)	37,027
Total capital assets being depreciated	<u>4,490,350</u>	<u>175,594</u>	<u>(15,267)</u>	<u>4,650,677</u>
Less accumulated depreciation for:				
Buildings and improvements	(576,798)	(25,274)		(602,072)
Infrastructure	(2,134,825)	(59,612)		(2,194,437)
Equipment	(199,236)	(23,770)	12,655	(210,351)
Intangible - computer software	(36,009)	(1,099)	1,416	(35,692)
Total accumulated depreciation	<u>(2,946,868)</u>	<u>(109,755)</u>	<u>14,071</u>	<u>(3,042,552)</u>
Total capital assets, being depreciated	<u>1,543,482</u>	<u>65,839</u>	<u>(1,196)</u>	<u>1,608,125</u>
Total governmental activities	<u>\$ 1,733,066</u>	<u>91,193</u>	<u>(25,960)</u>	<u>1,798,299</u>

**COUNTY OF SACRAMENTO**  
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**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(amounts expressed in thousands)**

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 135,719	18		135,737
Construction in progress	92,798	48,674	(37,703)	103,769
Permanent easement	57			57
Water facility rights	197,202	1,104		198,306
Other intangible assets	1,904			1,904
Total capital assets not being depreciated	<u>427,680</u>	<u>49,796</u>	<u>(37,703)</u>	<u>439,773</u>
Capital assets, being depreciated:				
Buildings and improvements	2,465,956	55,733	(5,788)	2,515,901
Infrastructure	219,690	11,217		230,907
Equipment	111,062	9,993	(2,107)	118,948
Computer software	651			651
Water facility rights	1,273			1,273
Total capital assets being depreciated	<u>2,798,632</u>	<u>76,943</u>	<u>(7,895)</u>	<u>2,867,680</u>
Less accumulated depreciation for:				
Buildings and improvements	(868,981)	(71,379)	5,788	(934,572)
Infrastructure	(54,947)	(4,836)		(59,783)
Equipment	(62,064)	(10,363)	1,700	(70,727)
Computer software	(189)	(128)		(317)
Water facility rights	(481)	(25)		(506)
Total accumulated depreciation	<u>(986,662)</u>	<u>(86,731)</u>	<u>7,488</u>	<u>(1,065,905)</u>
Total capital assets, being depreciated, net	<u>1,811,970</u>	<u>(9,788)</u>	<u>(407)</u>	<u>1,801,775</u>
Total business-type activities	<u>\$ 2,239,650</u>	<u>40,008</u>	<u>(38,110)</u>	<u>2,241,548</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Depreciation expense and amortization was charged to functions/programs of the primary government as follows:

	Depreciation Expense
<b>Governmental activities:</b>	
General government	\$ 16,456
Public assistance	313
Public protection	17,314
Health and sanitation	3,107
Public ways and facilities	47,851
Recreation and culture	4,016
Education	723
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	19,975
Total depreciation expense - governmental activities	\$ 109,755
 <b>Business-type activities:</b>	
Airport	\$ 54,892
Solid Waste	10,858
Water Agency	20,396
Parking Enterprise	105
County Transit	480
Total depreciation expense - business-type activities	\$ 86,731

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - INTERFUND TRANSACTIONS**

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the fiscal year ended June 30, 2021.

Advances To/From Other Fund at June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
Internal service	General	\$ 5,096

Transfers Out / In Other Funds for the fiscal year ended June 30, 2021, are as follows:

Transfer Out	Transfer In	Amount	Description
General	Nonmajor governmental	\$ 132,532	Transfer to cover debt service payments and special revenue
Nonmajor governmental	General	14,937	Transfer to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	34,271	Transfer to cover debt service payments and capital project
Internal service	Nonmajor governmental	10,378	Transfer to cover debt service and Pension Obligation Bond debt service payments
Enterprise - Water Agency	Nonmajor governmental	1,080	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Airports	Nonmajor governmental	2,814	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	Nonmajor governmental	1,800	Transfer to cover Pension Obligation Bond debt service payments
Nonmajor enterprise	Nonmajor governmental	28	Transfer to cover Pension Obligation Bond debt service payments
Enterprise - Solid Waste	General	1,320	Transfer to Regional Parks for clean up and safety initiatives
	Total	\$ 199,160	

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

**NOTE 7 - LEASES**

Capital Leases:

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

As of June 30, 2021, the future minimum lease payments under capital leases are as follows:

Fiscal Year Ending June 30	Governmental Activities
2022	\$ 5,145
2023	6,592
2024	7,198
2025	2,768
2026	1,582
Total minimum lease payments	23,285
Less: Amount representing interest	(782)
Net present value of minimum lease payments	\$ 22,503

The following is a schedule of capital assets under capital leases by major classes as of June 30, 2021:

Capital Assets Under Capital Leases	
Asset:	Governmental Activities
Equipment	\$ 36,548
Less: Accumulated depreciation	(11,433)
Net capital assets under lease	\$ 25,115

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Operating Leases:

The County also leases buildings and equipment under operating leases, some of which contain escalation clauses. Future minimum non-cancelable operating lease payments for governmental and proprietary fund types as of June 30, 2021, are as follows:

Fiscal Year Ending June 30	Operating Leases Commitment		
	Governmental	Business-type	First Five Commission
2022	\$ 32,015	922	79
2023	32,471	939	76
2024	29,953	909	87
2025	25,544	859	107
2026	34,074	872	109
2027 - 2031	94,575	3,406	196
2032 - 2036	21,823	895	
2037 - 2041	127		
	\$ 270,582	8,802	654

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

Total rental payments for operating leases recorded for the fiscal year ended June 30, 2021, were \$37,391.

**Lease Income and Receivables**

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

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

In FY 2020-21, Airports received approximately \$7,708 for contingent rental payments in excess of stated minimum annual guarantees.



**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The following is a schedule of future minimum rentals on non-cancelable operating leases for the Airport fund as of June 30, 2021.

Fiscal Year Ending June 30	Future Minimum Rentals Business-type Activities
2022	\$ 75,981
2023	17,043
2024	16,193
2025	7,135
2026	4,138
2027 - 2031	8,155
2032 - 2036	3,807
2037 - 2041	3,263
2042 - 2046	3,152
2047 - 2051	3,150
2052 - 2056	3,150
2057 - 2061	2,211
2062 - 2066	603
Total future minimum rentals	\$ 147,981

**COUNTY OF SACRAMENTO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(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, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 132,657	103,972	(94,968)	141,661	11,590
Certificates of participation	149,305	32,501	(52,145)	129,661	9,943
Teeter notes	21,131	25,131	(23,739)	22,523	6,351
Pension obligation bonds	791,614		(78,829)	712,785	87,584
Accreted interest	57,816		(9,856)	47,960	11,991
Revenue bonds	291,992	230,706	(238,481)	284,217	6,193
Accreted interest	39,711	3,709	(38,689)	4,731	467
Other long-term debt	691	2,458	(311)	2,838	507
Litigation liability	82,080		(5,255)	76,825	5,413
Capital lease obligations	23,652	3,463	(4,612)	22,503	4,904
Unamortized amounts					
Issuance premiums	11,687	38,224	(2,561)	47,350	(2,354)
Issuance discounts	(5,225)		3,247	(1,978)	295
Total governmental activities - long-term obligations	<u>\$ 1,597,111</u>	<u>440,164</u>	<u>(546,199)</u>	<u>1,491,076</u>	<u>142,884</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 7,620	6,592	(5,848)	8,364	424
Revenue bonds	898,455	79,705	(126,491)	851,669	10,350
PFC and subordinate revenue bonds	225,575		(5,480)	220,095	5,705
Reimbursement agreements	3,342		(1,376)	1,966	328
Water rights - SMUD assignment	1,162		(759)	403	403
Unamortized amounts					
Issuance premiums	103,860	21,284	(9,916)	115,228	
Total business-type activities - long-term obligations	<u>\$ 1,240,014</u>	<u>107,581</u>	<u>(149,870)</u>	<u>1,197,725</u>	<u>17,210</u>
<b>Component Unit (First 5 Commission):</b>					
Compensated absences	<u>\$ 239</u>	<u>160</u>	<u>(100)</u>	<u>299</u>	<u>30</u>

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$12,738 of the internal service funds compensated absences balance and \$15,203 of the internal service funds capital lease obligations balance is included in governmental activities. Also, for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and internal service funds.

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2021 are as follows:

Governmental Activities:

	<u>Amount Outstanding at June 30, 2021</u>
Certificates of Participation (COP):	
County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003. Principal payments are due December 1, 2021 through December 1, 2034, escalating from \$1,170 to \$2,160, with interest rates ranging from 4.5 percent to 5.0 percent. This issuance is collateralized by the base rental payments from the Juvenile Courthouse project. There is no accelerated payment schedule if payment goes into default.	\$ 22,565
County of Sacramento 2018 Certificates of Participation issued on November 28, 2018. The County issued the 2018 bonds to refund and defease \$39,703 of outstanding debt for 1994/97 Refunding Certificates of Participation as Series 2018A and Series 2018B for the three Certificates of Participation; \$9,729 for 2003 Public Facilities Projects - ADA Improvements; \$16,355 for 2006 Public Facilities Project; \$34,198 for 2007 Certificates of Participation to pay costs of issuance, and debt service reserve of \$798,240. Principal payments are due October 1, 2021 through the FY 2033-34. Payments escalate from \$3,520 to \$4,755 for Series 2018A and \$400 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.	74,595
County of Sacramento 2020 Certificates of Participation issued on October 22, 2020. 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, 2021 through October 1, 2029. Payments escalate from \$2,440 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.	27,080
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 from June 20, 2006. Principal payments are due September 1, 2021 through September 1, 2037, escalating from \$243 to \$408, with interest at 3.25 percent. There is no accelerated payment schedule if payment goes into default.	<u>5,421</u>
Total certificates of participation	129,661
Add: Issuance premium	14,909
	<u>\$ 144,570</u>

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Amount  
Outstanding at  
June 30, 2021

Teeter notes:

County of Sacramento, 2016 Teeter Loan Agreement Note, dated November 1, 2016, to purchase the delinquent property taxes receivables as of June 30, 2016, of \$17,391. Annual payments of principal and interest are due on the first business day of August each year, ending in 2021. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 2, 2021. Interest payments will be at a variable rate that averaged 0.827 percent in the FY 2020-21 and was 0.639 percent at June 30, 2021.

\$ 836

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 0.827 percent in the FY 2020-21 and was 0.639 percent at June 30, 2021.

1,729

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 0.827 percent in the FY 2020-21 and was 0.639 percent at June 30, 2021.

2,961

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 0.827 percent in the FY 2020-21 and was 0.639 percent at June 30, 2021.

5,275

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 0.683 percent in the FY 2020-21 and was 0.639 percent at June 30, 2021.

11,722

Total Teeter notes

\$ 22,523

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

Amount  
Outstanding at  
June 30, 2021

Pension obligation bonds (POB):

<p>County of Sacramento Pension Obligation Bonds issued July 22, 1995, \$538,060 of Series 1995 Taxable Pension Funding Bonds to fund the accrued actuarial liability of the County to the SCERS. The issue is composed of \$404,060 of Series 1995A Fixed Rate Bonds, \$67,000 of Series 1995B Variable Rate Bonds, and \$67,000 of Series 1995C Variable Rate Bonds. Principal payments on the fixed rate bonds are due June 30, 2021, through June 30, 2022, of \$45,379, with a fixed rate of 7.68 percent. On September 22, 2011, the County did a partial advance refunding to defease \$134,000 of the 1995 B &amp; C Pension Funding variable rate bonds.</p>	\$ 45,379
<p>County of Sacramento Pension Obligation Bonds issued July 15, 2003, \$152,321 of Series 2003 A &amp; B Taxable Pension Funding Bonds. The net proceeds, \$149,630 established an irrevocable escrow fund to defease to maturity a portion of the Series 1995 Taxable Pension Funding Bonds, from August 15, 2003 through August 15, 2008. The issue is composed of \$54,879 of Series 2003A, Capital Appreciation Bonds, \$97,441 of Series 2003B Convertible Capital Appreciation Bonds to provide budgetary relief (over three to seven years at the time of bonds were issued) due to pension benefit enhancements and losses incurred by the SCERS. Final principal payment on the Series 2003A bonds was made on August 15, 2008, in the amount of \$26,500. Principal payments on the Series 2003B bonds are due commencing August 15, 2022, for \$69,014, and August 15, 2023, for \$28,427. The rate on Series 2003B bonds is 5.73 percent.</p>	97,441
<p>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, 2021 through July 10, 2030, escalating from \$14,975 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.</p>	298,640
<p>County of Sacramento Taxable Pension Obligation Bonds, Series 2011A issued on September 22, 2011. The County issued the 2011 bonds to refund \$134,000 outstanding principal amount of its Taxable Pension Funding Bonds, Series 1995B &amp; C, to pay costs associated with the termination of interest rate swaps relating to the refunded bonds of \$51,920, and to pay \$2,912 cost of issuance of the Series 2011A Bonds. Principal payments on the 2011 bonds are due commencing on August 1, 2021 and August 1, 2023, payments ranging from \$27,230 to \$58,260 and interest rates ranging from 5.97 percent to 6.42 percent.</p>	85,490
<p>County of Sacramento Taxable Pension Obligation Bonds, Series 2011B issued on October 6, 2011. The County issued the 2011B bonds to refund \$47,760 outstanding principal amount of its Taxable Pension Funding Bonds, Series 2009, to pay costs associated with the termination of interest rate swaps relating to the refunded bonds of \$24,629, and to pay \$1,665 costs of issuance of the Series 2011B Bonds. The 2011B bonds totaling \$73,875 are due on August 1, 2024 in full, at an interest rate of 6.625 percent.</p>	73,875

**COUNTY OF SACRAMENTO  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Amount  
Outstanding at  
June 30, 2021

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, 2021, on the 1995 and 2003 Pension Obligation Bonds is \$47,960. 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	712,785
Add: Accreted interest	47,960
Less: Issuance discount	<u>(1,648)</u>

\$ 759,097

Revenue Bonds:

On February 18, 2021, the Tobacco Securitization Authority issued \$230,706 of 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 bonds are payable solely from pledged Tobacco Settlement Revenues and interest earnings on amounts on deposit. The Authority issued \$124,625 for the Series 2021A Senior Current Interest Bonds. The first Series A Term 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 second Series A 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, 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, 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, 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.

\$ 220,181

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

The Sacramento County Financing Authority issued three series of Revenue Bonds issued December 23, 2003 for the purpose of allowing the Authority to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are distributions made by the County's Redevelopment Property Tax Trust Fund (RPTTF). Total principal and interest remaining on the bonds is \$38,549, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$1,390 and \$1,179 respectively. Series A - \$33,696 Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,490 in serial bonds, maturing from December 2004 - 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020-2030. Series B - \$8,345 Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent.

Sacramento County Financing Authority issued two series of Tax Allocation Revenue Bonds on March 5, 2008 for the purpose of loaning the proceeds to the Sacramento Housing and Redevelopment Agency. The loan proceeds will finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is distributions from the County's RPTTF. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Total principal and interest remaining on the bonds is \$64,397, payable through December 2038. For the current year, principal and interest paid and total RPTTF distributions were \$855 and \$2,135, respectively. Series A - \$24,765 Mather/McClellan (Tax Exempt) Redevelopment Area improvements. 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.

Redevelopment agencies were dissolved as of January 31, 2012. See Note 23 – Successor Agency Trust for Assets of Former Redevelopment Agency.

Principal payments on both Series are due December 1st through final maturity in 2038. Interest payments are due on June 1st and December 1st. The 2003 Series A Capital Appreciation Bonds are callable at par beginning on December 1, 2018. The tax-exempt Series 2008A Bonds are callable at par beginning on December 1, 2018. The taxable Series 2008B Bonds are subject to optional redemption on any date, with a “make-whole premium” determined at the time of optional redemption on the bases of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points.

	<u>64,036</u>
Total revenue bonds	284,217
Add: Accreted interest	4,731
Add: Issuance Premium	32,441
Less: Issuance discount	<u>(330)</u>
	<u><u>\$ 321,059</u></u>

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Other long-term debt:

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

\$ 2,838

Litigation Liability:

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

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

The County entered into a settlement agreement with UCD in November 2017, with the County agreeing to pay a net amount of \$93,620 plus interest over a 15 year period. Payments made in the first 11 fiscal years range from \$6.4 million to \$8.2 million, with the first payment 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, 2021, the outstanding balance is \$76,825. 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 of governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2021.

Fiscal Year ending June 30	Certificates of Participation		Teeter Notes		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 9,943	6,086	6,351	169	87,584	43,383
2023	10,456	5,581	5,515	120	86,040	50,849
2024	10,979	5,049	4,650	78	106,887	29,864
2025	11,533	4,496	3,663	43	123,985	12,586
2026	12,106	3,920	2,344	16	111,325	5,645
2027 - 2031	50,660	11,126			196,964	4,384
2032 - 2036	23,180	2,132				
2037 - 2038	804	26				
	<u>\$ 129,661</u>	<u>38,416</u>	<u>22,523</u>	<u>426</u>	<u>712,785</u>	<u>146,711</u>



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<u>Fiscal Year ending June 30</u>	<u>Revenue Bonds</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 6,193	10,035	507	31
2023	6,124	9,809	500	46
2024	6,418	9,679	386	34
2025	6,424	9,208	311	27
2026	6,673	8,892	217	21
2027 - 2031	39,159	39,155	917	45
2032 - 2036	42,260	26,324		
2037 - 2041	39,225	19,491		
2042 - 2046	21,090	11,410		
2047 - 2051	39,570	4,261		
2052 - 2056				
2057 - 2060	71,081	234,869		
	<u>\$ 284,217</u>	<u>383,133</u>	<u>2,838</u>	<u>204</u>

Amount  
Outstanding at  
June 30, 2021

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 rates on the 2007A bonds range from 3.75 percent to 5.0 percent. The variable interest rates on the 2007B bonds range from 2.239 percent to 2.259 percent at June 30, 2020. 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 Swap. 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

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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 ourstanding 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.

67,029

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. 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 on refunding amounted to \$18,228 and will be amortized through July 1, 2041.

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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. The Series 2018 Senior Bonds were issued to refund the outstanding Senior Series 2008A, 2008B and 2009B. The Series 2018 Subordinate Bonds were issued to refund the outstanding Subordinate Series 2008D, 2008E and 2009D. The deferred amounts on refunding totaled \$10,962 and will be amortized through July 1, 2039.

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 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. The prepaid insurance, bond premiums and the deferred amounts on prior refunding transactions related to the defeased maturities have been written off.

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. 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.

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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 shall not be subject to this acceleration if any senior obligations are then outstanding. Junior subordinate obligations shall not be subject to this acceleration if any subordinate or senior obligations are then outstanding.

555,720

Total Revenue Bonds	851,669
PFC & Subordinate Bonds	220,095
Add: Issuance premiums	115,228
	<u>\$ 1,186,992</u>

Reimbursement agreements:

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

\$ 1,966

Water rights – SMUD assignment:

Sacramento County Water Agency Enterprise fund has entered into an agreement with the Sacramento Municipal Utilities District (SMUD) which provides for the assignment of thirty thousand acre feet of SMUD’s Central Valley Project water supply to the Water Agency. Under this contract the Water Agency has agreed to pay the federal government certain costs that are allocated to the assigned contract amount. Under the terms of the agreement, the Water Agency will pay the balance over ten years with final payment due October 2022. There are no assets pledged as collateral and no terms specified with respect to default, early termination, or acceleration clauses within these agreements.

\$ 403

**COUNTY OF SACRAMENTO**  
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Long-term debt obligation maturities of business-type activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2021.

<u>Fiscal Year ending June 30</u>	Revenue Bonds and PFC		Reimbursement Agreements	
	Revenue Bonds		Principal	Interest
	Principal	Interest		
2022	\$ 16,055	51,336	328	
2023	16,865	50,526	328	
2024	34,780	49,317	328	
2025	36,480	47,487	328	
2026	40,250	45,599	654	
2027 - 2031	238,010	195,936		
2032 - 2036	299,310	132,025		
2037 - 2041	330,605	54,079		
2042	59,409	1,485		
	<u>\$ 1,071,764</u>	<u>627,790</u>	<u>1,966</u>	

<u>Fiscal Year ending June 30</u>	SMUD Water Rights	
	Principal	Interest
2022	\$ 403	26

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for fiscal year ended June 30, 2021.

**COUNTY OF SACRAMENTO**  
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Conduit Debt and Non-Exchange Financial Guarantees

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

The County is a member of the River City Regional Stadium Financing Authority. In 1999, the Authority issued taxable lease revenue bonds in the amount of \$39,990 to finance the site acquisition and construction of a privately owned and operated baseball stadium and related improvements, known as 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, 2021, the principal amount of bonds outstanding was \$22,390 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 Airport or the County or a pledge of the faith and credit of the Airport. The Airport will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2021, the outstanding balance of the debt was \$8,800. The Special Facility Bonds will mature November 1, 2028.

At June 30, 2021 the County's debt limit for general obligation bonds and legal debt margin was \$2,292,598.

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**NOTE 9 - DERIVATIVES - 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 \$286,275 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 (LIBOR). The payments are then discounted using the spot rates (LIBOR) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2021, classified by type, and the changes in fair value of such derivative instruments, as reported for the fiscal year ended June 30, 2021 financial statements are as follows debit (credit).

	Notional Amount	Changes in Fair Value		Fair Value - as of June 30, 2021	
		Classification	Amount	Classification	2021
<b>Governmental Activities:</b>					
<i>Cash Flow Hedges:</i>					
<b>Series 2008 C-1 Swap</b>					
Pay-fixed interest rate swap	\$ 286,275	Deferred outflow	\$ 24,474	Debt	\$ (73,869)
		Total Governmental Activities	\$ 24,474		\$ (73,869)
<b>Business-Type Activities:</b>					
<i>Cash Flow Hedges:</i>					
<b>Series 2007 B Swap</b>					
Pay-fixed interest rate swap	\$ 128,965	Deferred outflow	\$ 9,984	Debt	\$ (31,948)
<b>Series 2007 B Swap</b>					
Pay-fixed interest rate swap	99,955	Deferred outflow	11,388	Debt	(35,870)
		Total Business-Type activities	\$ 21,372		\$ (67,818)

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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, 2021, along with the credit rating of the associated counterparty:

**Governmental Activities:**

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
<b>Series 2008 C-1 Swap</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 286,275	7/10/2006	7/10/2030	County pays 5.901% fixed; receives USD LIBOR - BBA adjusted monthly: 0.077%	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>
<b>Series 2007 B Swap</b> 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
<b>Series 2007 B Swap</b> Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2007 Series B Bonds	99,955	5/9/2007	6/1/2039	Water Agency pays fixed 4.221%; receives 67% of USD LIBOR-BBA plus 57 bps	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 as well, and both reset on the same day of the month, the basis risk became fixed. The basis risk for the 2026 Term bonds is 1.30 percent and for the 2030 Term bonds is 1.45 percent.



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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, the counterparty has the option to terminate the swap. As of June 30, 2021, the negative fair value of the swap amounted to \$73,869.

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, 2021 was \$73,869.

**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.

Contingencies:

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

Should the Water Agency be downgraded below Baa2 by Moody's or BBB by S&P and an insurer event has occurred, the counterparty has the option to terminate the swap. As of June 30, 2021, negative fair value of the swaps amounted to \$67,818.

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, 2021, debt service requirements of governmental activities and business-type activities for the variable rate debt and the net receipts/payments on associated hedging derivative instruments are presented below:

Governmental Activities:

<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>
2022	\$ 14,975	4,003	15,874	34,851
2023	17,025	3,771	14,892	35,688
2024	20,200	3,496	13,731	37,427
2025	22,800	3,185	12,416	38,402
2026	26,675	2,823	10,881	40,379
2027 - 2031	184,600	6,448	24,596	215,644
	<u>\$ 286,275</u>	<u>23,726</u>	<u>92,390</u>	<u>402,391</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>
2022	\$	1,486	8,141	9,627
2023	1,905	1,486	8,141	11,532
2024	1,985	1,473	8,073	11,532
2025	2,065	1,461	8,003	11,528
2026	2,150	1,448	7,929	11,527
2027 - 2031	61,445	6,656	36,419	104,520
2032 - 2036	96,940	3,950	21,421	122,311
2036 - 2039	62,430	835	4,507	67,772
	<u>\$ 228,920</u>	<u>18,795</u>	<u>102,634</u>	<u>350,349</u>

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

At June 30, 2021, special assessment improvement bonds outstanding for all assessment districts totaled \$164,255. 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 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, 2021, \$6,975 of authorized bonds remains unissued. The outstanding balance at June 30, 2021 was \$3,560.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue \$90,000 of Special Tax Bonds. On September 28, 2004, the District issued \$10,250 Series 2004 Special Tax Bonds with interest rates ranging from 3.00% to 6.25%. On December 8, 2011 the District issued \$10,395 Series 2011 Special Tax Bonds with interest rates ranging from 2.25 percent to 6.00 percent. On December 14, 2017, the District issued \$29,470 of series 2017 Special Tax Bonds with interest rates ranging from 2.00 to 5.00 percent, a portion of the proceeds were used to defease the outstanding 2004 bonds and the outstanding 2011 bonds. The remaining proceeds were used to pay the costs of acquiring and constructing certain public facilities. The 2017 bonds constitute the entire bonded indebtedness as of June 30, 2021. At June 30, 2021, \$57,235 of authorized bonds remain unissued. The outstanding balance at June 30, 2021 for the Series 2017 bonds was \$27,945.

The Laguna Creek Ranch/Elliott Ranch Community Facilities District No. 1 (District) has been authorized to issue a total of \$63,500 of Special Tax Bonds for both Improvement Areas No. 1 and No. 2 by Board of Supervisors Resolution No. 90-1497 dated August 28, 1990, with \$37,500 being the authorized bonded indebtedness for Improvement Area No. 1 and \$26,000 being the authorized bonded indebtedness for Improvement Area No. 2. On August 13, 1997, the District issued \$21,415 of 1997 Refunding Bonds for Improvement Area No. 2, the proceeds of which were used to defease the outstanding 1990 Bonds. On December 30, 1997, the District issued \$31,980 of 1997 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1990 Bonds. The defeased 1990 bonds in original aggregate principal amount of \$34,000 for Improvement Area No. 1 and \$24,155 for Improvement Area No 2 are the only bonds that have been issued under such authorization. On January 27, 2011, the District issued \$12,830 of 2011 Refunding Bonds for improvement Area No. 2, the proceeds of which were used to defease the outstanding 1997 Refunding Bonds. On March 3, 2011, the District issued \$17,075 of 2011 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1997 Refunding Bonds. The 2011 Refunding Bonds constitute the entire bonded indebtedness of the District. At June 30, 2021, \$3,500 of authorized Improvement Area No. 1 bonds and \$1,845 of authorized Improvement Area No. 2 bonds remain unissued. Interest rates for District No. 1 range from 2.0 percent to 5.0 percent, and District No. 2 ranges from 1.5 percent to 5.25 percent. The outstanding balance was at June 30, 2021, for Improvement Area No. 1 was \$0 and for Improvement Area No. 2 was \$1,550.

The Metro Air Park Community Facilities District No. 1998-1 (District) has been authorized to issue \$7,250 of Special Tax Bonds. On December 30, 1998, the District issued \$5,310 of Special Tax Bonds with an interest rate of 7.00 percent. These bonds constitute the entire bonded indebtedness as of June 30, 2021. At June 30, 2021, \$1,940 of authorized bonds remains unissued. The outstanding balance at June 30, 2021, was \$455.

The Metro Air Park Community Facilities District No. 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004, the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 percent. On December 14, 2007, the District issued \$40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00 percent. The Series 2004A and the Series 2007B bonds, a total of \$84,390, constitute the entire bonded indebtedness as of June 30, 2021. At June 30, 2021, \$96,340 of authorized bonds remains unissued. The outstanding balance at June 30, 2021, for the 2004A bonds was \$45,205 and for the 2007B bonds was \$39,185.

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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. On June 30, 2021, the District issued \$3,895 of Special Tax bonds with an interest rate of 4.00 percent to provide funds to pay costs of acquisition and construction, deposit to a bond reserve fund, and pay certain cost of issuance. The Series 2016 and the Series 2021 Bonds, a total of \$17,795, constitute the entire bonded indebtedness of the District. As of June 30, 2021, \$31,850 of authorized bonds remains unissued. The outstanding balance as of June 30, 2021 for the 2016 bonds was \$13,900 and for for the 2021 bonds was \$3,895.

The County of Sacramento Community Facilities District No 2014-2 (North Vineyard Station No. 2) (District) has been authorized to issue \$50,000 of Special Tax Bonds. On June 8, 2017, the District issued \$14,225 of Special Tax Bonds with interest rates ranging from 2.00 percent to 5.00 percent. The 2017 Special Tax Bonds constitute the entire bonded indebtedness of the District. As of June 30, 2021, \$31,850 of authorized bonds remains unissued. The outstanding balance as of June 30, 2021 for the 2016 Special Tax Bonds was \$13,900.

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, 2021, \$78 of authorized bonds remains unissued. The outstanding balance as of June 30, 2021 was \$470.

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, 2021, \$8,390 of authorized bonds remains unissued. The outstanding balance as of June 30, 2021 was \$6,535.

**NOTE 11 - PLEDGED REVENUES**

The County has pledged a portion of delinquent property tax revenues to repay \$22,523 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on November 1, 2016, November 1, 2017, December 4, 2018, November 19, 2019, and January 12, 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 \$22,523 and interest of \$426 remain on the notes and are payable through August 1, 2025. For the current year, net revenues pledged were equal to the total principal and interest paid of \$23,733 and \$285, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay its outstanding debt. Bonds are payable from the net revenues of Airports through fiscal year 2041. The total principal and interest remaining to be paid on senior bonds is \$912,986. Principal and interest paid in the current fiscal year was \$44,329, and the total net revenues were \$51,186. 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 \$356,648. Principal and interest paid for the current year was \$16,594 and the Passenger Facility Charges (PFC) cash generated in FY 2020-21 was \$11,622. 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 \$430,551. Principal and interest paid in the current fiscal year was \$22,095 and the total net revenues were \$61,612. 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 \$67,087 in outstanding construction contract commitments at June 30, 2021.

Airports Enterprise Fund – The Airports had approximately \$9,149 in outstanding construction contract commitments at June 30, 2021.

Solid Waste Enterprise Fund – Solid Waste had approximately \$7,603 in outstanding construction contract commitments at June 30, 2021.

Water Agency Enterprise Fund – The Water Agency had approximately \$22,609 in outstanding construction contract commitments at June 30, 2021.

Nonmajor Enterprise Funds - The nonmajor enterprise funds had \$6,603 in outstanding construction contract commitments at June 30, 2021.

**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, 2021, were \$17,821. The Fund will recognize costs of \$31,470 as the remaining cost in the Kiefer Landfill is used in future years. At June 30, 2021 the capacity of the Kiefer Landfill used to date was 36 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 \$10,420 is considered restricted at June 30, 2021, with the remaining balance recorded considered designated. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of the Kiefer Landfill. Management expects that any increase to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

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

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

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

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

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

The Fund reported Elk Grove Landfill postclosure care liabilities at June 30, 2021 as \$498.

The Elk Grove landfill is 100 percent full and the postclosure 30-year liability period runs through June 2024. At June 30, 2021, the reported liabilities represent costs for the remaining 3 years. The portion of the postclosure costs expected to be paid during the next year is \$249.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2021, of \$203. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2021, the reported liabilities represent postclosure costs for the remaining 8 years. The portion of the postclosure costs expected to be paid during the next year is \$29.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2021. 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, 2021, is estimated to be \$26,417.

Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2021 were as follows:

	<u>July 1, 2020</u> <u>Beginning</u>	<u>Expense</u>	<u>Payments</u>	<u>June 30, 2021</u> <u>Ending</u>	<u>Due within</u> <u>One Year</u>
Kiefer	\$ 17,053	768		17,821	
Elk Grove	738	9	(249)	498	249
Grand Island	229	3	(29)	203	29
Kiefer Final Cover	<u>25,400</u>	<u>1,017</u>		<u>26,417</u>	<u>125</u>
	<u>\$ 43,420</u>	<u>1,797</u>	<u>(278)</u>	<u>44,939</u>	<u>403</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 eight Special Districts.

The management of SCERS is vested with the Sacramento County Board of Retirement (Retirement Board). The Retirement Board consists of nine members and two alternates. The County Director of Finance is appointed by the County Executive, subject to confirmation by the Board of Supervisors. Four members are appointed by the 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 provision 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 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, 2021, from the June 30, 2019 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	9.58%	7.80%	10.60%	10.29%	9.45%	5.98%	5.51%	9.45%
Employer	22.03%	19.17%	22.20%	21.91%	20.96%	33.54%	35.58%	29.49%

	County - Safety Cost Pool - Contribution Rates			
	Tier 1	Tier 2	Tier 3	Tier 4
Employee	22.40%	19.24%	18.68%	14.97%
Employer	61.78%	53.75%	53.11%	49.35%

For the fiscal year ended June 30, 2021, 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	\$ 131,085	10,624	141,709	294
County - Safety Tier	121,349	1,433	122,782	
Carmichael Recreation and Park District - Miscellaneous	390		390	
Mission Oaks Recreation and Park District - Miscellaneous	333		333	
Sunrise Recreation and Park District - Miscellaneous	740		740	
Total Employer Contributions	\$ 253,897	12,057	265,954	294

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

As of June 30, 2021, 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	\$ 1,132,777	89,698	1,222,475	2,532
County - Safety Tier	1,139,055	12,921	1,151,976	
Carmichael Recreation and Park District - Miscellaneous	3,790		3,790	
Mission Oaks Recreation and Park District - Miscellaneous	3,560		3,560	
Sunrise Recreation and Park District - Miscellaneous	7,982		7,982	
Total Net Pension Liability	\$ 2,287,164	102,619	2,389,783	2,532

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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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020 that made contributions in FY 2020-21; 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, 2020, 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, 2019 and 2020, 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, 2019	88.319 %	0.135 %	0.127 %	0.305 %	0.083 %
Proportion - June 30, 2020	87.480 %	0.140 %	0.131 %	0.294 %	0.093 %
Change - Increase (Decrease)	<u>(0.839)%</u>	<u>0.005 %</u>	<u>0.004 %</u>	<u>(0.011)%</u>	<u>0.010 %</u>

For the fiscal year ended June 30, 2021, the County recognized pension expense of \$499,197 and the First 5 Commission of \$530. At June 30, 2021, 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>Component Unit First 5 Commission</u>
	<u>Governmental Activities</u>					<u>Business-type Activities</u>	<u>Total</u>	
	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>			
Differences between actual and expected experience	\$ 134,011	109	102	229	134,451	3,723	138,174	72
Net difference between projected and actual earnings on plan investments	91,715	118	111	249	92,193	3,437	95,630	79
Changes in assumptions	235,495	534	501	1,124	237,654	13,493	251,147	356
Changes in proportions	18,148	83	109	446	18,786	2,935	21,721	75
Pension contributions made subsequent to measurement date	<u>252,434</u>	<u>390</u>	<u>333</u>	<u>740</u>	<u>253,897</u>	<u>12,057</u>	<u>265,954</u>	<u>294</u>
Total deferred outflows related to pensions	<u>\$ 731,803</u>	<u>1,234</u>	<u>1,156</u>	<u>2,788</u>	<u>736,981</u>	<u>35,645</u>	<u>772,626</u>	<u>876</u>

**COUNTY OF SACRAMENTO  
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	Deferred Inflows of Resources							
	Governmental Activities					Business- type Activities	Total	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise	Total			
Differences between actual and expected experience	\$ 6,134	8	7	16	6,165	226	6,391	5
Changes in proportion	21,094	90	246	462	21,892	227	22,119	135
Total deferred inflows related to pensions	<u>\$ 27,228</u>	<u>98</u>	<u>253</u>	<u>478</u>	<u>28,057</u>	<u>453</u>	<u>28,510</u>	<u>140</u>

The \$265,954 and \$294 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, 2022. 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
2022	\$ 124,743	196	150	412	125,501	116
2023	124,743	196	150	412	125,501	116
2024	124,743	196	150	412	125,501	116
2025	101,047	158	120	334	101,659	94
	<u>\$ 475,276</u>	<u>746</u>	<u>570</u>	<u>1,570</u>	<u>478,162</u>	<u>442</u>

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Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2020	June 30, 2020
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*	4.50% to 8.00%	5.50% 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) Disability	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) Employee Contribution Rate	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, 2019 Actuarial Experience Study, which can be found on SCERS' website	Based upon the June 30, 2019 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, a 0.25 percent reduction from the June 30, 2019 measurement date. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the current contribution rate and that employer contributions will be made at the end of each pay period based on the actuarially determined contribution rates. For this purpose, only the employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service cost for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2020 are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 %
Real Estate	5.0 %	4.6 %
Value Added Real Estate	2.0 %	8.1 %
Diversifying Absolute Return	7.0 %	2.4 %
Growth Oriented Absolute Return	3.0 %	2.4 %
Private Credit	4.0 %	5.6 %
Private Equity	9.0 %	9.4 %
Cash	1.0 %	
<b>Total Portfolio</b>	<b><u>100.0 %</u></b>	

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

<u>Net Pension Liability</u>	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>	<u>Total</u>	<u>Component Unit First 5 Commission</u>
1% Decrease (5.75%)	\$3,891,581	6,211	5,835	13,082	3,916,709	4,149
Current Discount Rate (6.75%)	2,374,451	3,790	3,560	7,982	2,389,783	2,532
1% increase (7.75%)	1,132,497	1,808	1,698	3,807	1,139,810	1,207

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

**NOTE 15 - POSTEMPLOYMENT HEALTH CARE BENEFITS**

Plan Description: The County participates in a single-employer plan and has established a Retiree Healthcare Plan (HC Plan), which does not issue a publicly available report. In September 2019 and 2020, respectively, the Board of Supervisors approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2020 and 2021, respectively. The County provides access to group medical insurance and dental insurance, medical and dental offset payments to a specific group of eligible retirees as a result of a settlement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

The County pays a medical and/or dental subsidy/offset to eligible annuitants who retired on or after May 31, 2007 from bargaining unit 003-Law Enforcement, Non-Supervisory, as a result of a settlement. The amount the medical and/or dental subsidy/offset payments made available to this group of eligible annuitants is calculated based upon the annuitant’s SCERS service credit. Neither SCERS nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance beyond the current term of the contract between the County and Bargaining Unit 003-Law Enforcement, Non-Supervisory which expires June 30, 2021. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership and will remain in place until eliminated through the bargaining process. The amount of the subsidy/offset payment, if any, payable on account of enrollment in a County sponsored retiree medical and/or dental insurance plan will also remain in place until modified or eliminated through the bargaining process. Annuitants from bargaining unit 003-Law Enforcement, Non-Supervisory are eligible for a medical premium subsidy according to the schedule on the following page:

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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 paid in FY 2020-21 totaled \$6,099 for the County and \$6 for the First 5 Commission.

At June 30, 2020, 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	11,282
Inactive employees receiving benefits	6,111
Inactive employees entitled to but not yet receiving	7,475
Total	24,868

**OPEB Liability:**

The County's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 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, 2020 Measurement Date
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.21% using the Bond Buyer 20-Bond GO Index
Inflation	2.75 per annum
Mortality Rate	6/30/19 SCERS valuation assumptions
Mortality Improvement	Post-retirement mortality projected fully generation with Scale MP-2019
Medical Trend	Non-medicare 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years

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Changes in the total OPEB liability for the HC Plan measured as of June 30, 2020 are as follows:

	Governmental Activities						Component Unit First 5 Commission	
	County	Carmichael	Mission Oaks	Sunrise	Total	Business-Type Activities		Total
Balance at June 30, 2020	\$ 128,237	102	74	119	128,532	6,705	135,237	121
Changes recognized for the measurement period								
Service cost	8,893	9	12	36	8,950	538	9,488	10
Interest on the total OPEB liability	4,694	4	3	6	4,707	263	4,970	4
Changes of assumptions	17,299	8	6	13	17,326	763	18,089	13
Changes in proportion	(437)				(437)	390	(47)	1
Benefit payments	(5,117)	(14)	(2)	(2)	(5,135)	(278)	(5,413)	(5)
Net changes	25,332	7	19	53	25,411	1,676	27,087	23
Balance at June 30, 2021	\$ 153,569	109	93	172	153,943	8,381	162,324	144

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, 2020:

Total OPEB Liability	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
1% decrease (1.21%)	\$ 178,233	116	98	183	178,630	155
Current discount rate (2.21%)	161,950	109	93	172	162,324	144
1% increase (3.21%)	147,695	103	88	161	148,047	134

Sensitivity of the Total OPEB liability to Changes in the Health Care Cost Trend Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	County	Carmichael	Mission Oaks	Sunrise	Total	Component Unit First 5 Commission
1% decrease (6.25% decreasing to 3.0% in 2076)	\$ 146,986	97	83	150	147,316	127
Current rate (7.25% decreasing to 4.0% in 2076)	161,950	109	93	172	162,324	144
1% increase (8.25% decreasing to 5.0% in 2076)	179,591	125	106	198	180,020	164



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

For the fiscal year ended June 30, 2021 the County recognized OPEB expense of \$7,581 and the First 5 Commission recognized OPEB expense of \$5. As of June 30, 2021 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	Component Unit First 5 Commission
	County	Carmichael	Mission		Total			
			Oaks	Sunrise				
Changes of assumptions	\$ 15,082	8	6	12	15,108	665	15,773	11
Changes in proportion	4,789				4,789	366	5,155	1
Benefits provided subsequent to the measurement date	5,738	12	4	6	5,760	339	6,099	6
Total	<u>\$ 25,609</u>	<u>20</u>	<u>10</u>	<u>18</u>	<u>25,657</u>	<u>1,370</u>	<u>27,027</u>	<u>18</u>

Deferred Inflows of Resources

	Governmental Activities					Business-type Activities	Total	Component Unit First 5 Commission
	County	Carmichael	Mission		Total			
			Oaks	Sunrise				
Difference between expected and actual experience	\$ 4,864	22	15	31	4,932	306	5,238	5
Changes of assumptions	41,812	35	21	32	41,900	2,688	44,588	46
Changes in proportion	4,830				4,830	109	4,939	14
Total	<u>\$ 51,506</u>	<u>57</u>	<u>36</u>	<u>63</u>	<u>51,662</u>	<u>3,103</u>	<u>54,765</u>	<u>65</u>

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The \$6,099 and \$6 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, 2021. 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
2022	\$ (6,851)	(8)	(6)	(9)	(6,874)	(9)
2023	(6,851)	(8)	(6)	(9)	(6,874)	(9)
2024	(6,851)	(8)	(6)	(9)	(6,874)	(9)
2025	(6,851)	(8)	(5)	(9)	(6,873)	(9)
2026	(6,851)	(8)	(5)	(9)	(6,873)	(9)
2027- 2028	548	(9)	(2)	(6)	531	(8)
Total	<u>\$ (33,707)</u>	<u>(49)</u>	<u>(30)</u>	<u>(51)</u>	<u>(33,837)</u>	<u>(53)</u>

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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 based and include claims incurred but not reported. The estimated liabilities include provisions for allocated claims adjustment expenses, including administrative, attorney, and other associated expenses. Proceeds received for salvage and subrogation are recognized as revenue in the year of receipt, and therefore, are not included in the estimated liabilities.

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

Reconciliation of Claims Liabilities

	Liability		Workers' Compensation		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 12,499	12,105	27,003	26,412	1,410	194	40,912	38,711
Noncurrent	35,203	35,095	170,327	166,319			205,530	201,414
Total beginning balance, July 1	<u>47,702</u>	<u>47,200</u>	<u>197,330</u>	<u>192,731</u>	<u>1,410</u>	<u>194</u>	<u>246,442</u>	<u>240,125</u>
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	11,478	10,876	31,432	23,125	18,514	7,341	61,424	41,342
Increase in provision for insured events of prior fiscal years	11,545	11,610	433	5,679			11,978	17,289
Total incurred claims and claim adjustment expenses	<u>23,023</u>	<u>22,486</u>	<u>31,865</u>	<u>28,804</u>	<u>18,514</u>	<u>7,341</u>	<u>73,402</u>	<u>58,631</u>
Less Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	554	498	4,742	2,840	17,565	5,931	22,861	9,269
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	19,539	21,486	18,451	21,365	1,410	194	39,400	43,045
Total payments	<u>20,093</u>	<u>21,984</u>	<u>23,193</u>	<u>24,205</u>	<u>18,975</u>	<u>6,125</u>	<u>62,261</u>	<u>52,314</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	<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>
Current portion of unpaid claims and claim adjustments	\$ 14,311	12,499	29,660	27,003	949	1,410	44,920	40,912
Noncurrent portion of unpaid claims and claim adjustments	36,321	35,203	176,342	170,327			212,663	205,530
Total current and noncurrent unpaid and claim adjustment expenses at end of the fiscal year	<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>

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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.

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**NOTE 17 - RESTRICTED NET POSITION**

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

Net position restricted by enabling legislation are comprised of \$36,537 (FAA approved passenger facility charges), \$9,493 (Customer Facility Charges) and \$4,122 (lighting and landscape maintenance) in the Statement of Net Position at June 30, 2021.

Restricted Net Position includes:

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

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- *Health and sanitation programs* - health programs are comprised of the following:
  - *Water Agencies* - drainage fees and assessments used to protect the community from flood hazards.
  - *Environmental management* - provide mandated regulatory services that protect public health and the environment and funded through client 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.
  - *Tobacco Securitization Authority* - reports the activities related to the County securitizing its portion of the nation-wide Tobacco Settlement Agreement.
  - *In-Home Support Services* - state funding for services to aged, blind and disabled persons who are unable to remain in their homes without assistance.
  - *Mental Health Services* - state funding from 1% income tax on personal income in excess of \$1 million.
  - *Alcohol and Drug programs* - state funding for alcohol and drug programs.
  - *Realignment* - state funding for realignment programs.
  
- *Transportation* - funds from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.
  
- *Lighting and landscape maintenance* - funds from special assessments used to maintain landscaped corridors, medians and natural open space.
  
- *Economic development* - primary programs revolve around the reuse programs and the Business Environment Resource Center (BERC) program.
  
- *Other* - includes programs related to recreation and culture, and education.
  
- *Endowments* - 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 and assigned (see Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2021 is as follows:

	Major	Nonmajor Governmental Funds			Total
	General Fund	Special Revenue	Debt Service	Capital Projects	
<b>Nonspendable:</b>					
Inventory	\$ 1,461				1,461
Long-term receivables	1,509				1,509
Prepaid items	13,550				13,550
Teeter Plan delinquencies	746				746
Teeter Plan tax loss	7,063				7,063
<b>Total nonspendable</b>	<b>24,329</b>				<b>24,329</b>
<b>Restricted for:</b>					
General government:					
Stormwater utility		23,049			23,049
Public protection:					
Law Enforcement	38,368	12,080			50,448
Clerk Recorder	24,983				24,983
Community Development		858			858
Protection and Inspection		24,409			24,409
Fire Protection		50			50
Health and sanitation:					
Mental Health Services	131,510				131,510
Realignment	4,270				4,270
Solid Waste Authority		4,675			4,675
Tobacco Securitization Authority		467			467
Water Agencies		49,481			49,481
In-Home Support Services		1,624			1,624
Environmental management		12,825			12,825
Public assistance	49,969				49,969
Public ways and facilities		102,820		7,512	110,332
Recreation and culture	5	11,084			11,089
Education		108			108
Capital projects				107,030	107,030
Economic development		41,372			41,372
Lighting and landscape		4,122			4,122
Debt service	66		57,667		57,733
<b>Total restricted</b>	<b>249,171</b>	<b>289,024</b>	<b>57,667</b>	<b>114,542</b>	<b>710,404</b>
<b>Assigned for:</b>					
Technology upgrades	19,000				19,000
Projected budgetary deficit	170,930				170,930
Audit Payback	13,648				13,648
Other purposes	1,250				1,250
<b>Total assigned</b>	<b>204,828</b>				<b>204,828</b>
<b>Unassigned</b>	<b>54,923</b>				<b>54,923</b>
<b>Total</b>	<b>\$ 533,251</b>	<b>289,024</b>	<b>57,667</b>	<b>114,542</b>	<b>994,484</b>

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**NOTE 19 - CONTINGENCIES**

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

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

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

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

The County and the individual Defendants 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.

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

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

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

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

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



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**NOTE 20 - TAX ABATEMENTS**

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

**Local Conservation Act Program**

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

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

**Mills Act Program**

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is an important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners. Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past. A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

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

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**Urban Agriculture Program**

The Urban Agricultural Incentive Zones Act attempts to increase the use of privately owned, vacant land for urban agriculture and improve land security for urban agriculture projects. This legislation allows city governments, with approval from their county Board of Supervisors, to create “urban agriculture incentive zones” within their boundaries. Land owners within these zones who are willing to lease land for urban agriculture (for a minimum of five years) can potentially lower the assessed value on their land. The Assessor's Office does not create urban agriculture incentive zones or 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 2020-21	
Land Conservation Act (Williamson Act)	\$	1,060
Mills Act		5

**COUNTY OF SACRAMENTO  
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**NOTE 21 - RESTATEMENT**

During the fiscal year ended June 30, 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The primary impact to the County's Annual Report due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, is as follows:

- 1) The County identifies the Sacramento County Employees Retirement System as a fiduciary component unit. The activity is reported as a Pension Trust Fund.
- 2) Another significant change with the implementation of GASB Statement No. 84 is the elimination of Agency funds and the reporting of Custodial funds. The reporting of Custodial funds includes the Statement of Changes in Fiduciary Net Position, which wasn't required for Agency funds.

As a result, the County restated fiduciary net position as of June 30, 2020, to properly reflect the beginning equity and the change in accounting related to the implementation.

Restatement to Fund Financials:

	Beginning net position, as previously reported	Restatement	Beginning net position, as restated
Investment Trust			
Treasurer's Pool	\$ 2,940,629	(13,970)	2,926,659
Non-Pooled Investments	413,846	(413,846)	
Investment Trust Total	<u>\$ 3,354,475</u>	<u>(427,816)</u>	<u>2,926,659</u>
 Pension Trust			
SCERS	<u>\$</u>	<u>9,979,379</u>	<u>9,979,379</u>
 Custodial Funds			
Non-Pooled Investments		413,845	413,845
Law Enforcement		31,958	31,958
Unapportioned Tax Collection		10,168	10,168
Custodial - Other		120,641	120,641
Custodial Funds Total	<u>\$</u>	<u>576,612</u>	<u>576,612</u>

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**NOTE 22 - FUTURE GASB PRONOUNCEMENTS**

In June 2017, GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The effective date of this statement was postponed to fiscal years beginning after June 15, 2021 with the issuance of GASB Statement No. 95. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The County has not determined the effect on the financial statements.

In 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 January 2020, GASB issued Statement No. 92, *Omnibus 2020*, effective for fiscal years beginning after June 15, 2020. The effective date of this statement was postponed to fiscal years beginning after June 15, 2021 with the issuance of GASB Statement No. 95. 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 March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements (except paragraphs 13 and 14) of this statement are effective for reporting periods beginning after June 15, 2020. Paragraphs 13 and 14 have been postponed to reporting periods beginning after June 15, 2021 with the issuance of GASB Statement No. 95. 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. 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 June 2020, GASB issued 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 for fiscal years beginning after June 15, 2021. The primary 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

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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. The County has not determined the effect, if any, on the financial statements.

**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 2021-22 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the 'dry period' to meet any obligations incurred. The money is essentially loaned by the County Treasurer's Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund's \$1.883 billion in estimated revenues approved in the County's FY 2021-22 Preliminary Budget. The County's final FY 2021-22 Budget was approved in September 2021 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.041 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

**COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has continued to spread and the related adverse public health developments have adversely affected workforces, customers, economies, and financial markets globally. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. Under the CARES Act, the County received \$181.2 million in Coronavirus Relief Funds in FY 2019-20. The County's governmental funds recognized \$135.3 million as intergovernmental revenue in FY 2019-20 and the remaining \$45.9 million being recognized in FY 2020-21. The funds were primarily used for qualifying Public Safety and Public Health purposes under the Coronavirus Relief Fund guidelines. The Airports fund was awarded a grant of \$49.9 million of which \$34.5 million was recognized as intergovernmental revenue relating to CARES ACT funding provided by the US Department of Transportation, Federal Aviation Administration in FY 2019-20 and the remaining \$14.4 being recognized in FY 2020-21. The funds were utilized as part of its bond defeasance in FY 2019-20 and payroll related costs in FY 2020-21. In FY 2020-21, the County received \$24.9 million in Coronavirus Relief Funds allocated by the State of California. All \$24.9 million was recognized as revenues, which the majority of the funds being expended on Public Safety and Public Health costs. Under the American Rescue Plan Act (ARPA), the County received \$150.7 million in Coronavirus State and Local Fiscal Recovery Funds in FY 2020-21, with 100% of the funds being reported as unearned revenues. The County also received \$48.2 million related to the Emergency Rental Assistance program under ARPA, with \$30.6 million being recognized as intergovernmental revenue and the remaining \$17.6 million being reported as unearned revenues. At this time, the County cannot estimate the impact of COVID-19 on its future years' financial statements. However, the County does expect there will be a need for increased expenditures in public health activities, as well as other costs associated with the County's response to the emergency.

**NOTE 24 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the RASA. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for

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the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former Redevelopment Agency's redevelopment project areas. Once the ROPS is approved by the State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller's Office distributes property taxes to the RASA from the County's Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule.

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

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

As of June 30, 2021, the RASA owes the Sacramento County Public Financing Authority \$55,879.

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

County	2021 <sup>D</sup>	2020	2019	2018 <sup>C</sup>
Proportion of the net pension liability	87.480 %	88.319 %	87.788 %	86.316 %
Proportionate share of the net pension liability	\$ 2,374,448	\$ 1,831,576	\$ 1,721,818	\$ 1,838,027
Covered payroll <sup>B</sup>	\$ 908,171	\$ 874,552	\$ 843,336	\$ 816,112
Proportionate share of the net pension liability as a percentage of its covered payroll	261.45 %	209.43 %	204.17 %	223.50 %
Plan fiduciary net position as a percentage of the total pension liability	78.62 %	82.57 %	82.51 %	80.37 %
<b>Carmichael</b>				
Proportion of the net pension liability	0.140 %	0.135 %	0.139 %	0.128 %
Proportionate share of the net pension liability	\$ 3,790	\$ 2,807	\$ 2,718	\$ 2,687
Covered payroll <sup>B</sup>	\$ 1,250	\$ 1,239	\$ 1,143	\$ 1,178
Proportionate share of the net pension liability as a percentage of its covered payroll	303.20 %	226.55 %	237.81 %	258.59 %
Plan fiduciary net position as a percentage of the total pension liability	78.62 %	82.57 %	82.51 %	80.37 %
<b>Mission Oaks</b>				
Proportion of the net pension liability	0.131 %	0.127 %	0.147 %	0.154 %
Proportionate share of the net pension liability	\$ 3,560	\$ 2,635	\$ 2,893	\$ 3,224
Covered payroll <sup>B</sup>	\$ 1,120	\$ 1,101	\$ 1,148	\$ 1,037
Proportionate share of the net pension liability as a percentage of its covered payroll	317.86 %	239.33 %	252.07 %	28.90 %
Plan fiduciary net position as a percentage of the total pension liability	78.62 %	82.57 %	82.51 %	80.37 %
<b>Sunrise</b>				
Proportion of the net pension liability	0.294 %	0.305 %	0.307 %	0.278 %
Proportionate share of the net pension liability	\$ 7,982	\$ 6,315	\$ 6,015	\$ 5,833
Covered payroll <sup>B</sup>	\$ 2,754	\$ 2,839	\$ 2,558	\$ 1,911
Proportionate share of the net pension liability as a percentage of its covered payroll	289.83 %	222.44 %	235.12 %	256.04 %
Plan fiduciary net position as a percentage of the total pension liability	78.62 %	82.57 %	82.51 %	80.37 %
<b>Component Unit First 5 Commission</b>				
Proportion of the net pension liability	0.093 %	0.083 %	0.093 %	0.115 %
Proportionate share of the net pension liability	\$ 2,532	\$ 1,725	\$ 1,821	\$ 2,226
Covered payroll <sup>B</sup>	\$ 1,352	\$ 1,245	\$ 1,316	\$ 1,423
Proportionate share of the net pension liability as a percentage of its covered payroll	187.28 %	138.55 %	138.38 %	173.40 %
Plan fiduciary net position as a percentage of the total pension liability	78.62 %	82.57 %	82.51 %	80.37 %
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017

Notes to Schedule:

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

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County	2017	2016	2015 <sup>A</sup>
Proportion of the net pension liability	86.792 %	89.005 %	89.000 %
Proportionate share of the net pension liability	\$ 1,538,375	\$ 1,023,390	\$ 692,793
Covered payroll <sup>B</sup>	\$ 780,978	\$ 745,978	\$ 731,874
Proportionate share of the net pension liability as a percentage of its covered payroll	196.98 %	137.19 %	94.00 %
Plan fiduciary net position as a percentage of the total pension liability	81.40 %	87.26 %	91.00 %
<b>Carmichael</b>			
Proportion of the net pension liability	0.140 %	0.119 %	0.102 %
Proportionate share of the net pension liability	\$ 2,457	\$ 1,373	\$ 787
Covered payroll <sup>B</sup>	\$ 1,138	\$ 1,096	\$ 1,040
Proportionate share of the net pension liability as a percentage of its covered payroll	215.94 %	125.27 %	75.67 %
Plan fiduciary net position as a percentage of the total pension liability	81.40 %	87.26 %	91.02 %
<b>Mission Oaks</b>			
Proportion of the net pension liability	0.100 %	0.095 %	0.083 %
Proportionate share of the net pension liability	\$ 1,752	\$ 1,090	\$ 643
Covered payroll <sup>B</sup>	\$ 782	\$ 851	\$ 826
Proportionate share of the net pension liability as a percentage of its covered payroll	224.02 %	77.86 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	81.40 %	87.26 %	91.02 %
<b>Sunrise</b>			
Proportion of the net pension liability	0.189 %	0.169 %	0.142 %
Proportionate share of the net pension liability	\$ 3,321	\$ 1,939	\$ 1,046
Covered payroll <sup>B</sup>	\$ 1,495	\$ 1,521	\$ 1,092
Proportionate share of the net pension liability as a percentage of its covered payroll	222.17 %	127.48 %	95.79 %
Plan fiduciary net position as a percentage of the total pension liability	81.40 %	87.26 %	91.02 %
<b>Component Unit First 5 Commission</b>			
Proportion of the net pension liability	0.114 %	0.099 %	0.096 %
Proportionate share of the net pension liability	\$ 1,846	\$ 1,059	693
Covered payroll <sup>B</sup>	\$ 1,313	\$ 1,177	1,262
Proportionate share of the net pension liability as a percentage of its covered payroll	140.59 %	89.97 %	54.92 %
Plan fiduciary net position as a percentage of the total pension liability	81.40 %	87.26 %	91.02 %
Measurement Date	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<sup>A</sup>**  
**(amounts expressed in thousands)**

**Retirement Plan - Schedule of Contributions**

<u>County</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015<sup>A</sup></u>
Contractually required contribution	\$ 264,487	\$ 238,546	\$ 209,613	\$ 172,257	\$ 174,767	\$ 180,678	\$ 191,907
Contributions in relation to the contractually required contribution	\$(264,487)	\$(238,546)	\$(209,613)	\$(172,257)	\$(174,767)	\$(180,678)	\$(191,907)
Covered payroll <sup>B</sup>	\$ 916,618	\$ 908,171	\$ 874,552	\$ 843,336	\$ 816,112	\$ 780,978	\$ 745,978
Contributions as a percentage of covered payroll	28.85 %	26.27 %	23.97 %	20.43 %	21.41 %	23.13 %	25.73 %
<u>Carmichael</u>							
Contractually required contribution	\$ 390	\$ 396	\$ 360	\$ 296	\$ 274	\$ 309	\$ 325
Contributions in relation to the contractually required contribution	\$ (390)	\$ (396)	\$ (360)	\$ (296)	\$ (274)	\$ (309)	\$ (325)
Covered payroll <sup>B</sup>	\$ 1,156	\$ 1,250	\$ 1,239	\$ 1,143	\$ 1,178	\$ 1,138	\$ 1,096
Contributions as a percentage of covered payroll	33.74 %	31.68 %	29.06 %	25.90 %	23.26 %	27.15 %	29.65 %
<u>Mission Oaks</u>							
Contractually required contribution	\$ 333	\$ 372	\$ 338	\$ 315	\$ 1,007	\$ 221	\$ 258
Contributions in relation to the contractually required contribution	\$ (333)	\$ (372)	\$ (338)	\$ (315)	\$ (1,007)	\$ (221)	\$ (258)
Covered payroll <sup>B</sup>	\$ 974	\$ 1,120	\$ 1,101	\$ 1,148	\$ 1,037	\$ 782	\$ 851
Contributions as a percentage of covered payroll	34.19 %	33.21 %	30.70 %	27.44 %	97.11 %	28.26 %	30.32 %
<u>Sunrise</u>							
Contractually required contribution	\$ 740	\$ 834	\$ 810	\$ 655	\$ 597	\$ 419	\$ 459
Contributions in relation to the contractually required contribution	\$ (740)	(834)	(810)	(655)	(597)	(419)	(459)
Covered payroll <sup>B</sup>	\$ 2,299	\$ 2,754	\$ 2,839	\$ 2,558	\$ 1,911	\$ 1,495	\$ 1,521
Contributions as a percentage of covered payroll	32.19 %	30.28 %	28.53 %	25.61 %	31.24 %	28.03 %	30.18 %
<u>Component Unit First 5 Commission</u>							
Contractually required contribution	\$ 294	\$ 264	222	198	228	233	251
Contributions in relation to the contractually required contribution	\$ (294)	(264)	(222)	(198)	(228)	(233)	(251)
Covered payroll <sup>B</sup>	\$ 1,374	\$ 1,352	1,245	1,316	1,423	1,313	1,177
Contributions as a percentage of covered payroll	21.40 %	19.53 %	17.83 %	15.05 %	16.02 %	17.75 %	21.33 %

Notes to Schedule:

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

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

**COUNTY OF SACRAMENTO**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**LAST TEN YEARS<sup>A,B</sup>**  
**(amounts expressed in thousands)**

Page 1 of 2

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

County	2021	2020	2019	2018 <sup>A</sup>
Service cost	\$ 9,431	11,949	12,187	12,977
Actual vs. expected experience		(6,957)		
Interest on the total OPEB liability	4,957	7,183	6,378	5,122
Changes in assumptions	18,062	(47,435)	(4,510)	(13,042)
Changes in proportion	(47)	104	263	
Benefit payments	(5,395)	(6,883)	(6,050)	(6,051)
Net change in total OPEB liability	27,008	(42,039)	8,268	(994)
Total OPEB liability - beginning	134,942	176,981	168,713	169,707
Total OPEB liability - ending	\$ 161,950	134,942	176,981	168,713
Covered employee payroll	\$ 883,579	845,535	765,327	818,852
Total OPEB liability as a percentage of covered payroll	18 %	16 %	23 %	21 %

Carmichael	2021	2020	2019	2018
Service cost	\$ 9	10	11	12
Actual vs. expected experience		(29)		
Interest on the total OPEB liability	4	7	6	4
Changes in assumptions	8	(39)	(3)	(8)
Benefit payments	(14)	(10)	(7)	(5)
Net change in total OPEB liability	7	(61)	7	3
Total OPEB liability - beginning	102	163	156	156
Total OPEB liability - ending	\$ 109	102	163	159
Covered employee payroll	\$ 1,017	923	1,050	1,039
Total OPEB liability as a percentage of covered payroll	11 %	11 %	16 %	15 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

**COUNTY OF SACRAMENTO**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**LAST TEN YEARS<sup>A,B</sup>**  
**(amounts expressed in thousands)**

Page 2 of 2

Mission Oaks	2021	2020	2019	2018 <sup>A</sup>
Service cost	\$ 12	11	11	12
Actual vs. expected experience		(20)		
Interest on the total OPEB liability	3	4	4	3
Changes in assumptions	6	(25)	(1)	(6)
Benefit payments	(2)	(3)	(9)	(7)
Net change in total OPEB liability	19	(33)	5	2
Total OPEB liability - beginning	74	107	102	100
Total OPEB liability - ending	<u>\$ 93</u>	<u>74</u>	<u>107</u>	<u>102</u>
Covered employee payroll	\$ 949	871	845	1,116
Total OPEB liability as a percentage of covered payroll	10 %	8 %	13 %	9 %
Sunrise	2021	2020	2019	2018
Service cost	\$ 36	28	28	29
Actual vs. expected experience		(42)		
Interest on the total OPEB liability	6	8	6	4
Changes in assumptions	13	(38)	(3)	(2)
Benefit payments	(2)	(8)	(3)	(7)
Net change in total OPEB liability	53	(52)	28	24
Total OPEB liability - beginning	119	171	143	119
Total OPEB liability - ending	<u>\$ 172</u>	<u>119</u>	<u>171</u>	<u>143</u>
Covered employee payroll	\$ 1,409	1,720	1,580	2,278
Total OPEB liability as a percentage of covered payroll	12 %	7 %	11 %	6 %
Component Unit First 5 Commission	2021	2020	2019	2018
Service cost	\$ 10	\$ 14	\$ 13	\$ 15
Actual vs. expected experience		7		
Interest on the total OPEB liability	4	(7)	7	5
Changes in assumptions	13	(52)	(4)	(12)
Change in proportion	1	(15)	(5)	
Benefit payments	(5)	(8)	(7)	(6)
Net change in total OPEB liability	23	(61)	4	2
Total OPEB liability - beginning	121	182	178	176
Total OPEB liability - ending	<u>\$ 144</u>	<u>121</u>	<u>182</u>	<u>178</u>
Covered employee payroll	\$ 998	948	933	1,284
Total OPEB liability as a percentage of covered payroll	14 %	13 %	20 %	14 %

Notes to Schedule:

A) FY 2017-18 was first year of implementation

B) The County has no assets accumulated in a trust that meets the criteria identified in paragraph 4 of GASB Statement 75.

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

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**COUNTY OF SACRAMENTO  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021  
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>				
Cash and investments	\$ 295,238	35,065	123,874	454,177
Receivables, net of allowance for uncollectibles:				
Billed	10,797		155	10,952
Interest	737	79	264	1,080
Intergovernmental	10,979		1,974	12,953
Loan receivable from County Successor Agency		55,879		55,879
Loan receivable from City Successor Agency		5,713		5,713
Long-term receivables	8,682	22,524	347	31,553
<b>Total assets</b>	<b>\$ 326,433</b>	<b>119,260</b>	<b>126,614</b>	<b>572,307</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 3,974		902	4,876
Accrued liabilities	16,204	1	8,182	24,387
Intergovernmental payable	5,970		2,641	8,611
Unearned revenues	1,496		347	1,843
<b>Total liabilities</b>	<b>27,644</b>	<b>1</b>	<b>12,072</b>	<b>39,717</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	9,765	61,592		71,357
<b>Fund balances:</b>				
Restricted	289,024	57,667	114,542	461,233
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 326,433</b>	<b>119,260</b>	<b>126,614</b>	<b>572,307</b>

**COUNTY OF SACRAMENTO  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ 50,673			50,673
Use of money and property	5,067	591	(223)	5,435
Licenses and permits	74,647			74,647
Intergovernmental	77,052	18,534	2,922	98,508
Charges for sales and services	147,727		12,753	160,480
Fines, forfeitures and penalties	180	15,630	1,696	17,506
Pledged tobacco settlement	15,751			15,751
Contributions from property owners			4,007	4,007
Miscellaneous	16,903		31,452	48,355
Total revenues	<u>388,000</u>	<u>34,755</u>	<u>52,607</u>	<u>475,362</u>
Expenditures:				
Current:				
General government	48,051			48,051
Public protection	72,069			72,069
Health and sanitation	41,236			41,236
Public ways and facilities	156,981		377	157,358
Recreation and culture	15,998			15,998
Education	1,085			1,085
Capital outlay			53,407	53,407
Debt service:				
Principal	210	131,938		132,148
Bond issuance costs	88	2,604		2,692
Interest and fiscal charges	171	74,029		74,200
Total expenditures	<u>335,889</u>	<u>208,571</u>	<u>53,784</u>	<u>598,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,111</u>	<u>(173,816)</u>	<u>(1,177)</u>	<u>(122,882)</u>
Other financing sources (uses):				
Transfers in	5,334	168,891	8,678	182,903
Transfers out	(27,548)	(19,099)	(2,561)	(49,208)
Issuance of long-term debt		25,131		25,131
Refunding debt issued	5,421	257,786		263,207
Premium on debt issued		38,224		38,224
Payment to refunded bonds escrow agent	(5,325)	(307,395)		(312,720)
Total other financing sources (uses)	<u>(22,118)</u>	<u>163,538</u>	<u>6,117</u>	<u>147,537</u>
Changes in fund balances	29,993	(10,278)	4,940	24,655
Fund balances - beginning	<u>259,031</u>	<u>67,945</u>	<u>109,602</u>	<u>436,578</u>
Fund balances - ending	<u>\$ 289,024</u>	<u>57,667</u>	<u>114,542</u>	<u>461,233</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### SPECIAL REVENUE FUNDS

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## SPECIAL REVENUE FUNDS

**Road** - Accounts for financing the construction and maintenance of Sacramento County's unincorporated area road systems through planning, environmental analysis, traffic engineering and design, operations, traffic signals, street lights, signs and markings, right-of-way acquisitions, safety related improvements and radar/speed control.

**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.

**Water Agencies** - As a blended component unit of the County, consists of various zones created to provide specialized services within specific geographic areas and is subject to Proposition 218 requirements.

**Stormwater Utility Program** - Accounts for revenues and expenditures relating to collection and discharge of stormwater runoff in the region subject to Proposition 218 requirements. Proposition 218 prohibits property-related fees from exceeding cost of services provided and revenues from the fee shall not be used for any purpose other than that for which the fee was imposed.

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

**Economic Development** - Oversees and is responsible for economic development matters within the County including the operation of the County's Business Environmental Resource Center (BERC), activities related to the redevelopment of the former McClellan and Mather air force bases and marketing efforts of the County. The department also engages in more general economic development and job creation programs.



## SPECIAL REVENUE FUNDS

**Roadways** - Provides financing for public road improvements within several geographical districts in response to land use decisions, population growth and anticipated future development. Development fees provide the funding for the improvements and are charged when commercial and residential building permits are approved.

**Tobacco Securitization Authority of Northern California** - As a blended component unit of the County, accounts for revenues and expenditures associated with the Authority, including activities such as the collection of tobacco settlement revenues, administration of bond debt and proceeds and the transferring of funds to the Tobacco Litigation Settlement debt service fund necessary to make required debt service payments.

**Environmental Management** - Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials funded through permits, licenses, registration, fees and penalties.

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

**Fish and Game Propagation** - Used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Recreation and Park Commission makes annual recommendations to the Board of Supervisors regarding expenditures within this fund.

**In-Home Support Services Authority** - Established via Sacramento County Code 2.97 in 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, 2021**  
**(amounts expressed in thousands)**

Page 1 of 3

	Road	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection	Fixed Asset Revolving
<b>Assets:</b>						
Cash and investments	\$ 64,281	6,896	107	6,820	25,073	
Receivables, net of allowance for uncollectibles:						
Billed	2,077				1,285	
Interest	164	21	1	15	55	
Intergovernmental	3,090			2,306		
Long-term receivables						
<b>Total assets</b>	<b>\$ 69,612</b>	<b>6,917</b>	<b>108</b>	<b>9,141</b>	<b>26,413</b>	
<b>Liabilities, deferred inflows of resources and fund balances:</b>						
<b>Liabilities:</b>						
Warrants payable	\$ 554	10		298	77	
Accrued liabilities	6,834	1,555		2,427	1,051	
Intergovernmental payable		309		1,253	876	
Unearned revenues	322	368				
<b>Total liabilities</b>	<b>7,710</b>	<b>2,242</b>		<b>3,978</b>	<b>2,004</b>	
<b>Deferred inflows of resources:</b>						
Unavailable revenues	807			235		
<b>Fund balances:</b>						
Restricted	61,095	4,675	108	4,928	24,409	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 69,612</b>	<b>6,917</b>	<b>108</b>	<b>9,141</b>	<b>26,413</b>	

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(amounts expressed in thousands)**

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program	Inmate Welfare
<b>Assets:</b>					
Cash and investments	\$ 3,454	12,423	49,557	21,205	13,676
Receivables, net of allowance for uncollectibles:					
Billed	29	463	257	2,132	
Interest	8	30	138	54	26
Intergovernmental		397	361	89	650
Long-term receivables			42		
<b>Total assets</b>	<b>\$ 3,491</b>	<b>13,313</b>	<b>50,355</b>	<b>23,480</b>	<b>14,352</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>					
<b>Liabilities:</b>					
Warrants payable	\$	205	301	108	17
Accrued liabilities	83	268	496	276	361
Intergovernmental payable		1,218	35	47	1,894
Unearned revenues			42		
<b>Total liabilities</b>	<b>83</b>	<b>1,691</b>	<b>874</b>	<b>431</b>	<b>2,272</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues		568			
<b>Fund balances:</b>					
Restricted	3,408	11,054	49,481	23,049	12,080
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,491</b>	<b>13,313</b>	<b>50,355</b>	<b>23,480</b>	<b>14,352</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(amounts expressed in thousands)**

Page 3 of 3

	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management	Other	Total
<b>Assets:</b>						
Cash and investments	\$ 41,906	30,734	510	12,164	6,432	295,238
Receivables, net of allowance for uncollectibles:						
Billed	14	4,333		206	1	10,797
Interest	114	65		31	15	737
Intergovernmental	669	896		1,955	566	10,979
Long-term receivables		764	7,876			8,682
<b>Total assets</b>	<b>\$ 42,703</b>	<b>36,792</b>	<b>8,386</b>	<b>14,356</b>	<b>7,014</b>	<b>326,433</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>						
<b>Liabilities:</b>						
Warrants payable	\$ 2	42		42	2,318	3,974
Accrued liabilities	1,117		43	1,193	500	16,204
Intergovernmental payable	212			17	109	5,970
Unearned revenues		764				1,496
<b>Total liabilities</b>	<b>1,331</b>	<b>806</b>	<b>43</b>	<b>1,252</b>	<b>2,927</b>	<b>27,644</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues			7,876	279		9,765
<b>Fund balances:</b>						
Restricted	41,372	35,986	467	12,825	4,087	289,024
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 42,703</b>	<b>36,792</b>	<b>8,386</b>	<b>14,356</b>	<b>7,014</b>	<b>326,433</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(amounts expressed in thousands)**

Page 1 of 3

	Road	Sacramento Regional Solid Waste Authority	County Library	Transportation Sales Tax	Building Inspection	Fixed Asset Revolving
Revenues:						
Taxes	\$ 598			28,138		
Use of money and property	459	2	1	(15)	(84)	
Licenses and permits	1,237	6,064			20,316	
Intergovernmental	57,985			10,823	99	
Charges for sales and services	58,387				48,138	5,280
Fines, forfeitures and penalties	6	17			143	
Pledged tobacco settlement						
Miscellaneous	1,979		1,103	873	515	
Total revenues	<u>120,651</u>	<u>6,083</u>	<u>1,104</u>	<u>39,819</u>	<u>69,127</u>	<u>5,280</u>
Expenditures:						
Current:						
General government						
Public protection					63,528	
Health and sanitation		6,265				
Public ways and facilities	111,872			41,622		
Recreation and culture						
Education			1,085			
Debt service:						
Principal						
Bond issuance costs						
Interest and fiscal charges						
Total expenditures	<u>111,872</u>	<u>6,265</u>	<u>1,085</u>	<u>41,622</u>	<u>63,528</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>8,779</u>	<u>(182)</u>	<u>19</u>	<u>(1,803)</u>	<u>5,599</u>	<u>5,280</u>
Other financing sources (uses):						
Transfers in	1,000					
Transfers out	(2,095)				(2,272)	(5,280)
Refunding debt issued						
Payment to refunded bonds escrow agent						
Total other financing sources (uses)	<u>(1,095)</u>				<u>(2,272)</u>	<u>(5,280)</u>
Changes in fund balances	7,684	(182)	19	(1,803)	3,327	
Fund balances - beginning	53,411	4,857	89	6,731	21,082	
Fund balances - ending	<u>\$ 61,095</u>	<u>4,675</u>	<u>108</u>	<u>4,928</u>	<u>24,409</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, 2021**  
**(amounts expressed in thousands)**

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	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility Program	Inmate Welfare
Revenues:					
Taxes	\$ 609	10,932		7,264	
Use of money and property	(9)	1,863	(33)	(34)	2,750
Licenses and permits			4,773		
Intergovernmental	5	629	1,981	532	
Charges for sales and services	2,647	3,280	4,318	23,840	
Fines, forfeitures and penalties				2	
Pledged tobacco settlement					
Miscellaneous	284	1,262	134	118	4,370
Total revenues	<u>3,536</u>	<u>17,966</u>	<u>11,173</u>	<u>31,722</u>	<u>7,120</u>
Expenditures:					
Current:					
General government	3,764			31,643	
Public protection					2,652
Health and sanitation			13,064		
Public ways and facilities					
Recreation and culture		15,998			
Education					
Debt service:					
Principal		210			
Bond issuance costs		88			
Interest and fiscal charges		171			
Total expenditures	<u>3,764</u>	<u>16,467</u>	<u>13,064</u>	<u>31,643</u>	<u>2,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228)</u>	<u>1,499</u>	<u>(1,891)</u>	<u>79</u>	<u>4,468</u>
Other financing sources (uses):					
Transfers in					
Transfers out				(1,118)	
Refunding debt issued		5,421			
Payment to refunded bonds escrow agent		(5,325)			
Total other financing sources (uses)		<u>96</u>		<u>(1,118)</u>	
Changes in fund balances	(228)	1,595	(1,891)	(1,039)	4,468
Fund balances - beginning	3,636	9,459	51,372	24,088	7,612
Fund balances - ending	<u>\$ 3,408</u>	<u>11,054</u>	<u>49,481</u>	<u>23,049</u>	<u>12,080</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, 2021**  
**(amounts expressed in thousands)**

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	Economic Development	Roadways	Tobacco Securitization Authority of Northern California	Environmental Management	Other	Total
Revenues:						
Taxes	\$				3,132	50,673
Use of money and property	32	126	1	3	5	5,067
Licenses and permits	63	23,459		15,187	3,548	74,647
Intergovernmental	133			2,958	1,907	77,052
Charges for sales and services	954			658	225	147,727
Fines, forfeitures and penalties					12	180
Pledged tobacco settlement			15,751			15,751
Miscellaneous	3,988	792		780	705	16,903
Total revenues	<u>5,170</u>	<u>24,377</u>	<u>15,752</u>	<u>19,586</u>	<u>9,534</u>	<u>388,000</u>
Expenditures:						
Current:						
General government	12,444				200	48,051
Public protection					5,889	72,069
Health and sanitation			202	19,741	1,964	41,236
Public ways and facilities		3,413			74	156,981
Recreation and culture						15,998
Education						1,085
Debt service:						
Principal						210
Bond issuance costs						88
Interest and fiscal charges						171
Total expenditures	<u>12,444</u>	<u>3,413</u>	<u>202</u>	<u>19,741</u>	<u>8,127</u>	<u>335,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,274)</u>	<u>20,964</u>	<u>15,550</u>	<u>(155)</u>	<u>1,407</u>	<u>52,111</u>
Other financing sources (uses):						
Transfers in	1,334			3,000		5,334
Transfers out	(162)		(15,577)	(1,044)		(27,548)
Refunding debt issued						5,421
Payment to refunded bonds escrow agent						(5,325)
Total other financing sources (uses)	<u>1,172</u>		<u>(15,577)</u>	<u>1,956</u>		<u>(22,118)</u>
Changes in fund balances	(6,102)	20,964	(27)	1,801	1,407	29,993
Fund balances - beginning	47,474	15,022	494	11,024	2,680	259,031
Fund balances - ending	<u>\$ 41,372</u>	<u>35,986</u>	<u>467</u>	<u>12,825</u>	<u>4,087</u>	<u>289,024</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 538	567	598	31
Use of money and property	499	900	459	(441)
Licenses and permits	1,637	1,737	1,237	(500)
Intergovernmental	88,441	67,401	57,985	(9,416)
Charges for sales and services	57,997	58,479	58,387	(92)
Fines, forfeitures and penalties	4	4	6	2
Miscellaneous	1,558	2,316	1,979	(337)
Total revenues	<u>150,674</u>	<u>131,404</u>	<u>120,651</u>	<u>(10,753)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>165,034</u>	<u>160,508</u>	<u>111,872</u>	<u>48,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,360)</u>	<u>(29,104)</u>	<u>8,779</u>	<u>37,883</u>
Other financing sources (uses):				
Transfers in	1,000	1,000	1,000	
Transfers out	<u>(2,095)</u>	<u>(2,095)</u>	<u>(2,095)</u>	
Total other financing sources (uses)	<u>(1,095)</u>	<u>(1,095)</u>	<u>(1,095)</u>	
Changes in fund balance	(15,455)	(30,199)	7,684	37,883
Fund balance - beginning	<u>53,411</u>	<u>53,411</u>	<u>53,411</u>	
Fund balance - ending	<u>\$ 37,956</u>	<u>23,212</u>	<u>61,095</u>	<u>37,883</u>



**COUNTY OF SACRAMENTO**  
**SACRAMENTO REGIONAL SOLID WASTE AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(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	\$ 35	35	2	(33)
Licenses and permits	6,500	6,500	6,064	(436)
Fines, forfeitures and penalties	<u>40</u>	<u>40</u>	<u>17</u>	<u>(23)</u>
Total revenues	<u>6,575</u>	<u>6,575</u>	<u>6,083</u>	<u>(492)</u>
Expenditures:				
Current:				
Health and sanitation	<u>6,575</u>	<u>6,575</u>	<u>6,265</u>	<u>310</u>
Changes in fund balance			(182)	(182)
Fund balance - beginning	<u>4,857</u>	<u>4,857</u>	<u>4,857</u>	<u>4,857</u>
Fund balance - ending	<u><u>\$ 4,857</u></u>	<u><u>4,857</u></u>	<u><u>4,675</u></u>	<u><u>(182)</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, 2021  
(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	1	(1)
Miscellaneous	<u>1,072</u>	<u>1,103</u>	<u>1,103</u>	
Total revenues	<u>1,072</u>	<u>1,105</u>	<u>1,104</u>	<u>(1)</u>
 Expenditures:				
Current:				
Education	<u>1,216</u>	<u>1,193</u>	<u>1,085</u>	<u>108</u>
 Changes in fund balance	(144)	(88)	19	107
Fund balance - beginning	<u>89</u>	<u>89</u>	<u>89</u>	
Fund balance - ending	<u><u>\$ (55)</u></u>	<u><u>1</u></u>	<u><u>108</u></u>	<u><u>107</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 28,127	26,821	28,138	1,317
Use of money and property	87	155	(15)	(170)
Intergovernmental	11,281	17,939	10,823	(7,116)
Miscellaneous	<u>1,383</u>	<u>1,383</u>	<u>873</u>	<u>(510)</u>
Total revenues	<u>39,495</u>	<u>46,298</u>	<u>39,819</u>	<u>(6,479)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>41,205</u>	<u>48,154</u>	<u>41,622</u>	<u>6,532</u>
Changes in fund balance	(1,710)	(1,856)	(1,803)	53
Fund balance - beginning	<u>6,731</u>	<u>6,731</u>	<u>6,731</u>	<u>6,731</u>
Fund balance - ending	<u>\$ 5,021</u>	<u>4,875</u>	<u>4,928</u>	<u>53</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, 2021**  
**(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	\$ 33	33	(84)	(117)
Licenses and permits	17,812	18,510	20,316	1,806
Intergovernmental	20	35	99	64
Charges for sales and services	47,832	49,769	48,138	(1,631)
Fines, forfeitures and penalties	57	37	143	106
Miscellaneous	265	376	515	139
Total revenues	<u>66,019</u>	<u>68,760</u>	<u>69,127</u>	<u>367</u>
Expenditures:				
Current:				
Protection and inspection	71,458	74,302	63,528	10,774
Excess (deficiency) of revenues over (under) expenditures	<u>(5,439)</u>	<u>(5,542)</u>	<u>5,599</u>	<u>11,141</u>
Other financing sources (uses):				
Transfers out	<u>(2,272)</u>	<u>(2,272)</u>	<u>(2,272)</u>	
Changes in fund balance	(7,711)	(7,814)	3,327	11,141
Fund balance - beginning	21,082	21,082	21,082	
Fund balance - ending	<u>\$ 13,371</u>	<u>13,268</u>	<u>24,409</u>	<u>11,141</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, 2021  
 (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	<u>\$ 19,104</u>	<u>5,280</u>	<u>5,280</u>	<u>          </u>
Expenditures:				
Capital outlay	<u>5,128</u>	<u>          </u>	<u>          </u>	<u>          </u>
Excess of revenues (deficiency) over (under) expenditures	<u>13,976</u>	<u>5,280</u>	<u>5,280</u>	<u>          </u>
Other financing uses:				
Transfers out	<u>(5,280)</u>	<u>(5,280)</u>	<u>(5,280)</u>	<u>          </u>
Changes in fund balance	8,696			
Fund balance - beginning	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund balance - ending	<u>\$ 8,696</u>	<u>          </u>	<u>          </u>	<u>          </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, 2021**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 490	491	609	118
Use of money and property	44	68	(9)	(77)
Intergovernmental	5	5	5	
Charges for sales and services	2,600	2,600	2,647	47
Miscellaneous	751	287	284	(3)
Total revenues	<u>3,890</u>	<u>3,451</u>	<u>3,536</u>	<u>85</u>
Expenditures:				
Current:				
General government	<u>4,344</u>	<u>4,286</u>	<u>3,764</u>	<u>522</u>
Changes in fund balance	(454)	(835)	(228)	607
Fund balance - beginning	<u>3,636</u>	<u>3,636</u>	<u>3,636</u>	
Fund balance - ending	<u>\$ 3,182</u>	<u>2,801</u>	<u>3,408</u>	<u>607</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, 2021**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 10,195	10,634	10,932	298
Use of money and property	2,073	1,789	1,863	74
Intergovernmental	1,603	1,006	629	(377)
Charges for sales and services	5,908	4,078	3,280	(798)
Miscellaneous	1,429	1,287	1,262	(25)
Total revenues	<u>21,208</u>	<u>18,794</u>	<u>17,966</u>	<u>(828)</u>
Expenditures:				
Current:				
Recreation and culture	26,528	22,211	15,998	6,213
Debt Service:				
Principal			210	(210)
Bond issuance costs		88	88	
Interest and fiscal charges	446	447	171	276
Total expenditures	<u>26,974</u>	<u>22,746</u>	<u>16,467</u>	<u>6,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,766)</u>	<u>(3,952)</u>	<u>1,499</u>	<u>5,451</u>
Other financing sources (uses):				
Refunding debt issued		5,413	5,421	8
Payment to refunded bonds escrow agent		(5,325)	(5,325)	
Total other financing sources(uses)		<u>88</u>	<u>96</u>	<u>8</u>
Changes in fund balance	(5,766)	(3,864)	1,595	5,459
Fund balance - beginning	9,459	9,459	9,459	
Fund balance - ending	<u>\$ 3,693</u>	<u>5,595</u>	<u>11,054</u>	<u>5,459</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, 2021  
(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	\$ 897	1,015	(33)	(1,048)
Licenses and permits	4,664	4,600	4,773	173
Intergovernmental	2,300	2,006	1,981	(25)
Charges for sales and services	6,406	5,664	4,318	(1,346)
Miscellaneous	202	150	134	(16)
Total revenues	<u>14,469</u>	<u>13,435</u>	<u>11,173</u>	<u>(2,262)</u>
Expenditures:				
Current:				
Health and sanitation	19,320	21,149	13,064	8,085
Excess (deficiency) of revenues over (under) expenditures	<u>(4,851)</u>	<u>(7,714)</u>	<u>(1,891)</u>	<u>5,823</u>
Other financing sources:				
Changes in fund balance	(4,851)	(7,714)	(1,891)	5,823
Fund balance - beginning	51,372	51,372	51,372	
Fund balance - ending	<u>\$ 46,521</u>	<u>43,658</u>	<u>49,481</u>	<u>5,823</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 6,626	6,940	7,264	324
Use of money and property	253	368	(34)	(402)
Intergovernmental	559	1,785	532	(1,253)
Charges for sales and services	23,803	24,394	23,840	(554)
Fines, forfeitures and penalties			2	2
Miscellaneous		74	118	44
Total revenues	<u>31,241</u>	<u>33,561</u>	<u>31,722</u>	<u>(1,839)</u>
Expenditures:				
Current:				
General government	<u>36,701</u>	<u>41,746</u>	<u>31,643</u>	<u>10,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,460)</u>	<u>(8,185)</u>	<u>79</u>	<u>8,264</u>
Other financing uses:				
Transfers out	<u>(1,118)</u>	<u>(1,118)</u>	<u>(1,118)</u>	
Changes in fund balance	(6,578)	(9,303)	(1,039)	8,264
Fund balance - beginning	<u>24,088</u>	<u>24,088</u>	<u>24,088</u>	
Fund balance - ending	<u>\$ 17,510</u>	<u>14,785</u>	<u>23,049</u>	<u>8,264</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, 2021**  
**(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	\$ 809	838	32	(806)
Licenses and permits	30	31	63	32
Intergovernmental	10,000	10,000	133	(9,867)
Charges for sales and services	1,320	1,420	954	(466)
Miscellaneous	3,434	3,554	3,988	434
Total revenues	<u>15,593</u>	<u>15,843</u>	<u>5,170</u>	<u>(10,673)</u>
Expenditures:				
Current:				
General government	63,842	57,664	12,444	45,220
Excess (deficiency) of revenues over (under) expenditures	<u>(48,249)</u>	<u>(41,821)</u>	<u>(7,274)</u>	<u>(34,547)</u>
Other financing sources (uses):				
Transfers in	1,334	1,334	1,334	
Transfers out	(162)	(162)	(162)	
Total other financing sources (uses)	<u>1,172</u>	<u>1,172</u>	<u>1,172</u>	
Changes in fund balance	(47,077)	(40,649)	(6,102)	34,547
Fund balance - beginning	47,474	47,474	47,474	
Fund balance - ending	<u>\$ 397</u>	<u>6,825</u>	<u>41,372</u>	<u>34,547</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, 2021  
(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	\$ 165	274	126	(148)
Licenses and permits	6,318	11,866	23,459	11,593
Miscellaneous	<u>253</u>	<u>418</u>	<u>792</u>	<u>374</u>
Total revenues	<u>6,736</u>	<u>12,558</u>	<u>24,377</u>	<u>11,819</u>
Expenditures:				
Current:				
Public ways and facilities	<u>7,595</u>	<u>13,777</u>	<u>3,413</u>	<u>10,364</u>
Changes in fund balance	(859)	(1,219)	20,964	22,183
Fund balance - beginning	<u>15,022</u>	<u>15,022</u>	<u>15,022</u>	<u>15,022</u>
Fund balance - ending	<u><u>\$ 14,163</u></u>	<u><u>13,803</u></u>	<u><u>35,986</u></u>	<u><u>22,183</u></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, 2021**  
**(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
Pledged tobacco settlement			<u>15,751</u>	<u>15,751</u>
Total revenues			<u>15,752</u>	<u>15,752</u>
 Expenditures:				
Current:				
Health and sanitation	<u>429</u>	<u>429</u>	<u>202</u>	<u>227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(429)</u>	<u>(429)</u>	<u>15,550</u>	<u>15,525</u>
 Other financing uses:				
Transfers out			<u>(15,577)</u>	<u>(15,577)</u>
 Net change in fund balance	(429)	(429)	(27)	(52)
Fund balance - beginning	<u>494</u>	<u>494</u>	<u>494</u>	<u>494</u>
Fund balance - ending	<u>\$ 65</u>	<u>65</u>	<u>467</u>	<u>402</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, 2021**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 80	200	3	(197)
Licenses and permits	16,999	14,325	15,187	862
Intergovernmental	2,353	2,879	2,958	79
Charges for sales and services	845	816	658	(158)
Miscellaneous	955	613	780	167
Total revenues	<u>21,232</u>	<u>18,833</u>	<u>19,586</u>	<u>753</u>
Expenditures:				
Current:				
Health and sanitation	25,380	21,891	19,741	2,150
Excess (deficiency) of revenues over (under) expenditures	<u>(4,148)</u>	<u>(3,058)</u>	<u>(155)</u>	<u>2,903</u>
Other financing uses:				
Transfers in	3,000	3,000	3,000	
Transfers out	(1,044)	(1,044)	(1,044)	
Total other financing sources (uses)	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	
Changes in fund balance	(2,192)	(1,102)	1,801	2,903
Fund balance - beginning	11,024	11,024	11,024	
Fund balance - ending	<u>\$ 8,832</u>	<u>9,922</u>	<u>12,825</u>	<u>2,903</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 2,527	2,778	3,132	354
Use of money and property	3	4	5	1
Licenses and permits	2,900	2,700	3,548	848
Intergovernmental	1,130	1,830	1,907	77
Charges for sales and services	317	319	225	(94)
Fines, forfeitures and penalties	17	20	12	(8)
Miscellaneous	20	795	705	(90)
Total revenues	<u>6,914</u>	<u>8,446</u>	<u>9,534</u>	<u>1,088</u>
Expenditures:				
Current:				
General government	547	583	200	383
Public protection	5,868	6,057	5,889	168
Health and sanitation	1,211	2,730	1,964	766
Public ways and facilities	856	987	74	913
Recreation and culture	24	27		27
Total expenditures	<u>8,506</u>	<u>10,384</u>	<u>8,127</u>	<u>2,257</u>
Changes in fund balance	(1,592)	(1,938)	1,407	3,345
Fund balance - beginning	<u>2,680</u>	<u>2,680</u>	<u>2,680</u>	
Fund balance - ending	<u>\$ 1,088</u>	<u>742</u>	<u>4,087</u>	<u>3,345</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### DEBT SERVICE FUNDS

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**COUNTY OF SACRAMENTO  
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, 2021**  
**(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	\$ 2,449	17	374	6,240	2,580	4,218	13,325	5,862	35,065
Receivables:									
Interest	8	7	6	7	50	1			79
Loan receivable from County Successor Agency								55,879	55,879
Loan receivable from City Successor Agency								5,713	5,713
Long-term receivables						22,524			22,524
Total assets	<u>\$ 2,457</u>	<u>24</u>	<u>380</u>	<u>6,247</u>	<u>2,630</u>	<u>26,743</u>	<u>13,325</u>	<u>67,454</u>	<u>119,260</u>
Liabilities, deferred inflows of resources, and fund balances:									
Liabilities:									
Accrued liabilities	\$ 1								1
Deferred inflows of resources:									
Unavailable revenues								61,592	61,592
Fund balances:									
Restricted	2,456	24	380	6,247	2,630	26,743	13,325	5,862	57,667
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,457</u>	<u>24</u>	<u>380</u>	<u>6,247</u>	<u>2,630</u>	<u>26,743</u>	<u>13,325</u>	<u>67,454</u>	<u>119,260</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, 2021**  
**(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	\$ 6	326	21	41	196	(4)	5		591
Intergovernmental					12,628			5,906	18,534
Fines, forfeitures and penalties						15,630			15,630
<b>Total revenues</b>	<b>6</b>	<b>326</b>	<b>21</b>	<b>41</b>	<b>12,824</b>	<b>15,626</b>	<b>5</b>	<b>5,906</b>	<b>34,755</b>
Expenditures:									
Debt service:									
Principal	1,115		5,790		88,685	23,733	10,535	2,080	131,938
Bond issuance costs				523			2,081		2,604
Interest and fiscal charges	1,177	1,581	4,139	664	55,341	285	7,363	3,479	74,029
<b>Total expenditures</b>	<b>2,292</b>	<b>1,581</b>	<b>9,929</b>	<b>1,187</b>	<b>144,026</b>	<b>24,018</b>	<b>19,979</b>	<b>5,559</b>	<b>208,571</b>
Deficiency of revenues under expenditures	(2,286)	(1,255)	(9,908)	(1,146)	(131,202)	(8,392)	(19,974)	347	(173,816)
Other financing sources (uses):									
Transfers in	2,251	5,695	9,805	4,162	131,401		15,577		168,891
Transfers out		(5,554)				(13,545)			(19,099)
Issuance of long-term debt						25,131			25,131
Refunding debt issued				27,080			230,706		257,786
Premiums on debt issued				5,477			32,747		38,224
Payment to refunded bonds escrow agent		(11,083)		(29,326)			(266,986)		(307,395)
<b>Total other financing sources (uses)</b>	<b>2,251</b>	<b>(10,942)</b>	<b>9,805</b>	<b>7,393</b>	<b>131,401</b>	<b>11,586</b>	<b>12,044</b>		<b>163,538</b>
Changes in fund balances	(35)	(12,197)	(103)	6,247	199	3,194	(7,930)	347	(10,278)
Fund balances - beginning	2,491	12,221	483		2,431	23,549	21,255	5,515	67,945
<b>Fund balances - ending</b>	<b>\$ 2,456</b>	<b>24</b>	<b>380</b>	<b>6,247</b>	<b>2,630</b>	<b>26,743</b>	<b>13,325</b>	<b>5,862</b>	<b>57,667</b>

**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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		6	6
Expenditures:				
Debt service:				
Principal	1,060	1,115	1,115	
Interest and fiscal charges	<u>1,480</u>	<u>1,360</u>	<u>1,177</u>	<u>183</u>
Total expenditures	<u>2,540</u>	<u>2,475</u>	<u>2,292</u>	<u>183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,540)</u>	<u>(2,475)</u>	<u>(2,286)</u>	<u>189</u>
Other financing sources:				
Transfers in	<u>2,251</u>	<u>2,251</u>	<u>2,251</u>	
Changes in fund balance	(289)	(224)	(35)	189
Fund balance - beginning	<u>2,491</u>	<u>2,491</u>	<u>2,491</u>	
Fund balance - ending	<u>\$ 2,202</u>	<u>2,267</u>	<u>2,456</u>	<u>189</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, 2021  
(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	\$	510	326	(184)
Expenditures:				
Debt service:				
Principal	6,595			
Interest and fiscal charges	<u>3,478</u>	<u>12,665</u>	<u>1,581</u>	<u>11,084</u>
Total expenditures	<u>10,073</u>	<u>12,665</u>	<u>1,581</u>	<u>11,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,073)</u>	<u>(12,155)</u>	<u>(1,255)</u>	<u>10,900</u>
Other financing sources:				
Transfers in	9,184	5,695	5,695	
Transfers out		(5,554)	(5,554)	
Payment to refunded bonds escrow agent			<u>(11,083)</u>	<u>(11,083)</u>
Total other financing sources (uses)	<u>9,184</u>	<u>141</u>	<u>(10,942)</u>	<u>(11,083)</u>
Changes in fund balance	(889)	(12,014)	(12,197)	(183)
Fund balance - beginning	<u>12,221</u>	<u>12,221</u>	<u>12,221</u>	
Fund balance - ending	<u>\$ 11,332</u>	<u>207</u>	<u>24</u>	<u>(183)</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, 2021  
(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	\$ _____	_____	_____ 21	_____ 21
Expenditures:				
Debt service:				
Principal	5,790	5,790	5,790	
Interest and fiscal charges	4,363	4,492	4,139	353
Total expenditures	<u>10,153</u>	<u>10,282</u>	<u>9,929</u>	<u>353</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,153)</u>	<u>(10,282)</u>	<u>(9,908)</u>	<u>374</u>
Other financing sources:				
Transfers in	9,805	9,805	9,805	
Changes in fund balance	(348)	(477)	(103)	374
Fund balance - beginning	483	483	483	
Fund balance - ending	<u>\$ 135</u>	<u>6</u>	<u>380</u>	<u>374</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		41	41
Expenditures:				
Debt Service				
Bond issuance costs		523	523	
Interest and fiscal charges			664	(664)
Total expenditures		<u>(523)</u>	<u>(1,187)</u>	<u>(664)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(523)</u>	<u>(1,146)</u>	<u>(623)</u>
Other financing sources (uses):				
Transfers in			4,162	4,162
Refunding debt issued		27,080	27,080	
Premiums on debt issued		5,477	5,477	
Payment to refunded bonds escrow agent		<u>(29,326)</u>	<u>(29,326)</u>	
Total other financing sources (uses)		<u>3,231</u>	<u>7,393</u>	<u>4,162</u>
Changes in fund balance		2,708	6,247	3,539
Fund balance - beginning				
Fund balance - ending	\$	<u>2,708</u>	<u>6,247</u>	<u>3,539</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, 2021  
(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	\$		196	196
Intergovernmental		12,628	12,628	
Total revenues		<u>12,628</u>	<u>12,824</u>	<u>196</u>
Expenditures:				
Debt service:				
Principal	88,685	88,685	88,685	
Interest and fiscal charges	56,734	57,746	55,341	2,405
Total expenditures	<u>145,419</u>	<u>146,431</u>	<u>144,026</u>	<u>2,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,419)</u>	<u>(133,803)</u>	<u>(131,202)</u>	<u>2,601</u>
Other financing sources:				
Transfers in	<u>139,931</u>	<u>131,401</u>	<u>131,401</u>	
Changes in fund balance	(5,488)	(2,402)	199	2,601
Fund balance - beginning	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	
Fund balance - ending	<u>\$ (3,057)</u>	<u>29</u>	<u>2,630</u>	<u>2,601</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, 2021**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$		(4)	(4)
Fines, forfeitures and penalties			15,630	15,630
Miscellaneous	<u>27,680</u>	<u>34,390</u>		<u>(34,390)</u>
Total revenues	<u>27,680</u>	<u>34,390</u>	<u>15,626</u>	<u>(18,764)</u>
Expenditures:				
Debt service:				
Principal	22,963	26,573	23,733	2,840
Interest and fiscal charges			<u>285</u>	<u>(285)</u>
Total expenditures	<u>22,963</u>	<u>26,573</u>	<u>24,018</u>	<u>2,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,717</u>	<u>7,817</u>	<u>(8,392)</u>	<u>(16,209)</u>
Other financing sources (uses):				
Transfers out	(8,112)	(10,205)	(13,545)	(3,340)
Issuance of long-term debt			<u>25,131</u>	<u>25,131</u>
Total other financing sources (uses)	<u>(8,112)</u>	<u>(10,205)</u>	<u>11,586</u>	<u>21,791</u>
Changes in fund balance	(3,395)	(2,388)	3,194	5,582
Fund balance - beginning	<u>23,549</u>	<u>23,549</u>	<u>23,549</u>	
Fund balance - ending	<u>\$ 20,154</u>	<u>21,161</u>	<u>26,743</u>	<u>5,582</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## NONMAJOR GOVERNMENTAL FUNDS SECTION

### CAPITAL PROJECTS FUNDS

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## CAPITAL PROJECTS FUNDS

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

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

**Metro Air Park Community Facilities District (CFD) No. 2000-1** - Accounts for construction activity in the Metro Air Park CFD.

**Laguna Stonelake Community Facilities District (CFD)** - Accounts for construction activity in the Laguna Stonelake CFD.

**Park Meadows Community Facilities District (CFD)** - Accounts for construction activity in the Park Meadows CFD.

**Laguna Community Facilities District (CFD)** - Accounts for construction activity in the Laguna CFD.

**Laguna Creek Ranch/Elliott Ranch Community Facilities District (CFD)** - Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch CFD.

**Accumulated Capital Outlay** - Accounts for general capital outlay expenditures of the County.

**Community Fee Districts** - Established by property owners to account for construction of public projects financed by various developer fees and other miscellaneous revenues.

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

**McClellan Park Community Facilities District (CFD) No. 2004-1** - Accounts for infrastructure construction activity in the McClellan CFD.

**Sacramento County Landscape Maintenance Community Facilities District (CFD) No. 2004-2** - Accounts for landscape maintenance activity of the Sacramento County Landscape Maintenance CFD.

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

## CAPITAL 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, 2021**  
**(amounts expressed in thousands)**

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	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD No. 2000-1	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
<b>Assets:</b>							
Cash and investments	\$ 236	3,402	7,683	211	88	334	7,178
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	1	9				1	1
Intergovernmental			840				
Long-term receivables							
<b>Total assets</b>	<b>\$ 237</b>	<b>3,411</b>	<b>8,523</b>	<b>211</b>	<b>88</b>	<b>335</b>	<b>7,179</b>
<b>Liabilities and fund balances:</b>							
<b>Liabilities:</b>							
Warrants payable			597				
Accrued liabilities			1,457				
Intergovernmental payable	41	17					2
Unearned revenues							
<b>Total liabilities</b>	<b>41</b>	<b>17</b>	<b>2,054</b>				<b>2</b>
<b>Fund balances:</b>							
Restricted	196	3,394	6,469	211	88	335	7,177
<b>Total liabilities and fund balances</b>	<b>\$ 237</b>	<b>3,411</b>	<b>8,523</b>	<b>211</b>	<b>88</b>	<b>335</b>	<b>7,179</b>

**COUNTY OF SACRAMENTO  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021  
(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
<b>Assets:</b>				
Cash and investments	\$ 42,927	23,046	19	573
Receivables, net of allowance for uncollectibles:				
Billed	124	25		
Interest	115	60		1
Intergovernmental	3	1,131		
Long-term receivables		347		
<b>Total assets</b>	<b>\$ 43,169</b>	<b>24,609</b>	<b>19</b>	<b>574</b>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 300	5		
Accrued liabilities	1,129	2,529		
Intergovernmental payable		869		
Unearned revenues		347		
<b>Total liabilities</b>	<b>1,429</b>	<b>3,750</b>		
<b>Fund balances:</b>				
Restricted	41,740	20,859	19	574
<b>Total liabilities and fund balances</b>	<b>\$ 43,169</b>	<b>24,609</b>	<b>19</b>	<b>574</b>

**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(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
<b>Assets:</b>						
Cash and investments	\$ 501	22,778	3,920	10,887	91	123,874
Receivables, net of allowance for uncollectibles:						
Billed	6					155
Interest	2	54	3	16	1	264
Intergovernmental						1,974
Long-term receivables						347
<b>Total assets</b>	<b>\$ 509</b>	<b>22,832</b>	<b>3,923</b>	<b>10,903</b>	<b>92</b>	<b>126,614</b>
<b>Liabilities and fund balances:</b>						
<b>Liabilities:</b>						
Warrants payable						902
Accrued liabilities	9	1,210		1,848		8,182
Intergovernmental payable		120		1,581	11	2,641
Unearned revenues						347
<b>Total liabilities</b>	<b>9</b>	<b>1,330</b>		<b>3,429</b>	<b>11</b>	<b>12,072</b>
<b>Fund balances:</b>						
Restricted	500	21,502	3,923	7,474	81	114,542
<b>Total liabilities and fund balances</b>	<b>\$ 509</b>	<b>22,832</b>	<b>3,923</b>	<b>10,903</b>	<b>92</b>	<b>126,614</b>



**COUNTY OF SACRAMENTO**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(amounts expressed in thousands)**

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD No. 2000-1	Laguna Stonelake CFD	Park Meadows CFD	Laguna CFD	Laguna Creek Ranch/Elliott Ranch CFD
Revenues:							
Use of money and property	\$ (3)	(2)	24		1		5
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Contributions from property owners							
Miscellaneous			6,894	144	68		482
Total revenues	(3)	(2)	6,918	144	69		487
Expenditures:							
Current:							
Public ways and facilities						17	346
Capital outlay			13,035	120	56		
Total expenditures			13,035	120	56	17	346
Excess (deficiency) of revenues over (under) expenditures	(3)	(2)	(6,117)	24	13	(17)	141
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)							
Changes in fund balances	(3)	(2)	(6,117)	24	13	(17)	141
Fund balances - beginning	199	3,396	12,586	187	75	352	7,036
Fund balances - ending	\$ 196	3,394	6,469	211	88	335	7,177

**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, 2021**  
**(amounts expressed in thousands)**

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	<u>Public Facilities Financing</u>			
	<u>Accumulated Capital Outlay</u>	<u>Community Fee Districts</u>	<u>Tobacco Litigation Settlement</u>	<u>McClellan Park CFD No. 2004-1</u>
<b>Revenues:</b>				
Use of money and property	\$ 79	(30)		
Intergovernmental	148	2,774		
Charges for sales and services	12	2,460		
Fines, forfeitures and penalties	1,696			
Contributions from property owners				
Miscellaneous	22,205	38		207
<b>Total revenues</b>	<u>24,140</u>	<u>5,242</u>		<u>207</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public ways and facilities				
Capital outlay	21,975	7,008	456	146
<b>Total expenditures</b>	<u>21,975</u>	<u>7,008</u>	<u>456</u>	<u>146</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,165</u>	<u>(1,766)</u>	<u>(456)</u>	<u>61</u>
<b>Other financing sources (uses):</b>				
Transfers in	8,678			
Transfers out	(2,561)			
<b>Total other financing sources (uses)</b>	<u>6,117</u>			
<b>Changes in fund balances</b>	8,282	(1,766)	(456)	61
<b>Fund balances - beginning</b>	33,458	22,625	475	513
<b>Fund balances - ending</b>	<u>\$ 41,740</u>	<u>20,859</u>	<u>19</u>	<u>574</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, 2021**  
**(amounts expressed in thousands)**

Page 3 of 3

	Public Facilities Financing					Total
	Sacramento County		Florin Vineyard CFD No. 1	North Vineyard Station CFD	County Parks CFD No. 2006-1	
	Landscape Maintenance CFD No. 2004-2	Metro Air Park Services Tax				
Revenues:						
Use of money and property	\$	(84)	(17)	(196)		(223)
Intergovernmental						2,922
Charges for sales and services		162	10,100	(1)	20	12,753
Fines, forfeitures and penalties						1,696
Contributions from property owners				4,007		4,007
Miscellaneous			436	26	952	31,452
<b>Total revenues</b>		<b>162</b>	<b>10,452</b>	<b>8</b>	<b>4,763</b>	<b>52,607</b>
Expenditures:						
Current:						
Public ways and facilities					14	377
Capital outlay		200	6,100	529	3,782	53,407
<b>Total expenditures</b>		<b>200</b>	<b>6,100</b>	<b>529</b>	<b>3,782</b>	<b>53,784</b>
Excess (deficiency) of revenues over (under) expenditures		(38)	4,352	(521)	981	(1,177)
Other financing sources (uses):						
Transfers in						8,678
Transfers out						(2,561)
<b>Total other financing sources (uses)</b>						<b>6,117</b>
Changes in fund balances		(38)	4,352	(521)	981	4,940
Fund balances - beginning		538	17,150	4,444	6,493	109,602
<b>Fund balances - ending</b>	<b>\$</b>	<b>500</b>	<b>21,502</b>	<b>3,923</b>	<b>7,474</b>	<b>114,542</b>

**COUNTY OF SACRAMENTO**  
**ASSESSMENT DISTRICTS - IMPROVEMENT**  
**BOND ACT OF 1911 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(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)
Changes in fund balance			(3)	(3)
Fund balance - beginning	<u>199</u>	<u>199</u>	<u>199</u>	
Fund balance - ending	<u>\$ 199</u>	<u>199</u>	<u>196</u>	<u>(3)</u>

**COUNTY OF SACRAMENTO  
ASSESSMENT DISTRICTS - IMPROVEMENT  
BOND ACT OF 1915 CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 31	32	(2)	(34)
Miscellaneous	<u>2,762</u>	<u>2,764</u>	<u>          </u>	<u>(2,764)</u>
Total revenues	<u>2,793</u>	<u>2,796</u>	<u>(2)</u>	<u>(2,798)</u>
Expenditures:				
Capital outlay	<u>3,371</u>	<u>3,405</u>	<u>          </u>	<u>3,405</u>
Changes in fund balance	(578)	(609)	(2)	607
Fund balance - beginning	<u>3,396</u>	<u>3,396</u>	<u>3,396</u>	<u>          </u>
Fund balance - ending	<u><u>\$ 2,818</u></u>	<u><u>2,787</u></u>	<u><u>3,394</u></u>	<u><u>607</u></u>

**COUNTY OF SACRAMENTO  
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982  
METRO AIR PARK CFD NUMBER 2000-1 CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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	\$		24	24
Miscellaneous	<u>12,222</u>	<u>7,629</u>	<u>6,894</u>	<u>(735)</u>
Total revenues	<u>12,222</u>	<u>7,629</u>	<u>6,918</u>	<u>(711)</u>
 Expenditures:				
Capital outlay	<u>24,987</u>	<u>20,823</u>	<u>13,035</u>	<u>7,788</u>
 Changes in fund balance	(12,765)	(13,194)	(6,117)	7,077
Fund balance - beginning	<u>12,586</u>	<u>12,586</u>	<u>12,586</u>	<u></u>
Fund balance - ending	<u>\$ (179)</u>	<u>(608)</u>	<u>6,469</u>	<u>7,077</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Miscellaneous	\$ 133	133	144	11
Expenditures:				
Capital outlay	308	315	120	195
Changes in fund balance	(175)	(182)	24	206
Fund balance - beginning	<u>187</u>	<u>187</u>	<u>187</u>	<u>187</u>
Fund balance - ending	<u><u>\$ 12</u></u>	<u><u>5</u></u>	<u><u>211</u></u>	<u><u>206</u></u>

**COUNTY OF SACRAMENTO  
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982  
PARK MEADOWS CFD CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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
Miscellaneous	69	69	68	(1)
Total revenues	<u>69</u>	<u>69</u>	<u>69</u>	
Expenditures:				
Capital outlay	<u>134</u>	<u>142</u>	<u>56</u>	<u>86</u>
Changes in fund balance	(65)	(73)	13	86
Fund balance - beginning	<u>75</u>	<u>75</u>	<u>75</u>	
Fund balance - ending	<u>\$ 10</u>	<u>2</u>	<u>88</u>	<u>86</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, 2021**  
**(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:				
Current:				
Public ways and facilities	\$ 357	348	17	331
Changes in fund balance	(357)	(348)	(17)	331
Fund balance - beginning	352	352	352	
Fund balance - ending	\$ (5)	4	335	331

**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, 2021  
(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	\$		5	5
Miscellaneous	449	449	482	33
Total revenues	<u>449</u>	<u>449</u>	<u>487</u>	<u>38</u>
 Expenditures:				
Current:				
Public ways and facilities	<u>3,885</u>	<u>4,049</u>	<u>346</u>	<u>3,703</u>
 Changes in fund balance	(3,436)	(3,600)	141	3,741
Fund balance - beginning	<u>7,036</u>	<u>7,036</u>	<u>7,036</u>	<u>7,036</u>
Fund balance - ending	<u><u>\$ 3,600</u></u>	<u><u>3,436</u></u>	<u><u>7,177</u></u>	<u><u>3,741</u></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, 2021  
(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	79	49
Intergovernmental	219	4,116	148	(3,968)
Charges for sales and services			12	12
Fines, forfeitures and penalties	2,460	2,360	1,696	(664)
Miscellaneous	<u>58,344</u>	<u>25,931</u>	<u>22,205</u>	<u>(3,726)</u>
Total revenues	<u>61,053</u>	<u>32,437</u>	<u>24,140</u>	<u>(8,297)</u>
Expenditures:				
Capital outlay	<u>90,044</u>	<u>71,188</u>	<u>21,975</u>	<u>49,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,991)</u>	<u>(38,751)</u>	<u>2,165</u>	<u>40,916</u>
Other financing sources (uses):				
Transfers in	8,522	8,732	8,678	(54)
Transfers out	<u>(2,561)</u>	<u>(2,561)</u>	<u>(2,561)</u>	
Total other financing sources (uses)	<u>5,961</u>	<u>6,171</u>	<u>6,117</u>	<u>(54)</u>
Changes in fund balance	(23,030)	(32,580)	8,282	40,862
Fund balance - beginning	<u>33,458</u>	<u>33,458</u>	<u>33,458</u>	
Fund balance - ending	<u>\$ 10,428</u>	<u>878</u>	<u>41,740</u>	<u>40,862</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 18	18	(30)	(48)
Intergovernmental	1,362	6,587	2,774	(3,813)
Charges for sales and services	1,437	1,385	2,460	1,075
Miscellaneous	<u>2,084</u>	<u>3,374</u>	<u>38</u>	<u>(3,336)</u>
Total revenues	<u>4,901</u>	<u>11,364</u>	<u>5,242</u>	<u>(6,122)</u>
Expenditures:				
Capital outlay	<u>27,356</u>	<u>32,530</u>	<u>7,008</u>	<u>25,522</u>
Changes in fund balance	(22,455)	(21,166)	(1,766)	19,400
Fund balance - beginning	<u>22,625</u>	<u>22,625</u>	<u>22,625</u>	<u></u>
Fund balance - ending	<u><u>\$ 170</u></u>	<u><u>1,459</u></u>	<u><u>20,859</u></u>	<u><u>19,400</u></u>

**COUNTY OF SACRAMENTO  
PUBLIC FACILITIES FINANCING  
TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:				
Capital outlay	\$ 745	474	456	18
Changes in fund balance	(745)	(474)	(456)	18
Fund balance - beginning	<u>475</u>	<u>475</u>	<u>475</u>	<u>18</u>
Fund balance - ending	<u><u>\$ (270)</u></u>	<u><u>1</u></u>	<u><u>19</u></u>	<u><u>18</u></u>

**COUNTY OF SACRAMENTO  
PUBLIC FACILITIES FINANCING  
MCCLELLAN PARK CFD NUMBER 2004-1 CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Miscellaneous	\$ 333	333	207	(126)
Expenditures:				
Capital outlay	803	835	146	689
Changes in fund balance	(470)	(502)	61	563
Fund balance - beginning	<u>513</u>	<u>513</u>	<u>513</u>	<u>513</u>
Fund balance - ending	<u>\$ 43</u>	<u>11</u>	<u>574</u>	<u>563</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, 2021  
(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	12		(12)
Charges for sales and services	142	147	162	15
Total revenues	<u>151</u>	<u>159</u>	<u>162</u>	<u>3</u>
Expenditures:				
Capital outlay	<u>234</u>	<u>260</u>	<u>200</u>	<u>60</u>
Changes in fund balance	(83)	(101)	(38)	63
Fund balance - beginning	<u>538</u>	<u>538</u>	<u>538</u>	
Fund balance - ending	<u>\$ 455</u>	<u>437</u>	<u>500</u>	<u>63</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, 2021  
(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	\$		(84)	(84)
Charges for sales and services	31	5,117	10,100	4,983
Miscellaneous		311	436	125
Total revenues	<u>31</u>	<u>5,428</u>	<u>10,452</u>	<u>5,024</u>
Expenditures:				
Capital outlay	<u>691</u>	<u>22,364</u>	<u>6,100</u>	<u>16,264</u>
Changes in fund balance	(660)	(16,936)	4,352	21,288
Fund balance - beginning	<u>17,150</u>	<u>17,150</u>	<u>17,150</u>	
Fund balance - ending	<u>\$ 16,490</u>	<u>214</u>	<u>21,502</u>	<u>21,288</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, 2021  
(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)
Charges for sales and services	96	102	(1)	(103)
Miscellaneous			26	26
Total revenues	<u>96</u>	<u>102</u>	<u>8</u>	<u>(94)</u>
Expenditures:				
Capital outlay	<u>6,216</u>	<u>4,495</u>	<u>529</u>	<u>3,966</u>
Changes in fund balance	(6,120)	(4,393)	(521)	3,872
Fund balance - beginning	<u>4,444</u>	<u>4,444</u>	<u>4,444</u>	
Fund balance - ending	<u><u>\$ (1,676)</u></u>	<u><u>51</u></u>	<u><u>3,923</u></u>	<u><u>3,872</u></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, 2021  
(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	\$		(196)	(196)
Contributions from property owners			4,007	4,007
Miscellaneous	<u>360</u>	<u>367</u>	<u>952</u>	<u>585</u>
Total revenues	<u>360</u>	<u>367</u>	<u>4,763</u>	<u>4,396</u>
Expenditures:				
Capital outlay	<u>17,946</u>	<u>6,740</u>	<u>3,782</u>	<u>2,958</u>
Changes in fund balance	(17,586)	(6,373)	981	7,354
Fund balance - beginning	<u>6,493</u>	<u>6,493</u>	<u>6,493</u>	<u>6,493</u>
Fund balance - ending	<u>\$ (11,093)</u>	<u>120</u>	<u>7,474</u>	<u>7,354</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, 2021  
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 21	21	20	(1)
Expenditures:				
Public ways and facilities	2	34	14	20
Changes in fund balance	19	(13)	6	19
Fund balance - beginning	75	75	75	
Fund balance - ending	<u>\$ 94</u>	<u>62</u>	<u>81</u>	<u>19</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## NONMAJOR ENTERPRISE FUNDS SECTION

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## NONMAJOR ENTERPRISE FUNDS

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

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

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 6,421	1,332	7,753
Receivables, net of allowance for uncollectibles:			
Billed		12	12
Interest	17	4	21
Intergovernmental		1,930	1,930
Total current assets	<u>6,438</u>	<u>3,278</u>	<u>9,716</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299		1,299
Buildings & improvements, infrastructure, equipment and intangibles, net	611	1,396	2,007
Total capital assets	<u>1,910</u>	<u>1,396</u>	<u>3,306</u>
Total assets	<u>8,348</u>	<u>4,674</u>	<u>13,022</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	159		159
Deferred outflows related to OPEB	8		8
Total deferred outflows of resources	<u>167</u>		<u>167</u>
Total assets and deferred outflows of resources	<u>8,515</u>	<u>4,674</u>	<u>13,189</u>

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)**

Page 2 of 2

	Parking Enterprise	County Transit	Total
Liabilities:			
Current liabilities:			
Warrants payable	\$ 8	406	414
Accrued liabilities	10		10
Intergovernmental payable	14	17	31
Current portion of long-term debt obligations	4		4
Total current liabilities	<u>36</u>	<u>423</u>	<u>459</u>
Noncurrent liabilities:			
Long-term debt obligations	26		26
Net pension liability	444		444
Total OPEB liability	67		67
Total noncurrent liabilities	<u>537</u>		<u>537</u>
Total liabilities	<u>573</u>	<u>423</u>	<u>996</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	33		33
Deferred inflows related to OPEB	35		35
Total deferred inflows of resources	<u>68</u>		<u>68</u>
Total liabilities and deferred inflows of resources	<u>641</u>	<u>423</u>	<u>1,064</u>
Net position:			
Net investment in capital assets	1,910	1,396	3,306
Restricted for:			
Capital projects		1,822	1,822
Transportation		1,033	1,033
Unrestricted	5,964		5,964
Total net position	<u>\$ 7,874</u>	<u>4,251</u>	<u>12,125</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, 2021  
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,031	66	2,097
Other	201		201
Total operating revenues	<u>2,232</u>	<u>66</u>	<u>2,298</u>
Operating expenses:			
Salaries and benefits	348		348
Services and supplies	1,563	315	1,878
Cost of sales and services		1,750	1,750
Depreciation and amortization	105	480	585
Other	201		201
Total operating expenses	<u>2,217</u>	<u>2,545</u>	<u>4,762</u>
Operating income (loss)	<u>15</u>	<u>(2,479)</u>	<u>(2,464)</u>
Nonoperating revenues:			
Use of money and property	(9)	9	
Intergovernmental		2,621	2,621
Other revenues (expenses)	(148)		(148)
Total nonoperating revenues	<u>(157)</u>	<u>2,630</u>	<u>2,473</u>
Income (loss) before transfers and contributions	<u>(142)</u>	<u>151</u>	<u>9</u>
Transfers out	(28)		(28)
Capital contributions		351	351
Changes in net position	(170)	502	332
Net position, beginning of year	8,044	3,749	11,793
Net position, end of year	<u>\$ 7,874</u>	<u>4,251</u>	<u>12,125</u>



**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

Page 1 of 2

	Parking Enterprise	County Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 2,232	61	2,293
Payments to suppliers	(2,080)	(1,933)	(4,013)
Payments to employees	(305)		(305)
Payments for other operating activities	(201)		(201)
Net cash used for operating activities	<u>(354)</u>	<u>(1,872)</u>	<u>(2,226)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers to other funds	(28)		(28)
Intergovernmental revenue		2,055	2,055
Net cash provided by (used for) noncapital financing activities	<u>(28)</u>	<u>2,055</u>	<u>2,027</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital contributions		285	285
Acquisition and construction of capital assets	13	(854)	(841)
Net cash provided by (used for) capital and related financing activities	<u>13</u>	<u>(569)</u>	<u>(556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received on cash and investments	<u>35</u>	<u>19</u>	<u>54</u>
Net decrease in cash and cash equivalents	(334)	(367)	(701)
Cash and cash equivalents, beginning of year	6,755	1,699	8,454
Cash and cash equivalents, end of year	<u>\$ 6,421</u>	<u>1,332</u>	<u>7,753</u>

**COUNTY OF SACRAMENTO  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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 USED FOR OPERATING ACTIVITIES			
Operating income (loss)	\$ 15	(2,479)	(2,464)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation and amortization	105	480	585
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Receivables:			
Billed		(5)	(5)
Warrants payable	(53)	122	69
Accrued liabilities	(464)		(464)
Intergovernmental payable		10	10
Net pension liability and related deferred outflows and inflows	44		44
Total OPEB liability and related deferred outflows and inflows	(1)		(1)
Total adjustments	<u>(369)</u>	<u>607</u>	<u>238</u>
Net cash used for operating activities	<u>\$ (354)</u>	<u>(1,872)</u>	<u>(2,226)</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## INTERNAL SERVICE FUNDS

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## INTERNAL SERVICE FUNDS

**General Services** - Created to provide many of the essential centralized support services that County departments require ensuring that their daily operations can be accomplished and their missions achieved. These activities include Administrative and Business Services, Construction Management and Inspection Division, Contract and Purchasing Services, Facility and Property Services, Real Estate and Fleet Services.

**Liability Self-Insurance** - Accounts for the County's program of self-insurance for liability claims.

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

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

**Regional Radio Communications System** - Accounts for the operations of the County's emergency response communications and other public safety activities.

**Department of Technology** - Accounts for central information technology and telecommunication support to County departments.

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)**

Page 1 of 2

	General Services	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
		Liability	Workers' Compensation	Other			
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and investments	\$ 117,943	29,744	115,579	10,693	4,466	27,979	306,404
Receivables, net of allowance for uncollectibles:							
Billed	285						285
Interest	3				12		15
Intergovernmental	154			241			395
Prepaid items					1,383	2,291	3,674
Inventories	1,381						1,381
<b>Total current assets</b>	<b>119,766</b>	<b>29,744</b>	<b>115,579</b>	<b>10,934</b>	<b>5,861</b>	<b>30,270</b>	<b>312,154</b>
<b>Noncurrent assets:</b>							
Long-term advances to other funds			5,096				5,096
Long-term receivables			118				118
<b>Capital assets:</b>							
Buildings & improvements, infrastructure, equipment and intangibles, net	37,992		24		19,191	19,699	76,906
<b>Total noncurrent assets</b>	<b>37,992</b>		<b>5,238</b>		<b>19,191</b>	<b>19,699</b>	<b>82,120</b>
<b>Total assets</b>	<b>157,758</b>	<b>29,744</b>	<b>120,817</b>	<b>10,934</b>	<b>25,052</b>	<b>49,969</b>	<b>394,274</b>
<b>Deferred outflows of resources:</b>							
Deferred outflows related to pensions	17,163				566	22,731	40,460
Deferred outflows related to OPEB	571				100	521	1,192
<b>Total deferred outflows of resources</b>	<b>17,734</b>				<b>666</b>	<b>23,252</b>	<b>41,652</b>
<b>Total assets and deferred outflows of resources</b>	<b>175,492</b>	<b>29,744</b>	<b>120,817</b>	<b>10,934</b>	<b>25,718</b>	<b>73,221</b>	<b>435,926</b>

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation			
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Warrants payable	\$ 3,257	178	418		15	4,029
Accrued liabilities	5,467	764	2		91	9,386
Intergovernmental payable	13				16	29
Current portion of insurance claims payable		14,311	29,660	949		44,920
Current portion of long-term debt obligations	141				339	4,188
Unearned revenues			120		2,360	5,721
<b>Total current liabilities</b>	<b>8,878</b>	<b>15,253</b>	<b>30,200</b>	<b>949</b>	<b>2,805</b>	<b>68,273</b>
<b>Noncurrent liabilities:</b>						
Insurance claims payable		36,321	176,342			212,663
Long-term debt obligations	4,593				4,281	23,753
Net pension liability	54,229				1,573	121,634
Total OPEB liability	4,662				100	9,091
<b>Total noncurrent liabilities</b>	<b>63,484</b>	<b>36,321</b>	<b>176,342</b>		<b>5,954</b>	<b>367,141</b>
<b>Total liabilities</b>	<b>72,362</b>	<b>51,574</b>	<b>206,542</b>	<b>949</b>	<b>8,759</b>	<b>435,414</b>
<b>Deferred inflows of resources:</b>						
Deferred inflows related to pensions	5,447				75	6,073
Deferred inflows related to OPEB	2,460				36	4,068
<b>Total deferred inflows of resources</b>	<b>7,907</b>				<b>111</b>	<b>10,141</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>80,269</b>	<b>51,574</b>	<b>206,542</b>	<b>949</b>	<b>8,870</b>	<b>445,555</b>
<b>Net position:</b>						
Net investment in capital assets	37,992		24		14,692	61,701
Unrestricted	57,231	(21,830)	(85,749)	9,985	2,156	(71,330)
<b>Total net position (deficit)</b>	<b>\$ 95,223</b>	<b>(21,830)</b>	<b>(85,725)</b>	<b>9,985</b>	<b>16,848</b>	<b>(9,629)</b>

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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	\$ 156,543	30,989	29,962	18,367	5,196	98,010	339,067
Other	1,771	2,219	195	1,374	1,347	77	6,983
Total operating revenues	<u>158,314</u>	<u>33,208</u>	<u>30,157</u>	<u>19,741</u>	<u>6,543</u>	<u>98,087</u>	<u>346,050</u>
Operating expenses:							
Salaries and benefits	51,686				1,453	60,949	114,088
Services and supplies	82,990				870	28,300	112,160
Cost of sales and services	2,850						2,850
Depreciation and amortization	10,915	2	11		3,033	6,014	19,975
Claim payments and actuarial estimates		23,023	31,865	18,514			73,402
Other	342	230	969				1,541
Total operating expenses	<u>148,783</u>	<u>23,255</u>	<u>32,845</u>	<u>18,514</u>	<u>5,356</u>	<u>95,263</u>	<u>324,016</u>
Operating income/(loss)	<u>9,531</u>	<u>9,953</u>	<u>(2,688)</u>	<u>1,227</u>	<u>1,187</u>	<u>2,824</u>	<u>22,034</u>
Nonoperating revenues (expenses):							
Use of money and property	637	(56)	(678)	(54)	56	(148)	(243)
Interest expense					(70)		(70)
Other revenues (expenses)	2,290				(5)	(135)	2,150
Total nonoperating revenues (expenses)	<u>2,927</u>	<u>(56)</u>	<u>(678)</u>	<u>(54)</u>	<u>(19)</u>	<u>(283)</u>	<u>1,837</u>
Income before transfers	12,458	9,897	(3,366)	1,173	1,168	2,541	23,871
Transfers out	<u>(3,795)</u>				<u>(81)</u>	<u>(6,502)</u>	<u>(10,378)</u>
Changes in net position	8,663	9,897	(3,366)	1,173	1,087	(3,961)	13,493
Net position (deficit), beginning of year	86,560	(31,727)	(82,359)	8,812	15,761	(20,169)	(23,122)
Net position (deficit), end of year	<u>\$ 95,223</u>	<u>(21,830)</u>	<u>(85,725)</u>	<u>9,985</u>	<u>16,848</u>	<u>(24,130)</u>	<u>(9,629)</u>

**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

Page 1 of 2

	Self-Insurance				Regional Radio Communications System	Department of Technology	Total
	General Services	Liability	Workers' Compensation	Other			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from customers and users	\$ 1,498				4,883	99,294	105,675
Receipts from interfund services provided	156,566	30,989	29,962	19,477			236,994
Receipts for other operating activities		2,219	195	1,374	1,347		5,135
Payments to suppliers	(78,327)	(17,895)	(18,766)	(18,683)	(317)	(27,350)	(161,338)
Payments to employees	(48,228)				(1,256)	(53,873)	(103,357)
Payments for other operating activities	(342)				(751)	(965)	(2,058)
Payments for interfund services used	(6,581)	(2,775)	(5,511)	(292)	(566)	(1,261)	(16,986)
Net cash flows provided by operating activities	24,586	12,538	5,880	1,876	3,340	15,845	64,065
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Receipt on advances to other funds	29		6,698				6,727
Transfers to other funds	(3,795)				(81)	(6,502)	(10,378)
Intergovernmental revenue	69						69
Net cash provided by (used for) noncapital financing activities	(3,697)		6,698		(81)	(6,502)	(3,582)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Acquisition and construction of capital assets	(16,575)				(2,133)	(5,004)	(23,712)
Interest paid on long-term obligations					(70)		(70)
Proceeds from the sale of capital assets	2,250						2,250
Net cash used for capital and related financing activities	(14,325)				(2,203)	(5,004)	(21,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received on cash and investments	644	(56)	(678)	(54)	80	(148)	(212)
Net increase in cash and cash equivalents	7,208	12,482	11,900	1,822	1,136	4,191	38,739
Cash and cash equivalents, beginning of year	110,735	17,262	103,679	8,871	3,330	23,788	267,665
Cash and cash equivalents, end of year	\$ 117,943	29,744	115,579	10,693	4,466	27,979	306,404



**COUNTY OF SACRAMENTO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

Page 2 of 2

	Self-Insurance			Regional Radio Communications System	Department of Technology	Total	
	General Services	Liability	Workers' Compensation				Other
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 9,531	9,953	(2,688)	1,227	1,187	2,824	22,034
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization	10,915	2	11		3,033	6,014	19,975
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
Receivables:							
Billed	(274)			954			680
Intergovernmental	23			156			179
Prepaid items	25				(751)	(573)	(1,299)
Inventories	240						240
Long-term receivables			(32)				(32)
Warrants payable	470	(554)	(115)		3	(347)	(543)
Accrued liabilities	280	206			(16)	(154)	316
Intergovernmental payable	6					(191)	(185)
Unearned revenues					(313)	1,207	894
Deferred charges			32				32
Compensated absences	401				13	290	704
Insurance claims payable		2,931	8,672	(461)			11,142
Net pension liability and related deferred inflows and outflows	3,091				165	6,759	10,015
Total OPEB liability and related deferred inflows and outflows	(122)				19	16	(87)
Total adjustments	15,055	2,585	8,568	649	2,153	13,021	42,031
Net cash provided by operating activities	\$ 24,586	12,538	5,880	1,876	3,340	15,845	64,065
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Capital assets purchases using long-term debt	\$				4,499	10,704	15,203



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## CUSTODIAL FUNDS



## CUSTODIAL FUNDS

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

**Unapportioned Tax Collection** - Accounts for property taxes received but not yet apportioned by the County to other taxing agencies.

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

**COUNTY OF SACRAMENTO  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
<b>Assets:</b>				
Cash and investments	\$ 31,393	15,832	157,720	204,945
Receivables, net of allowance for uncollectibles:				
Billed	396		1,204	1,600
Interest	16	790	307	1,113
Prepaid items			321	321
Long-term receivables			28	28
Total assets	<u>31,805</u>	<u>16,622</u>	<u>159,580</u>	<u>208,007</u>
<b>Liabilities:</b>				
Warrants payable	713	9,652	2,764	13,129
Accrued liabilities	1,301	1,024	18,034	20,359
Intergovernmental payable		44		44
Total liabilities	<u>2,014</u>	<u>10,720</u>	<u>20,798</u>	<u>33,532</u>
<b>Net position</b>				
Restricted for individuals, organizations and other governments	<u>\$ 29,791</u>	<u>5,902</u>	<u>138,782</u>	<u>174,475</u>

**COUNTY OF SACRAMENTO  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
<b>Additions:</b>				
Property taxes	\$	3,236,028		3,236,028
Contributions to pooled investments	182,144		985,210	1,167,354
Use of money and property	41	1,892	(549)	1,384
Total additions	<u>182,185</u>	<u>3,237,920</u>	<u>984,661</u>	<u>4,404,766</u>
<b>Deductions:</b>				
Distributions from pooled investments	<u>184,352</u>	<u>3,242,186</u>	<u>966,520</u>	<u>4,393,058</u>
Changes in net position	<u>(2,167)</u>	<u>(4,266)</u>	<u>18,141</u>	<u>11,708</u>
Net position, beginning of year, as restated	<u>31,958</u>	<u>10,168</u>	<u>120,641</u>	<u>162,767</u>
Net position, end of year	<u>\$ 29,791</u>	<u>5,902</u>	<u>138,782</u>	<u>174,475</u>

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**STATISTICAL  
SECTION**

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## STATISTICAL SECTION

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

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

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

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

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

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

**Sources** - Unless otherwise noted; the information in these schedules is derived from the comprehensive annual financial reports for the relevant year(s).



**COUNTY OF SACRAMENTO**  
**NET POSITION BY COMPONENT**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental activities										
Net investment in capital assets	\$ 1,407,750	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
Restricted	429,831	305,772	284,613	179,628	496,622	639,813	677,982	679,546	609,131	662,416
Unrestricted	(301,596)	(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)
Total governmental activities net position	<u>\$ 1,535,985</u>	<u>1,456,985</u>	<u>1,467,174</u>	<u>(403,587)</u>	<u>(297,298)</u>	<u>(328,725)</u>	<u>(437,046)</u>	<u>(484,745)</u>	<u>(447,525)</u>	<u>(318,202)</u>
Business-type activities										
Net investment in capital assets	\$ 873,060	924,632	902,340	893,262	916,597	943,226	957,979	1,001,266	1,123,159	1,149,300
Restricted	140,552	119,827	113,277	117,472	116,658	116,219	106,816	130,601	95,800	98,434
Unrestricted	215,094	241,164	252,278	223,719	240,042	246,510	272,450	277,200	261,720	252,374
Total business-type activities net position	<u>\$ 1,228,706</u>	<u>1,285,623</u>	<u>1,267,895</u>	<u>1,234,453</u>	<u>1,273,297</u>	<u>1,305,955</u>	<u>1,337,245</u>	<u>1,409,067</u>	<u>1,480,679</u>	<u>1,500,108</u>
Primary government										
Net investment in capital assets	\$ 2,280,810	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
Restricted	570,383	425,599	397,890	297,100	613,280	756,032	784,798	810,147	704,931	760,850
Unrestricted	(86,502)	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)
Total primary government net position	<u>\$ 2,764,691</u>	<u>2,742,608</u>	<u>2,735,069</u>	<u>830,866</u>	<u>975,999</u>	<u>977,230</u>	<u>900,199</u>	<u>924,322</u>	<u>1,033,154</u>	<u>1,181,906</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 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

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	<b>Fiscal Year</b>									
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Expenses</b>										
General government	\$ 171,667	183,480	165,556	169,604	179,608	161,937	174,713	201,781	193,085	195,548
Public assistance	611,073	608,245	629,196	639,831	655,225	677,572	690,787	692,159	688,348	709,042
Public protection	630,142	711,957	760,358	725,108	781,244	862,968	953,258	1,006,545	1,084,967	1,145,784
Health and sanitation	555,490	566,548	574,814	502,535	554,731	712,033	677,587	714,167	801,401	903,661
Public ways and facilities	111,965	104,898	152,956	152,186	172,931	161,596	165,056	173,551	171,290	137,447
Recreation and culture	88,913	37,871	37,150	34,771	38,951	37,050	45,305	41,833	49,902	41,593
Education	1,858	2,548	1,353	1,820	1,729	1,658	1,535	1,561	1,638	1,116
Interest and fiscal charges	124,537	116,565	122,597	125,603	109,019	106,431	102,065	104,203	94,672	78,271
Total governmental activities	<u>2,295,645</u>	<u>2,332,112</u>	<u>2,443,980</u>	<u>2,351,458</u>	<u>2,493,438</u>	<u>2,721,245</u>	<u>2,810,306</u>	<u>2,935,800</u>	<u>3,085,303</u>	<u>3,212,462</u>
Business-type activities:										
Airport	167,303	204,930	199,264	188,132	187,985	193,233	199,349	195,411	209,392	204,996
Solid Waste	63,131	62,178	59,117	59,774	60,357	67,078	75,770	78,402	93,532	96,778
Water Agency	47,799	55,632	55,586	55,923	55,824	60,695	61,270	62,005	59,902	64,997
Parking Enterprise	2,037	1,819	1,725	2,463	1,893	3,238	3,781	2,067	2,649	2,279
County Transit	2,040	1,408	1,696	2,204	2,124	2,406	2,212	2,425	2,677	2,545
Total business-type activities	<u>282,310</u>	<u>325,967</u>	<u>317,388</u>	<u>308,496</u>	<u>308,183</u>	<u>326,650</u>	<u>342,382</u>	<u>340,310</u>	<u>368,152</u>	<u>371,595</u>
Total primary government	<u>\$ 2,577,955</u>	<u>2,658,079</u>	<u>2,761,368</u>	<u>2,659,954</u>	<u>2,801,621</u>	<u>3,047,895</u>	<u>3,152,688</u>	<u>3,276,110</u>	<u>3,453,455</u>	<u>3,584,057</u>
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 116,246	130,972	118,633	169,287	152,760	122,521	96,765	99,530	97,762	114,780
Public assistance	11,744	9,862	6,541		11					
Public protection	118,963	114,114	124,049	106,089	136,582	131,287	163,474	154,328	153,350	176,185
Health and sanitation	40,380	44,123	36,151	35,503	34,244	34,184	38,572	37,415	36,954	36,783
Public ways and facilities	27,227	15,441	79,336	57,397	56,088	55,997	68,807	75,339	83,813	102,909
Recreation and culture	13,181	13,249	12,915	12,808	21,799	18,169	12,114	12,080	14,178	13,727
Education	875	536	146							
Operating grants and contributions	1,153,418	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
Capital grants and contributions	22,257	38,570	40,793	18,210	42,248	21,461	42,584	29,327	33,580	30,828
Total governmental activities	<u>\$ 1,504,291</u>	<u>1,529,590</u>	<u>1,644,226</u>	<u>1,622,577</u>	<u>1,658,311</u>	<u>1,750,103</u>	<u>1,825,120</u>	<u>1,824,791</u>	<u>1,951,129</u>	<u>1,986,787</u>

**COUNTY OF SACRAMENTO  
CHANGES IN NET POSITION  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

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	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Business-type activities:										
Charges for services:										
Airport	\$ 146,328	162,222	160,647	177,244	187,829	196,086	204,638	212,783	195,773	171,773
Solid Waste	71,101	72,148	70,469	69,636	70,492	76,093	77,943	82,104	84,431	96,211
Water Agency	57,989	64,844	65,460	63,649	67,233	64,495	80,432	84,736	85,330	93,597
Parking Enterprise	3,143	2,995	2,995	3,001	2,909	3,014	2,830	3,028	2,628	2,232
County Transit	178	252	220	227	243	252	260	281	236	66
Operating grants and contributions	25,855	23,694	20,001	878	2,415	2,350	3,159	2,541	37,927	19,706
Capital grants and contributions	15,872	56,887	11,891	19,119	15,383	16,833	8,636	19,039	27,431	11,128
Total business-type activities	<u>320,466</u>	<u>383,042</u>	<u>331,683</u>	<u>333,754</u>	<u>346,504</u>	<u>359,123</u>	<u>377,898</u>	<u>404,512</u>	<u>433,756</u>	<u>394,713</u>
Total primary government	<u>\$ 1,824,757</u>	<u>1,912,632</u>	<u>1,975,909</u>	<u>1,956,331</u>	<u>2,004,815</u>	<u>2,109,226</u>	<u>2,203,018</u>	<u>2,229,303</u>	<u>2,384,885</u>	<u>2,381,500</u>
Net (expense)/revenue										
Governmental activities	\$ (791,354)	(802,522)	(799,754)	(728,881)	(835,127)	(971,142)	(985,186)	(1,111,009)	(1,134,174)	(1,225,675)
Business-type activities	38,156	57,075	14,295	25,258	38,321	32,473	35,516	64,202	65,604	23,118
Total primary government net expense	<u>\$ (753,198)</u>	<u>(745,447)</u>	<u>(785,459)</u>	<u>(703,623)</u>	<u>(796,806)</u>	<u>(938,669)</u>	<u>(949,670)</u>	<u>(1,046,807)</u>	<u>(1,068,570)</u>	<u>(1,202,557)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property	\$ 379,289	370,925	398,364	425,477	447,437	463,975	490,856	525,232	535,799	574,282
Sales/Use	63,774	70,857	73,686	74,171	82,762	82,453	86,146	96,730	114,323	121,066
Transient occupancy	3,383	3,878	3,860	4,534	4,335	5,845	6,583	6,699	5,055	5,240
Unrestricted investment earnings	(648)	13,199	13,348	13,857	18,291	17,024	10,678	30,907	28,394	15,151
Grants and contrib. not restricted to specific programs	237,046	239,894	234,422	287,041	285,041	257,252	251,839	264,231	351,657	474,453
Pledged tobacco settlement	12,609	19,004	12,493	12,368	12,229	12,577	15,016	14,555	20,931	16,650
Miscellaneous	90,168	80,293	78,304	51,966	86,600	95,586	113,475	118,482	108,527	141,114
Transfers	(6)	4,848	4,981	5,178	4,721	5,003	6,506	6,474	6,708	7,042
Extraordinary item - AB 99 obligation	48,448									
Total general revenues and transfers	<u>\$ 834,063</u>	<u>802,898</u>	<u>819,458</u>	<u>874,592</u>	<u>941,416</u>	<u>939,715</u>	<u>981,099</u>	<u>1,063,310</u>	<u>1,171,394</u>	<u>1,354,998</u>

**COUNTY OF SACRAMENTO  
CHANGES IN NET POSITION  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

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	<u>Fiscal Year</u>									
	<u>2011-12</u>	<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>
Business-type activities:										
Sales/Use tax	\$ 356	927	581	687	1,412	561	802			
Unrestricted investment earnings	2,701					4,627	6,082	14,094	12,716	3,353
Grants and contrib. not restricted to specific programs		3,878	1,973	1,473	3,832					
Transfers	6	(4,848)	(4,981)	(5,178)	(4,721)	(5,003)	(6,506)	(6,474)	(6,708)	(7,042)
Special item - Abatement of regulatory fees	350	(417)								
Extraordinary - Litigation settlements	30,730									
Total general revenues and transfers	<u>34,143</u>	<u>(460)</u>	<u>(2,427)</u>	<u>(3,018)</u>	<u>523</u>	<u>185</u>	<u>378</u>	<u>7,620</u>	<u>6,008</u>	<u>(3,689)</u>
Total primary government	<u>\$ 868,206</u>	<u>802,438</u>	<u>817,031</u>	<u>871,574</u>	<u>941,939</u>	<u>939,900</u>	<u>981,477</u>	<u>1,070,930</u>	<u>1,177,402</u>	<u>1,351,309</u>
Change in net position										
Governmental activities	\$ 42,709	376	19,704	145,711	106,289	(31,427)	(4,087)	(47,699)	37,220	129,323
Business-type activities	72,299	56,615	11,868	22,240	38,844	32,658	35,894	71,822	71,612	19,429
Total primary government	<u>\$ 115,008</u>	<u>56,991</u>	<u>31,572</u>	<u>167,951</u>	<u>145,133</u>	<u>1,231</u>	<u>31,807</u>	<u>24,123</u>	<u>108,832</u>	<u>148,752</u>

**COUNTY OF SACRAMENTO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General fund										
Nonspendable	\$ 14,967	14,618	32,640	30,837	27,857	51,167	36,478	18,319	15,936	24,329
Restricted	193,620	201,876	205,789	232,455	212,353	244,324	255,118	261,069	233,500	249,171
Assigned		1,212			9,780			75,303	123,259	204,828
Unassigned	(3,382)	(1)	(38,992)	(13,462)	24,931	37,267	76,162		62,205	54,923
Total general fund	<u>\$ 205,205</u>	<u>217,705</u>	<u>199,437</u>	<u>249,830</u>	<u>274,921</u>	<u>332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>533,251</u>
All other governmental funds										
Special revenue funds										
Nonspendable	\$ 16,069	15,703	10,467	902	691					
Restricted	271,784	172,741	191,743	198,744	210,529	213,732	237,582	244,041	259,031	289,024
Debt Service funds										
Nonspendable										
Restricted	121,162	111,917	105,644	101,784	89,851	87,466	87,913	70,601	67,945	57,667
Capital projects funds										
Nonspendable	4,292	4,292								
Restricted	49,484	41,414	44,096	44,207	74,799	94,291	97,369	103,835	109,602	114,542
Unassigned	(2,013)	(2,066)								
Total all other governmental funds	<u>\$ 460,778</u>	<u>344,001</u>	<u>351,950</u>	<u>345,637</u>	<u>375,870</u>	<u>395,489</u>	<u>422,864</u>	<u>418,477</u>	<u>436,578</u>	<u>461,233</u>

**COUNTY OF SACRAMENTO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands)**

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	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Revenues</b>										
Taxes	\$ 446,446	445,659	475,910	504,182	534,534	552,273	583,585	628,661	655,177	700,588
Use of money and property	13,033	13,135	13,347	13,843	18,212	16,970	10,937	29,960	25,523	15,394
Licenses and permits	39,183	46,254	50,032	56,766	61,423	66,241	71,853	63,338	65,511	86,176
Intergovernmental	1,408,860	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
Charges for sales and services	177,714	174,666	249,034	244,887	269,695	257,641	269,158	274,573	288,442	313,193
Fines, forfeitures, and penalties	43,551	39,054	43,723	43,041	37,600	38,276	38,721	40,781	32,104	43,625
Pledged tobacco settlement	12,609	19,004	12,493	12,368	12,229	12,577	15,016	14,555	13,954	15,751
Contributions and donations					24,167	7,025	12,626	6,037		4,007
Miscellaneous	90,168	80,294	77,392	86,346	81,427	95,586	113,475	115,218	108,527	140,753
<b>Total revenues</b>	<b>2,231,564</b>	<b>2,262,777</b>	<b>2,446,222</b>	<b>2,508,063</b>	<b>2,640,873</b>	<b>2,700,777</b>	<b>2,801,044</b>	<b>2,857,556</b>	<b>3,114,939</b>	<b>3,297,164</b>
<b>Expenditures</b>										
General government	133,720	141,867	142,581	151,271	165,999	151,713	154,698	190,191	176,569	180,464
Public assistance	597,066	597,598	621,588	656,873	663,373	671,766	673,167	675,857	671,279	685,610
Public protection	633,761	660,322	718,386	753,721	797,866	817,939	860,247	918,419	971,533	1,007,918
Health and sanitation	535,088	553,781	564,824	522,894	559,977	610,859	655,842	693,869	778,957	871,488
Public ways and facilities	85,118	108,663	151,269	137,724	135,948	137,106	143,330	138,291	152,750	157,358
Recreation and culture	33,881	34,553	34,650	35,368	34,869	35,641	40,990	39,132	41,667	38,617
Education	1,179	1,040	1,025	1,604	1,286	1,422	1,487	1,367	1,553	1,518
Capital outlay	53,059	32,316	40,629	35,754	59,080	36,974	51,992	37,196	55,380	53,407
Debt service:										
Principal	70,736	79,956	72,695	69,242	67,346	55,263	60,668	111,160	117,773	132,148
Bond issuance cost	4,579		867					275		2,692
Interest and fiscal charges	114,172	123,615	125,196	137,656	135,661	138,928	141,405	93,778	86,930	74,200
<b>Total expenditures</b>	<b>2,262,359</b>	<b>2,333,711</b>	<b>2,473,710</b>	<b>2,502,107</b>	<b>2,621,405</b>	<b>2,657,611</b>	<b>2,783,826</b>	<b>2,899,535</b>	<b>3,054,391</b>	<b>3,205,420</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (30,795)	(70,934)	(27,488)	5,956	19,468	43,166	17,218	(41,979)	60,548	91,744

**COUNTY OF SACRAMENTO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands)**

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	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Other financing sources (uses)</b>										
Transfers in	\$ 206,201	193,346	187,577	184,765	174,485	169,793	186,135	181,761	182,066	199,160
Transfers out	(171,550)	(175,433)	(156,053)	(167,637)	(158,151)	(152,894)	(159,219)	(164,981)	(164,943)	(181,740)
Issuance of long-term debt	295,026	28,374	135,060	20,996	19,522	17,391	18,241	20,372	20,639	25,131
Refunding of debt issued								89,125		263,207
Premiums on debt issued								11,659		38,224
Discount on debt issued	(467)		(2,180)							
Swap, termination payment	(76,549)									
Payment to refunded bonds escrow agent	(181,760)		(108,850)					(113,411)		(312,720)
<b>Total other financing sources (uses)</b>	<b>70,901</b>	<b>46,287</b>	<b>55,554</b>	<b>38,124</b>	<b>35,856</b>	<b>34,290</b>	<b>45,157</b>	<b>24,525</b>	<b>37,762</b>	<b>31,262</b>
Extraordinary Item										
AB 99 obligation	48,448									
<b>Changes in fund balances</b>	<b>\$ 88,554</b>	<b>(24,647)</b>	<b>28,066</b>	<b>44,080</b>	<b>55,324</b>	<b>77,456</b>	<b>62,375</b>	<b>(17,454)</b>	<b>98,310</b>	<b>123,006</b>
Debt service as a percentage of noncapital expenditures	8.44 %	9.07 %	9.38 %	9.16 %	8.60 %	7.63 %	7.52 %	7.26 %	6.94 %	6.83 %

**COUNTY OF SACRAMENTO  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(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>
2011-12	\$ 379,289	63,774	3,383	446,446
2012-13	370,925	70,856	3,878	445,659
2013-14	398,364	73,686	3,860	475,910
2014-15	425,477	74,171	4,534	504,182
2015-16	447,437	82,762	4,335	534,534
2016-17	463,975	82,453	5,845	552,273
2017-18	490,856	86,146	6,583	583,585
2018-19	525,232	96,730	6,699	628,661
2019-20	535,799	114,323	5,055	655,177
2020-21	574,282	121,066	5,240	700,588



**COUNTY OF SACRAMENTO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands)**

Fiscal Year	Secured <sup>A</sup>	Unsecured <sup>B</sup>	Unitary <sup>C</sup>	Exemptions - Welfare-Other <sup>D</sup>	Total Taxable Assessed Value	Total Direct Tax Rate <sup>E</sup>
2011-12	\$ 118,967,390	5,496,501	1,494,862	(5,495,233)	120,463,520	1.000
2012-13	115,610,824	5,519,515	1,445,961	(5,425,738)	117,150,562	1.000
2013-14	120,666,326	5,902,161	1,454,969	(5,518,271)	122,505,185	1.000
2014-15	128,286,361	6,429,967	1,483,454	(5,925,469)	130,274,313	1.000
2015-16	134,494,438	6,488,685	1,527,359	(6,387,204)	136,123,278	1.000
2016-17	141,945,673	6,213,686	1,540,805	(6,331,237)	143,368,927	1.000
2017-18	151,164,155	6,450,239	1,605,246	(6,829,284)	152,390,356	1.000
2018-19	161,252,864	6,909,322	1,508,979	(7,040,350)	162,630,815	1.000
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

- A) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes.  
B) Unsecured property is generally personal property which includes boats, aircrafts, fixtures, equipments, leasehold improvements, and possessory interests.  
C) Unitary properties are railroads, utilities properties which are assessed by the State Board of Equalization.  
D) Exemptions as provided by the State Constitution provides property tax relieves to Welfare, Church, and Non-Profit Organizations.  
E) Proposition 13 limits the General Direct Property tax rate to 1% of the net assessed values.

Note: All dollar estimates are in current dollars (not adjusted for inflation).

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO  
AVERAGE PROPERTY TAX RATES - ALL  
DIRECT AND OVERLAPPING GOVERNMENTS  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Countywide <sup>A</sup>	Cities <sup>B</sup>	Special Districts <sup>C</sup>	
2011-12	1.000	0.0047		0.0471	1.0518
2012-13	1.000	0.0049		0.0479	1.0528
2013-14	1.000	0.0035		0.0559	1.0594
2014-15	1.000	0.0019		0.0497	1.0516
2015-16	1.000	0.0018		0.0473	1.0491
2016-17	1.000	0.0010		0.0531	1.0541
2017-18	1.000			0.0552	1.0552
2018-19	1.000			0.0589	1.0589
2019-20	1.000		0.0128	0.0615	1.0743
2020-21	1.000		0.0193	0.0581	1.0774

- 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, 2021 AND JUNE 30, 2012  
(amounts expressed in thousands)**

<b>Taxpayer</b>	<b>June 30, 2021</b>			<b>June 30, 2012</b>		
	Tax Levy <sup>A</sup>	Rank	Percentage of Total Tax Levy	Tax Levy <sup>B</sup>	Rank	Percentage of Total Tax Levy
Pacific Gas & Electric Co.	\$ 14,060	1	0.80 %	\$ 5,705	4	0.51 %
Intel Corporation	9,012	2	0.51	5,937	3	0.53
BRE Delta Industrial Sacramento	7,702	3	0.44			
AT&T Communications	6,170	4	0.35	6,668	1	0.59
Oakmont Properties	5,638	5	0.32			
Lennar Homes of California	5,524	6	0.31			
MP Holdings LLC	5,158	7	0.29			
Buzz Oats	5,047	8	0.29			
Walmart	4,722	9	0.27	3,958	6	0.35
Sacramento Downtown Arena	4,689	10	0.27			
Hines Interests, LP				5,975	2	0.53
Oates Marvin, et al				4,841	5	0.43
Donahue Schriber Realty Group				2,969	7	0.26
Surewest				2,659	10	0.24
Rosetta Resources CA, Inc.				2,672	9	0.24
Aerojet General Corp				2,897	8	0.26

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

(B) Source: FY 2011-12 County Comprehensive Annual Financial Report

Source: Sacramento County Department of Finance

**COUNTY OF SACRAMENTO  
COUNTY WIDE 1 PERCENT - SECURED AND UNITARY  
PROPERTY TAX LEVIES AND COLLECTIONS  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

Fiscal Year	Taxes Levied <sup>A</sup>	Collections Within the Fiscal Year <sup>B</sup>		Collections in Subsequent Years <sup>C</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy <sup>D</sup>
2011-12	\$1,127,451	1,108,086	98.28	19,312	1,127,398	100.00
2012-13	1,094,235	1,079,299	98.63	14,742	1,094,041	99.98
2013-14	1,160,120	1,146,609	98.84	13,192	1,159,800	99.97
2014-15	1,233,891	1,221,411	98.99	11,942	1,233,353	99.96
2015-16	1,288,948	1,278,225	99.17	10,397	1,288,622	99.97
2016-17	1,359,759	1,349,089	99.22	10,071	1,359,160	99.96
2017-18	1,453,162	1,441,490	99.20	10,420	1,451,910	99.91
2018-19	1,550,474	1,538,104	99.20	9,742	1,547,846	99.83
2019-20	1,651,294	1,635,289	99.03	9,811	1,645,100	99.62
2020-21	1,767,626	1,753,630	99.21		1,753,630	99.21

A) County wide 1 percent - Secured and Unitary Tax Rolls - Adjusted levy amount as of June 30; Levied Amounts for the County General Fund, School districts, Cities, and Special districts.

B) Collection amounts for the fiscal year as of June 30 for the County wide 1 percent portion of the Secured and Unitary Taxes.

C) In the 1993 fiscal year, the Board of Supervisors adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales proceeds (Teeter Plan) as provided in California Revenue and Taxation Code Section 4701. Under the Teeter Plan, the Secured property tax roll is distributed to all taxing agencies with the County of Sacramento on the basis of the adjusted tax levy, rather than on the basis of actual cash collections.

D) The County has a teeter loan which covers the full balance of levied taxes. If collections are not made within 5 years, the property goes to public auction.

Note: All dollar estimates are in current dollars (not adjusted for inflation)

Estimates updated for FY 2020-21, includes revised estimates for FY 2014-15 (may not be consistent with prior reported figures)

Source: County's internal financial documents

**COUNTY OF SACRAMENTO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**FISCAL YEARS 2011-12 THROUGH 2020-21**  
**(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>B</sup>	Per Capita <sup>B</sup>
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Other Debt <sup>A, C</sup>			
2011-12	\$ 306,535	50,897	1,266,834	353,572	7,824	2,435	1,194,285	339,880	19,085	18,499	3,559,846	6.14 %	2,481
2012-13	288,705	43,583	1,238,566	347,040	6,910	3,680	1,174,980	328,505	16,910	16,083	3,464,962	5.75 %	2,395
2013-14	273,746	34,432	1,201,018	342,686	4,891	3,559	1,165,846	314,516	15,401	13,829	3,369,924	5.38 %	2,310
2014-15	249,206	29,732	1,159,636	342,871	4,123	3,522	1,147,042	302,011	13,746	9,803	3,261,692	4.89 %	2,207
2015-16	233,261	25,494	1,114,323	332,104	3,479	4,606	1,123,317	288,848		7,310	3,132,742	4.38 %	2,094
2016-17	216,441	22,849	1,059,751	332,841	2,974	647	1,103,799	273,959		5,080	3,018,341	4.08 %	1,995
2017-18	198,681	21,618	995,112	331,024	2,227	581	1,068,687	259,699		6,110	2,883,739	3.75 %	1,884
2018-19	169,721	21,460	925,917	329,421	780	493	1,051,100	257,780		6,342	2,763,014	3.41 %	1,793
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

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 2011-12 through FY 2015-16 to include SMUD Water Rights.

B) Revised estimates for FY 2011-12 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.

**COUNTY OF SACRAMENTO  
LEGAL DEBT MARGIN INFORMATION  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Assessed Value of Property	\$ 120,463,520	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
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	1,505,794	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
Amount of Debt Applicable to Limit: General Obligations Bonds Less: Resources Restricted to Paying Principal										
Total net debt applicable to limit										
Legal debt margin	<u>\$ 1,505,794</u>	<u>1,464,382</u>	<u>1,531,315</u>	<u>1,628,429</u>	<u>1,701,541</u>	<u>1,792,112</u>	<u>1,904,879</u>	<u>2,032,885</u>	<u>2,164,966</u>	<u>2,292,598</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  
PLEGGED-REVENUE COVERAGE  
FISCAL YEARS 2011-12 THROUGH 2020-21  
(amounts expressed in thousands)**

Airport Revenue Bond Coverage						
Fiscal Year	Gross Revenue <sup>A</sup>	Less: Operating	Net Revenue	Debt Service Requirements <sup>C</sup>		Coverage
		Expenses <sup>B</sup>		Principal	Interest	
2011-12	\$ 146,057	95,730	50,327	11,395	24,586	1.40
2012-13	162,935	94,118	68,817	11,940	40,187	1.32
2013-14	160,589	88,122	72,467	9,720	39,708	1.47
2014-15	158,928	82,412	76,516	14,220	39,345	1.43
2015-16	171,151	88,096	83,055	14,820	38,743	1.55
2016-17	178,108	91,317	86,791	15,450	37,905	1.63
2017-18	187,410	101,128	86,282	2,865	36,338	2.20
2018-19	193,835	106,474	87,361	12,420	31,469	1.99
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

Water Agency Revenue Bond Coverage <sup>D</sup>						
Fiscal Year	Gross Revenue <sup>E</sup>	Less: Operating	Net Revenue	Debt Service Requirements <sup>C</sup>		Coverage
		Expenses		Principal	Interest	
2011-12	\$ 56,491	19,415	37,076	7,605	16,801	1.52
2012-13	63,664	22,425	41,239	7,910	16,620	1.68
2013-14	63,743	22,201	41,542	8,240	15,365	1.76
2014-15	63,798	23,090	40,708	8,650	15,803	1.66
2015-16	67,351	22,882	44,469	9,070	15,399	1.82
2016-17	65,159	27,813	37,346	9,505	14,960	1.53
2017-18	81,172	27,169	54,003	9,955	14,538	2.20
2018-19	86,220	27,521	58,699	10,435	14,073	2.40
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

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. Does not include certificates of participation.

D) Water Agency revenue bonds were issued May 9, 2007. Additional revenue bonds were issued October 31, 2019 to refund the outstanding 2007A revenue bonds balance of \$103,185,000.

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, 2021 AND 2012**

<b>Employer</b>	<b>June 30, 2021</b>			<b>June 30, 2012</b>		
	<b>Employees<sup>(A)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees<sup>(B)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
UC Davis Health System	14,618	1	2.18 %			
Kaiser Permanente	12,078	2	1.80	9,932	1	1.67 %
Dignity / Mercy Healthcare	10,888	3	1.63			
Sutter / California Health Services	10,764	4	1.61	9,609	2	1.62
Intel Corporation	5,992	5	0.90	6,147	4	1.03
Raley's Inc. / Bel Air	3,394	6	0.51			
VSP Global	2,834	7	0.42			
Sacramento Municipal Utility	2,099	8	0.31			
Siemens Mobility Inc.	2,000	9	0.30			
Safeway	1,823	10	0.27			
CHW / Mercy Health Care				7,107	3	1.20
Hewlett-Packard				3,500	5	0.59
Wells Fargo & Co.				2,986	6	0.50
Health Net of California				2,440	7	0.41
Cashe Creek Casino Resort				2,376	8	0.40
Pacific Gas And Electric Co.				2,060	9	0.35
Thunder Valley Casino Resort				2,025	10	0.34
<b>Total</b>	<b>66,490</b>		<b>9.93 %</b>	<b>48,182</b>		<b>8.11 %</b>

Note:

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

(B) Source: FY 2012 Sacramento County Comprehensive Annual Financial Report



**COUNTY OF SACRAMENTO  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 FISCAL YEARS 2011-12 THROUGH 2020-21  
 (amounts expressed in thousands except per capita amount)**

<u>Fiscal Year</u>	<u>Population<sup>A</sup></u>	<u>Personal Income</u>	<u>Per Capita Personal Income<sup>B</sup></u>	<u>School Enrollment</u>	<u>Unemployment Rate<sup>C</sup></u>
2011-12	1,435	\$ 57,498,308	\$ 40,068	237	12.1 %
2012-13	1,447	59,775,785	41,303	238	10.5 %
2013-14	1,460	61,654,690	42,229	240	8.9 %
2014-15	1,478	65,486,553	44,303	241	7.3 %
2015-16	1,497	70,110,138	46,845	243	6.0 %
2016-17	1,514	72,878,458	48,122	244	5.4 %
2017-18	1,531	76,832,120	50,197	246	4.6 %
2018-19	1,541	80,969,087	52,544	247	3.8 %
2019-20	1,552	85,775,621	55,266	250	3.7 %
2020-21	1,559	90,908,707	58,307	246	9.3 %

Note:  
 All dollar estimates are in current dollars which are not adjusted for inflation.  
 Estimates updated November 16, 2021, include new estimates for FY 2019-20 and revised estimates for FY 2011-12 through FY 2018-19, which may not be consistent with prior reported figures.

- A) Census Bureau midyear population estimates. Estimates for FY 2011-12 through FY 2019-20 reflect County population estimates available as of March 2020.
- B) Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for FY 2012-2019 reflect County population estimates available as of March 2021.
- C) Unemployment rate reflects the March 2021 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 2011-12 THROUGH 2020-21**

**Full-Time Equivalent Employees as of June 30th**

<b>Function</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
General Government	916	890	1,076	894	895	912	905	853	846	832
Public Assistance	2,156	2,132	2,165	2,179	2,239	2,259	2,224	2,103	2,018	2,005
Public Protection	3,574	3,571	3,591	3,806	3,948	3,960	3,952	4,280	4,231	4,223
Health and Sanitation	2,018	2,032	1,952	1,952	2,057	2,181	2,156	2,230	2,178	2,187
Recreation and Culture	120	106	137	138	154	134	157	164	140	125
Education	2	2	1	1						
Public Ways and Facilities				271	277	257	246	244	246	239
Non-Governmental							11	12	12	12
<b>Total</b>	<b>8,786</b>	<b>8,733</b>	<b>8,922</b>	<b>9,241</b>	<b>9,570</b>	<b>9,703</b>	<b>9,651</b>	<b>9,886</b>	<b>9,671</b>	<b>9,623</b>

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 2011-12 THROUGH 2020-21**

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Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>General Government</b>										
Assessor:										
Number of parcels assessed	502,709	502,527	501,887	503,717	505,436	505,076	508,941	504,653	509,959	514,745
Gross total of secured roll (in thousands)	119,315,245	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
Gross total of unsecured roll (in thousands)	5,496,500	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
Clerk Recorder:										
Number of recorded documents	396,098	433,820	326,097	355,598	362,930	383,763	369,638	336,384	393,676	520,007
<b>Public Assistance</b>										
Human Assistance total caseload	177,402	189,591	216,504	293,840	330,167	328,585	318,056	314,269	333,993	361,402
Percent served of children in poverty	91	86	81	66	61	61	62	62	58	56
Housing services provided <sup>A</sup>	9,369	2,378	2,457	2,203	2,069	1,812	2,319	2,349	1,855	2,923
Employee non-exempt recipients CalWORKs	21	41	45	47	52	67	59	61	61	49
<b>Public Protection</b>										
District Attorney:										
Filed felonies	8,496	8,815	9,342	8,496	8,854	8,641	9,077	8,294	8,027	9,292
Filed misdemeanors	13,888	14,095	13,539	14,553	15,164	14,397	13,342	14,514	13,036	11,780
Filed probation violations	1,042	1,153	1,939	1,785	1,517	1,785	1,884	1,856	1,112	304
Probation:										
Cases supervised <sup>B</sup>	24,989	24,776	28,402	27,939	28,246	28,383	27,701	26,688	24,261	23,172
Institutional care for minors (days)	65,194	68,597	69,339	69,696	62,776	50,237	46,760	43,535	41,023	36,616
Juvenile referrals processed	8,769	8,836	8,105	6,605	5,519	4,520	3,693	3,086	2,794	2,105
Prepared adult sentencing reports <sup>C, D, E, F</sup>	7,249	6,380	6,209	9,081	9,604	11,255	13,999	18,227	20,599	30,950
Public Defender:										
Felony Unit jury trials	130	161	147	159	161	199	133	141	81	56
Sheriff:										
Emergency calls for service:										
Priority 1	3,891	3,985	3,785	4,095	4,070	4,450	4,311	4,319	4,345	4,766
Emergency response time (minutes):										
Priority 1	14	12	12	12	13	12	11	11	11	12
Processed and booked adult offenders	20,601	19,443	19,991	20,292	20,538	15,824	21,616	19,107	10,627	8,181
Physical arrests	25,414	23,143	23,856	23,733	24,441	18,785	24,928	21,659	12,611	10,654
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, for the year noted and all thereafter. Note relates to Housing Services Provided FY 2012-13 .
- B) Beginning in FY 2011-12, a new report was created to capture cases under Probation's Field jurisdiction and include Post Release Community Supervision (PRCS) offender population..
- C) Due to restructuring, we now have capacity to report on data and critical workload that we have previously been unable to capture and quantify. Note relates to Prepared Adult Sentencing Reports FY 2014-15.
- D) Beginning in FY 2016-17, Restitution Determination and Recommendation reports for Adult Sentencing replaced LSCMI assessments which are no longer conducted at Adult Court.
- E) Beginning 1/1/2018 Firearm Possession and relinquishment reports are captured.
- F) Pretrial Release Unit reports are captured beginning FY 2019-20.

**COUNTY OF SACRAMENTO  
OPERATING INDICATORS BY FUNCTION  
FISCAL YEARS 2011-12 THROUGH 2020-21**

Page 2 of 2

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Health and Sanitation</b>										
Patient treatments at Public Health clinics	80,568	61,015	48,229	20,751	19,700	23,613	29,791	30,532	43,170	35,808
Training:										
Programs in compliance (by inspection) <sup>G, H</sup>			27	95	100	100	100	100	95	Unknown
Public ways and facilities										
Number of traffic signs resent and replaced	16,751	12,728	12,952	14,909	13,910	16,129	8,635	7,099	6,914	10,204
Square feet of graffiti removed or abated	76,132	96,848	136,989	185,195	205,084	131,490	129,600	200,587	152,281	287,881
Recreation and culture										
Number of individuals who use Parks' golf services	170,076	162,937	164,579	163,722	157,095	131,248	147,029	142,048	168,110	204,230
<b>Education</b>										
Library:										
Total circulation <sup>I</sup>	7,648,145	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
Library cards issued	78,088	62,194	64,686	66,835	63,384	60,535	100,733	142,678	69,715	22,796
Total library cards in use	651,370	710,008	665,840	656,423	651,636	692,508	706,452	771,503	766,505	692,074
Library visits	4,053,689	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
<b>Airport</b>										
Number of commercial airlines	11	11	11	11	10	10	11	16	16	16
Number of flights	49,316	47,826	46,871	46,621	48,627	50,551	55,879	60,082	57,541	43,076
Number of enplaned passengers	4,480,003	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
<b>Solid Waste</b>										
Percent of diversion/recycled waste	71	73	73	74	73	70	68	63	66	68
Tons disposed	558,752	607,075	596,972	623,824	657,247	747,704	796,946	890,301	946,063	943,258
<b>Water Agency</b>										
Water supply:										
Number of water connections <sup>J</sup>	50,138	50,813	51,652	52,400	53,439	54,464	55,178	56,137	57,541	58,890
Water delivered (acre feet)	42,594	43,178	41,045	35,112	31,174	35,079	39,750	39,750	43,842	48,555
<b>Storm Water Utilities</b>										
Drainage:										
Mainline and lateral pipes cleaned (miles)	72	73	66	66	119	84	107	133	84	58
<b>Parking Enterprise</b>										
Daily public parking (count)	131,945	126,568	131,163	136,440	151,629	149,112	135,932	116,094	92,848	36,714
Monthly parking passes issued to County employees (count)	17,280	17,304	17,580	17,652	17,640	18,216	21,180	20,676	17,683	17,839
Outside agency usage	11,775	11,703	10,021	8,995	7,792	4,555	4,551	4,040	3,201	746

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

H) COVID-19 interrupted inspections. Note relates to programs in compliance (by inspection) FY 2020-21.

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

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

**COUNTY OF SACRAMENTO  
CAPITAL ASSET STATISTICS BY FUNCTION  
FISCAL YEARS 2011-12 THROUGH 2020-21**

Page 1 of 2

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
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	2
Community service centers	5	5	5	6	7	8	8	8	9	8
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	315	328	328	328	386	385	409	397	410	411
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	1
Public Ways and Facilities										
Centerline miles of roads maintained	2,208	2,198	2,202	2,202	2,200	2,203	2,202	2,208	2,208	2,209
Traffic signals	451	451	459	461	466	473	476	505	508	511
Recreation and Culture										
Number of golf courses	4	4	4	4	4	4	4	4	4	4
Number of developed parks	38	38	38	38	38	38	38	38	38	38
Developed parks acreage	15,150	15,187	15,187	15,189	15,189	15,189	15,189	15,189	15,189	15,189
Education										
Number of libraries <sup>A</sup>	11	11	11	11	11	11	11	11	11	11

A) There are 16 County libraries 11 buildings are County owned and 5 are owned by other government entities or leased.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO  
CAPITAL ASSET STATISTICS BY FUNCTION  
FISCAL YEARS 2011-12 THROUGH 2020-21**

Page 2 of 2

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed vehicles:										
Cars and light trucks	156	154	159	168	205	201	189	182	183	188
Busses	33	32	32	32	51	42	28	33	33	31
Solid Waste										
Number of collection trucks	100	105	109	108	100	100	100	100	100	106
Number of landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water mains (miles)	766	776	785	797	805	812	829	851	880	864
Storage capacity (thousands of gallons)	39,400	61,900	61,900	61,900	61,900	61,900	61,600	61,600	61,600	61,700
Drainage:										
Drainage inlets	44,555	39,439	37,669	38,841	38,651	38,425	37,262	37,145	37,947	38,155
Drainage manholes	25,378	23,489	22,793	23,544	23,573	23,589	23,127	23,302	23,808	24,173
Drainage pipes (miles)	1,345	1,333	1,276	1,359	1,353	1,341	1,293	1,293	1,313	1,326
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2

Source: County of Sacramento Department Records

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## BOND DISCLOSURES

COUNTY OF SACRAMENTO

DEPARTMENT OF AIRPORTS

WATER AGENCY ENTERPRISE FUND

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**COUNTY OF SACRAMENTO  
ANNUAL CONTINUING DISCLOSURES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This meets the County of Sacramento Annual Continuing Disclosure filing required as of December 31, 2021, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of the issuance date of this Comprehensive Annual 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, 2021)**

Average Daily Balance	\$4,087,627,141
Period-End Balance	\$4,261,325,234
Yield	0.665%
Weighted Average Maturity	355 Days
Duration in Years	0.957 Years
Historical Cost	\$4,260,719,490
Fair Value	\$4,283,668,757
Percent of Market to Cost	100.54%

**COUNTY OF SACRAMENTO  
ANNUAL CONTINUING DISCLOSURES FOR:  
CERTIFICATES OF PARTICIPATION; PENSION OBLIGATION BONDS; AND  
RIVER CITY REGIONAL STADIUM FINANCING AUTHORITY LEASE REVENUE BONDS**

**REQUIRED TABLES**

**General Fund Adopted Budget<sup>(1)</sup>  
(amounts expressed in thousands)**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
<b>APPROPRIATIONS</b>				
Reserve Increase/(Decrease)	\$ 152,393	50,634	51,669	150,510
General Government	53,270	57,783	439,239	502,890
Public Protection	1,183,480	1,231,690	1,264,079	1,371,438
Health and Sanitation	496,855	524,399	672,092	664,813
Public Assistance	851,531	889,257	530,908	620,587
Education, Cultural and Recreation	26,582	27,141	28,228	32,448
Contingencies	2,178	1,185	1,120	17,146
TOTAL APPROPRIATIONS	<u>\$ 2,766,289</u>	<u>2,782,089</u>	<u>2,987,335</u>	<u>3,359,832</u>
<b>AVAILABLE FUNDS</b>				
Beginning Appropriated Fund Balance/Carryover	\$ 267,735	178,135	217,084	365,134
Equity Transfer In	1,029	15	418	100
Reserve Cancellation	2,799	29,836	28,019	5,050
Taxes	592,697	626,658	649,686	698,594
Licenses and Permits	11,758	11,283	10,821	11,315
Fines, Forfeitures and Penalties	27,284	24,104	22,123	21,406
Realignment	638,868	649,966	600,465	699,206
Proposition 172	123,583	131,830	116,052	146,537
Mental Health Services	59,511	65,686	78,736	87,944
Clerk/Recorder Fees	1,875	3,037	3,080	3,009
Use of Money and Property	749	453	5,319	6,744
Aid from Other Government Agencies (state and federal)	882,815	897,413	1,053,761	1,135,788
Charges for Current Services	119,112	121,737	131,130	123,072
Other Revenues	36,474	41,936	70,641	55,933
TOTAL AVAILABLE FUNDS	<u>\$ 2,766,289</u>	<u>2,782,089</u>	<u>2,987,335</u>	<u>3,359,832</u>

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

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

Fiscal Year	Total Gross Assessed Valuation	Secured/Unsecured Roll Growth
2012-13	\$ 121,495,032	(2.66) %
2013-14	126,311,592	3.96
2014-15	134,497,818	6.48
2015-16	140,691,284	4.60
2016-17	148,052,405	5.23
2017-18	157,548,105	6.41
2018-19	168,181,180	6.75
2019-20	179,165,611	6.53
2020-21	189,847,799	5.96
2021-22	199,704,342	5.19

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

Fiscal Year	Secured Tax Levies	Current Levy Delinquent June 30	Percent Current Levy Delinquent June 30	Total Collections June 30 <sup>1</sup>	Total Collection Current Levy
2012-13	\$ 1,079,750	14,936	1.38 %	1,064,814	98.62 %
2013-14	1,145,549	13,511	1.18	1,132,038	98.82
2014-15	1,219,035	12,480	1.02	1,206,555	98.98
2015-16	1,273,652	10,723	0.84	1,262,929	99.16
2016-17	1,344,330	10,670	0.79	1,333,660	99.21
2017-18	1,437,087	11,672	0.80	1,425,415	99.20
2018-19	1,535,361	12,370	0.80	1,522,911	99.20
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

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

**COUNTY OF SACRAMENTO**  
**Largest Secured Taxpayers FY 2021-22**  
**(includes levies for bond debt service and special assessments)**

<u>Taxpayer</u>	<u>Amount</u>
Pacific Gas & Electric Co.	\$ 17,093,898
Intel Corporation	9,624,536
Oakmont Properties	8,123,015
BRE Delta Industrial Sacramento	6,586,669
AT&T	6,293,609
Lennar Homes of California	5,739,406
MP Holding LLC	5,698,542
NP Sacramento	4,969,187
Conrad Ethan	4,958,933
Metro Land Ownership	4,492,327
Total (represents 3.01% secured tax roll levy):	<u><u>\$ 73,580,122</u></u>

**COUNTY OF SACRAMENTO**  
**Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2016-17 through FY 2020-21**  
**(amounts expressed in thousands)**

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
Beginning Fund Balance	\$ 274,921	332,758	367,758	354,691	434,900
<b>Revenues</b>					
Taxes	514,893	545,813	587,675	611,245	649,915
Use of money and property	6,808	3,618	12,073	10,470	9,959
Licenses and permits	12,252	12,118	11,460	11,161	11,529
Intergovernmental	1,576,802	1,582,139	1,590,790	1,817,146	1,879,169
Charges for sales and services	140,190	121,064	129,071	131,450	152,713
Fines, forfeitures and penalties	26,983	26,533	28,745	21,999	26,119
Miscellaneous	49,782	67,614	62,037	55,170	92,398
Total Revenues	<u>2,327,710</u>	<u>2,358,899</u>	<u>2,421,851</u>	<u>2,658,641</u>	<u>2,821,802</u>
Transfers in	9,959	10,622	10,882	9,432	16,257
Total Revenues and Transfers	<u>2,337,669</u>	<u>2,369,521</u>	<u>2,432,733</u>	<u>2,668,073</u>	<u>2,838,059</u>
<b>Expenditures</b>					
General government	102,233	105,311	121,310	126,161	132,413
Public assistance	671,766	673,167	675,857	671,279	685,610
Public protection	797,977	801,433	849,736	899,142	935,849
Health and sanitation	575,906	615,740	655,505	743,011	830,252
Recreation and culture	16,984	18,655	22,007	22,671	22,619
Education	332	378	389	422	433
Total Expenditures	<u>2,165,198</u>	<u>2,214,684</u>	<u>2,324,804</u>	<u>2,462,686</u>	<u>2,607,176</u>
Transfers out	114,634	119,837	120,996	125,178	132,532
Total Expenditures and Transfers	<u>2,279,832</u>	<u>2,334,521</u>	<u>2,445,800</u>	<u>2,587,864</u>	<u>2,739,708</u>
Net change in fund balance	<u>57,837</u>	<u>35,000</u>	<u>(13,067)</u>	<u>80,209</u>	<u>98,351</u>
Ending Fund Balance	<u>\$ 332,758</u>	<u>367,758</u>	<u>354,691</u>	<u>434,900</u>	<u>533,251</u>

**COUNTY OF SACRAMENTO**

**Lease Obligations**

**As of July 1, 2021**

<u>Series</u>	<u>Project(s)</u>	<u>Amount Issued</u>	<u>Principal Amount Outstanding</u>	<u>Fiscal Year Final Maturity</u>	<u>County Liability</u>
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	\$ 36,150,000	\$ 22,565,000	2034	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	22,390,000	2029	66% (if ticket receipts insufficient)
2018 COP Refunding	Coroner/Crime Lab; Data Center; Fleet Maintenance Building	89,125,000	74,595,000	2034	100%
2020 COP Refunding	Rio Cosumnes Correctional Center	27,080,000	27,080,000	2030	100%
2019 Key Government Finance, Inc. Master Lease	CISCO Systems Equipment Lease	15,650,124	10,030,404	2024	100%
2013 Motorola SmartZone Radio System Lease	Motorola Systems Equipment Lease	3,771,410	1,035,118	2024	100%
2015 Motorola Radio System Lease	Motorola Systems Equipment Lease	13,662,797	7,300,857	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, 2021**

Series	Purpose	Amount Issued	Principal Amount Outstanding	Fiscal Year Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Obligation Bonds, Series 1995A <sup>(1)(2)</sup>	Fund Pension System	\$ 404,060,208	\$ 57,370,000	2022	75%
County of Sacramento Taxable Pension Obligation Bonds, Series 2003B <sup>(2)</sup>	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	298,640,000	2031	75%
County of Sacramento Taxable Pension Bonds, Series 2011A	Refund Series 1995B,C	183,365,000	85,490,000	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%

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

<sup>(2)</sup> Series 1995A and 2003B amounts outstanding reflect fully accreted value of capital appreciation bonds. Full accretion date and conversion to current interest for the 1995A Series occurred August 15, 1998, and for the 2003B Series on February 15, 2009.



## COUNTY OF SACRAMENTO

### Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and 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, 2021**  
**(amounts expressed in thousands)**

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 17,391	836	08/02/2021
Sacramento County (Teeter Plan)	18,241	1,729	08/01/2022
Sacramento County (Teeter Plan)	20,372	2,961	08/01/2023
Sacramento County (Teeter Plan)	20,639	5,275	08/01/2024
Sacramento County (Teeter Plan)	25,131	11,722	08/01/2025

**COUNTY OF SACRAMENTO**  
**County of Sacramento Aggregate Debt Service**  
**Current Outstanding Debt-Certificates of Participation Only**  
**(includes principal and interest)**  
**As of July 1, 2021**

Period Ending June 30	Series 2003 Juvenile Court COPs	Series 2018A Refunding COPs	Series 2018B Refunding COPs	Series 2020 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds <sup>(1)</sup>	(1)
2022	\$ 2,213,575	4,871,000	4,796,500	3,733,000	2,349,432	17,963,507
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
<b>Total</b>	<b>\$ 31,000,100</b>	<b>\$ 34,103,750</b>	<b>\$ 62,295,125</b>	<b>\$ 33,623,750</b>	<b>\$ 20,983,112</b>	<b>\$ 182,005,837</b>

<sup>(1)</sup> County required to pay **only** if ticket receipts are insufficient. The County has never been required to make any debt service payments. For FY 2020-21, as a result of COVID-19, there can be no assurances that the County will not be required to fund the 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, 2021**

Period Ending June 30	Series 1995A POBs	Series 2003B Refunding POBs	Series 2008 Refunding POBs <sup>(1)</sup>	Series 2011A Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs <sup>(2)</sup>	FY POBs Total	FY COPs Total	FY Equipment Lease Total	FY POBs, COPs, & Equipment Lease Combined
2022	\$ 59,573,008	7,644,393	35,700,648	31,803,530	4,894,219	8,117,100	147,732,898	17,963,507	5,144,442	170,840,847
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
<b>Total</b>	<b>\$ 59,573,008</b>	<b>147,106,706</b>	<b>421,224,175</b>	<b>95,673,968</b>	<b>91,004,766</b>	<b>146,506,976</b>	<b>961,089,599</b>	<b>182,005,837</b>	<b>23,285,813</b>	<b>1,166,381,249</b>

<sup>(1)</sup> 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.

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

**COUNTY OF SACRAMENTO**  
**Variable Rate Debt/Interest Rate Swap**

Issue	2008 Refunding POBs (2004C-1)
Type of Underlying Obligation	Floating Rate Notes 1-mo LIBOR+130 BPS \$156,750,000; 1-mo LIBOR+145 BPS \$179,315,000
Bond Amount Outstanding as of July 1, 2021	\$286,275,000
Insurer	FSA
Swap Counterparty	Merrill Lynch
Swap Notional Amount	\$286,275,000
Payment Terms	County pays 5.901%; Counterparty pays 100% 1-mo LIBOR
Est. Valuation (includes accrued interest)	Negative (\$75,411,746)
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, 2018ABC and 2020, the Airport System Subordinate and PFC/Grant Revenue Bonds, Series 2008 and 2009 and the Airport System Subordinate Revenue Refunding Bonds, Series 2016B and 2018DEF, (collectively, the "Certificate"), the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Comprehensive Annual Financial Report (Annual Report) for Fiscal Year 2007-2008, and each Annual Report thereafter, the Bond Disclosure Section provides the required information consistent with Section 4 of the Certificate. The Annual Report 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 July 30, 2020, S&P Global Ratings (S&P) downgraded 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 Negative.

In addition, the Airport System Revenue Bonds, Series 2010, were fully refunded on August 13, 2020, a Notice of Defeasance was filed to EMMA on August 20, 2020.

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 the 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 Year ended June 30**  
**Exhibit 1**

Enplanements	2012 <sup>2</sup>	2013 <sup>2</sup>	2014 <sup>2</sup>	2015	2016	2017	2018	2019	2020	2021
Major and other airlines <sup>1</sup>	4,203,561	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
Regional airlines	276,442	301,596	314,551	321,790	459,393	484,953	585,650	597,202	444,264	206,242
<b>Total</b>	<b>4,480,003</b>	<b>4,419,545</b>	<b>4,376,237</b>	<b>4,628,597</b>	<b>4,943,185</b>	<b>5,198,184</b>	<b>5,761,586</b>	<b>6,298,447</b>	<b>4,941,040</b>	<b>3,210,164</b>
Percent change from prior year	0.01 %	(1.35)%	(0.98)%	5.77 %	6.80 %	5.16 %	10.84 %	9.32 %	(21.55)%	(35.03)%

Source: Department of Airports statistics reports.

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

<sup>2</sup> FY 2012-2014 figures have been revised.

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

	2012 <sup>2</sup>	2013 <sup>2</sup>	2014	2015	2016	2017	2018	2019	2020	2021
Passenger airlines										
Major and other airlines <sup>1</sup>	5,047,200	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
Regional airlines	245,872	334,097	353,852	350,506	508,376	570,233	674,706	689,413	576,404	332,231
Subtotal	<u>5,293,072</u>	<u>5,133,535</u>	<u>5,047,149</u>	<u>5,133,192</u>	<u>5,398,376</u>	<u>5,753,049</u>	<u>6,405,797</u>	<u>6,933,409</u>	<u>6,080,133</u>	<u>4,429,317</u>
All cargo airlines	613,981	646,113	964,965	651,887	687,612	728,575	1,038,232	1,276,124	1,286,887	1,434,370
Total	<u>5,907,053</u>	<u>5,779,648</u>	<u>6,012,114</u>	<u>5,785,079</u>	<u>6,085,988</u>	<u>6,481,624</u>	<u>7,444,029</u>	<u>8,209,533</u>	<u>7,367,020</u>	<u>5,863,687</u>
Percent change from prior year	(0.63)%	(2.16)%	4.02 %	(3.78)%	5.20 %	6.50 %	14.85 %	10.28 %	(10.26)%	(20.41)%

Source: Department of Airports records.

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

<sup>2</sup> FY 2012-2013 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

	2012 <sup>3</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Percentage of Total Enplanements</b>										
<b>Major Airlines<sup>1</sup></b>										
Southwest Airlines	50.10 %	52.10 %	52.6 %	53.1 %	51.8 %	51.5 %	53.2 %	53.3 %	51.8 %	49.9 %
United Airlines	6.80	8.30	8.4	7.6	10.1	9.9	9.9	10.7	9.1	9.8
Delta Air Lines <sup>2</sup>	6.40	6.20	6.5	6.3	11.1	10.6	10.6	10.2	10.7	11.6
Alaska Airlines	5.70	5.30	5.3	6.2	8.4	8.1	8.1	7.9	6.3	3.8
US Airways	5.20	5.40	5.5	5.8						
American Airlines	5.30	5.50	5.5	5.3	12.2	13.0	12.0	10.7	10.1	11.9
Jet Blue Airlines	3.50	3.20	3.0	2.9	2.8	2.9	2.8	2.4	2.2	0.5
Horizon Airlines	2.70	2.70	2.6	2.3					1.8	3.0
Hawaiian Airlines	2.00	2.00	1.9	1.8	1.7	1.7	1.5	1.5	1.8	1.9
Frontier Airlines	2.80	1.50						0.8	1.2	2.3
Aeromexico	0.60	0.70	0.8	1.0	1.1	1.3	1.0	0.9	0.9	1.2
Air Canada								0.3	0.3	
Spirit								0.1	2.0	2.1
Sun Country								0.1	0.3	
Contour								0.1	0.3	
Volaris Airlines		0.30	0.6	0.8	0.8	1.0	0.9	1.0	1.2	2.0
Republic Airlines			0.1							
Continental Airlines	2.70									
<b>Regional Airlines<sup>4</sup></b>										
Skywest	6.10	6.80	7.2	6.1						
Mesa/Delta Connection				0.8						
Express Jet	0.10									
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 FY 2012 figures have been revised.

4 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

	2012 <sup>3</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Ranking</b>										
<b>Major Airlines<sup>1</sup></b>										
Southwest Airlines	1	1	1	1	1	1	1	1	1	1
American Airlines	6	5	5	7	2	2	2	2	3	2
Delta Air Lines <sup>2</sup>	3	4	4	3	3	3	3	4	2	3
United Airlines	2	2	2	2	4	4	4	3	4	4
Alaska Airlines	5	7	7	4	5	5	5	5	5	5
US Airways	7	6	6	6						
Jet Blue Airlines	8	8	8	8	6	6	6	6	6	12
Horizon Airlines	10	9	9	9						6
Hawaiian Airlines	12	10	10	10	7	7	7	7	9	10
Frontier Airlines	9	11						10	10	7
Aeromexico	13	12	11	11	8	8	8	9	12	11
Air Canada								11	14	
Spirit								12	7	8
Sun Country								13	13	13
Contour								14	15	
Boutique								15	16	14
Volaris Airlines		13	12	12	9	9	9	8	11	9
Swift Air										15
Seaport				13						
Virgin America		14								
Republic Airlines		15								
Continental Airlines	11									
<b>Regional Airlines<sup>4</sup></b>										
Skywest	4	3	3	5						
Mesa/Delta Connection				12						
Express Jet	14									

Source: Department of Airports statistics reports.

<sup>1</sup> Defined for this analysis as scheduled airlines operating with 60 or more seats.

<sup>2</sup> Delta number includes Northwest beginning 2011.

<sup>3</sup> FY 2012 figures have been revised.

<sup>4</sup> Regional Airlines enplanements are included in the Major Airlines enplanements starting FY 2015-16

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

Page 1 of 2

	2012	2013	2014 <sup>1</sup>	2015	2016	2017	2018	2019	2020	2021
Operating revenue:										
Concessions	\$ 66,002,772	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
Building rents	47,204,495	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
Airfield charges	23,395,617	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
Ground leases	1,874,055	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
Sale of fuel	755,877	809,600	854,030	664,423	604,640	461,300	554,321	747,844	418,914	544,327
Airport services	4,136,078	4,819,705	331,277	798,098	1,000,679	949,129	498,253	380,200	617,198	403,387
Other	379,768	146,116	13,902	196,451	72,246	84,267	6,391	(4,148,559)	3,414	24,029
Total operating revenue	<u>143,748,662</u>	<u>159,392,634</u>	<u>158,997,349</u>	<u>158,439,362</u>	<u>168,543,759</u>	<u>175,749,467</u>	<u>181,660,538</u>	<u>185,926,590</u>	<u>180,512,460</u>	<u>150,105,080</u>
Operating expense:										
Salaries and benefits	37,081,912	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
Services and supplies	58,008,301	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
Cost of sales and services	628,838	641,268	648,940	509,938	431,554	361,608	499,671	680,942	558,780	493,926
Depreciation and amortization	43,847,407	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
Other	10,630	238,992	413,110	229,703	480,259	574,703	218,429	51,266	10,984,101	310,098
Total operating expense	<u>139,577,088</u>	<u>145,792,186</u>	<u>139,614,481</u>	<u>133,179,019</u>	<u>136,430,611</u>	<u>140,922,744</u>	<u>150,624,357</u>	<u>156,569,597</u>	<u>182,578,827</u>	<u>171,480,610</u>
Operating income (loss):	<u>4,171,574</u>	<u>13,600,448</u>	<u>19,382,868</u>	<u>25,260,343</u>	<u>32,113,148</u>	<u>34,826,723</u>	<u>31,036,181</u>	<u>29,356,993</u>	<u>(2,066,367)</u>	<u>(21,375,530)</u>
Nonoperating revenue (expense):										
Investment income	915,635	1,836,288	813,327	(54,853)	2,000,910	1,915,111	3,222,805	8,479,767	5,981,289	936,698
Passenger facility charges revenue	18,022,076	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
Customer facility charges revenue								1,269,420	5,840,576	3,233,524
Intergovernmental revenue	1,637,600	1,578,104	838,145	467,561	867,632	404,582	1,695,305	595,695	35,484,822	16,327,555
Gain (loss) on disposal of assets	(77,140)	44,886	(62,967)	141,167	(29,493)	260,372	369,892	(212,510)	(893,634)	67,175
Other nonoperating revenue (expense)	42,425	176,702	(32,690)	208,536	299,019	149,481	139,045	153,682	1,843,812	4,710,955
Amortization of bond issuance cost <sup>1</sup>	(750,981)	(703,026)	(405,146)	(405,146)	(405,146)	(388,175)	(313,653)	(25,902)	(25,902)	(24,220)
Interest expense	(26,906,214)	(59,286,319)	(58,323,780)	(57,381,887)	(56,140,352)	(53,042,527)	(49,551,243)	(39,402,511)	(38,910,448)	(34,480,405)
Net nonoperating revenue (expense)	<u>(7,116,599)</u>	<u>(38,749,037)</u>	<u>(40,012,340)</u>	<u>(38,510,409)</u>	<u>(34,122,243)</u>	<u>(30,156,617)</u>	<u>(21,654,969)</u>	<u>(3,555,084)</u>	<u>28,511,961</u>	<u>4,451,992</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>2012</u>	<u>2013</u>	<u>2014<sup>1</sup></u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Income (loss) before capital contributions and transfers	(2,945,025)	(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)
Capital contributions	14,392,953	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
Transfer out <sup>2</sup>			(2,711,985)	(2,765,151)	(2,231,084)	(2,406,265)	(2,484,035)	(2,552,322)	(2,546,362)	(2,814,183)
Changes in net position	11,447,928	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)
Total net position, beginning of year <sup>3</sup>	<u>557,672,551</u>	<u>569,120,479</u>	<u>591,684,369</u>	<u>553,291,895</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>571,733,735</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>
Total net position, end of year	<u>\$ 569,120,479</u>	<u>598,941,426</u>	<u>577,764,517</u>	<u>548,733,251</u>	<u>555,862,015</u>	<u>573,660,604</u>	<u>581,910,013</u>	<u>616,580,718</u>	<u>661,000,470</u>	<u>646,931,320</u>

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

<sup>2</sup> Transfer Out - Pension Obligation Bond allocated to the Department of Airports starting with FY 2014.

<sup>3</sup> The beginning net positions for FY 2015 and 2018 have been restated to reflect the implementation of GASB Statement No. 68 and GASB Statement No. 75, respectively.

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

Page 1 of 2

	2015	2016	2017	2018 <sup>2</sup>	2019 <sup>2</sup>	2020 <sup>2</sup>	2021
<b>Airline Revenue</b>							
Terminal building rents and fees	\$ 49,107,465	51,435,525	52,839,550	44,431,455	52,452,234	60,813,934	46,698,567
Aircraft parking fees	3,380,337	3,265,090	3,416,495	2,479,673	2,374,015	2,767,919	3,476,740
Loading bridge fees	2,600,865	3,387,186	2,922,392	1,673,891	1,580,825	1,595,724	1,394,900
Landing fees	18,921,694	20,811,054	23,677,390	26,790,520	26,843,659	27,388,248	30,911,283
Airlines revenue sharing				(4,163,064)	(10,660,522)		
Total Airline revenue	<u>74,010,361</u>	<u>78,898,855</u>	<u>82,855,827</u>	<u>71,212,475</u>	<u>72,590,211</u>	<u>92,565,825</u>	<u>82,481,490</u>
Less cargo revenues	<u>2,282,552</u>	<u>2,541,996</u>	<u>2,966,959</u>	<u>4,321,249</u>	<u>5,263,448</u>	<u>6,123,700</u>	<u>9,031,621</u>
Passenger airline operating revenues	<u>\$ 71,727,809</u>	<u>76,356,859</u>	<u>79,888,868</u>	<u>66,891,226</u>	<u>67,326,763</u>	<u>86,442,125</u>	<u>73,449,869</u>
Enplaned passengers	4,628,597	4,943,185	5,198,184	5,761,586	6,298,570	4,941,040	3,210,164
Cost per Enplaned Passenger (CPE)	\$ 15.50	15.45	15.37	11.61	10.69	17.49	22.88
<b>Nonairline Revenue</b>							
<b>Airfield area</b>							
Commercial fees	\$ 28,498	29,320					
Other landing fees	8,780	61,668	56,359				
Fuel sales	902,546	877,125	737,132	1,060,702	1,489,918	1,475,151	1,552,406
Subtotal	<u>939,824</u>	<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>
<b>Terminal building</b>							
Food/beverage	3,645,630	4,156,648	4,662,410	4,873,267	5,655,423	4,842,511	3,430,125
Merchandise	2,010,780	2,203,245	2,323,964	2,372,005	2,483,578	2,317,653	2,182,660
Advertising	861,913	850,159	813,827	724,537	724,409	767,367	705,914
Telephones	450,062	380,803	394,664	409,439	404,196	428,162	439,319
Vending	397,273	407,224	445,267	434,162	327,444	377,124	375,411
Other terminal rents	1,396,835	1,389,435	1,422,993	2,016,294	1,759,039	1,798,162	1,590,343
Subtotal	<u>8,762,493</u>	<u>9,387,514</u>	<u>10,063,125</u>	<u>10,829,704</u>	<u>11,354,089</u>	<u>10,530,979</u>	<u>8,723,772</u>
<b>Parking</b>	<u>52,530,925</u>	<u>55,438,637</u>	<u>57,052,230</u>	<u>61,446,320</u>	<u>66,700,985</u>	<u>51,510,237</u>	<u>32,638,657</u>

Source: Airports financial statements.

<sup>1</sup> As defined in the Bond Indenture.

<sup>2</sup> Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year statement.

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

Page 2 of 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 <sup>2</sup></u>	<u>2019 <sup>2</sup></u>	<u>2020 <sup>2</sup></u>	<u>2021</u>
<b>Other areas</b>							
Autorentals	\$ 10,361,106	11,295,361	11,841,060	12,882,207	14,161,083	11,927,386	9,760,797
Autorental shuttle bus fees	2,913,934	3,073,675	3,577,686	4,420,013	4,667,613	4,990,880	5,166,015
Taxi/TNC	693,316	954,025	1,293,349	2,364,656	3,491,081	2,797,975	1,072,975
Tiedown and hangars	718,237	715,793	734,240	716,462	746,577	737,232	729,161
FBO rentals	91,461	91,461	92,460	92,334	92,334	95,860	75,988
Aviation ground leases	1,671,929	1,762,119	1,831,576	2,540,006	2,782,772	3,093,218	3,201,291
Other rentals/miscellaneous	4,683,211	4,817,517	4,705,159	3,931,754	4,186,758	4,259,218	4,216,467
Subtotal	<u>21,133,194</u>	<u>22,709,950</u>	<u>24,075,530</u>	<u>26,947,432</u>	<u>30,128,218</u>	<u>27,901,769</u>	<u>24,222,694</u>
<b>Other revenue</b>							
Service fees	798,098	1,000,679	949,129	498,253	380,200	418,914	403,387
Miscellaneous revenue	928,924	1,006,661	514,198	1,728,539	829,399	36,087,202	20,975,539
Subtotal	<u>1,727,022</u>	<u>2,007,340</u>	<u>1,463,327</u>	<u>2,226,792</u>	<u>1,209,599</u>	<u>36,506,116</u>	<u>21,378,926</u>
Total Non Airline Revenue	85,093,458	90,511,554	93,447,703	102,510,950	110,882,809	127,924,252	88,516,455
Interest income <sup>1</sup>	(187,198)	1,440,381	1,805,024	3,882,123	7,159,293	3,823,472	(555,647)
Total Non Airline Revenue	<u>\$ 84,906,260</u>	<u>91,951,935</u>	<u>95,252,727</u>	<u>106,393,073</u>	<u>118,042,102</u>	<u>131,747,724</u>	<u>87,960,808</u>

Source: Airports financial statements.

<sup>1</sup> As defined in the Bond Indenture.

<sup>2</sup> Airline Revenues for FY 2018 and FY 2019 reflect Airline Year-end Settlement and revenue sharing calculations recorded in subsequent years. FY 2020 includes prior year and current Year-end Settlement calculations. FY 2021 Revenue includes current year statement.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Rate Covenant per Section 6.04 (b)(i)</b>										
Revenues <sup>1</sup>	\$ 146,057,155	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
Operating expenses <sup>2</sup>	(95,729,680)	(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)
Net revenues	50,327,475	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
Transfer (limited to 25%)	8,995,140	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
Net revenues + Transfer	\$ 59,322,615	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
Accrued debt service on senior obligations <sup>3</sup>	\$ 35,980,560	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
Debt service coverage (>1.25)	1.65	1.57	1.72	1.68	1.80	1.88	2.45	2.24	2.13	2.11
<b>Rate Covenant per Section 6.04 (b)(ii)</b>										
Net revenues	\$ 50,327,475	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
Transfer (limited to 10%)	3,598,056	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
Net revenues + Transfers	\$ 53,925,531	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
Accrued debt service on senior obligations	\$ 35,980,560	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
Debt service on subordinate obligations	30,112,081	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
Less: PFC Revenues	(21,941,081)	(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)
Less: Available Grant Revenues	(8,171,000)	(8,220,000)	(8,271,000)	(8,328,884)						
Accrued debt service on sr. & sub. obligations	\$ 35,980,560	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
Debt Service Coverage (>1.10)	1.50	1.42	1.57	1.53	1.65	1.73	2.30	2.09	1.98	1.96

Note: The information presented in the above table reflects the definitions, conventions and debt service coverage calculation methodology set forth in the Master Indenture of Trust, approved by the Board of Supervisors and dated May 1, 2008, and under the terms of supplemental indentures.

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

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

<sup>3</sup> The Accrued Debt Service includes the principal payment and interest due on July 1st of the following fiscal year.

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Year Ended June 30, 2017 through 2021**

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

This section is provided in accordance with the requirements of the Continuing Disclosure Certificate (the Certificate) for the Sacramento County Water Financing Authority Revenue Bonds Series 2007A and Series 2007B, the Sacramento County Water Financial Authority Revenue Bonds Series 2019. The material provided under the Certificate is intended to meet or exceed the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the Rule). The data tables provided herein apply to both the 2007 and 2019 issues.

This Bond Disclosure Section included within the Sacramento County's Comprehensive Annual Financial Report (Annual Report) provides the information required by the Continuing Disclosure Certificate. The Annual Report, 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 2007 and Series 2019 Bonds dated April 26, 2007 and October 16, 2019, 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

## **REPORTING OF SIGNIFICANT EVENTS**

As of June 30, 2021, there is no knowledge on the part of the Board of Directors, officers, or employees of Sacramento County Water Agency of any impending significant event that would require disclosure under the provisions of the Certificate.

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Year Ended June 30, 2017 through 2021**

**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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Number of connections	54,464	55,178	56,137	57,541	58,890
Annual Percent Increase	1.9 %	1.3 %	1.7 %	2.5 %	2.3 %

**Exhibit 2 - Historical and Projected Monthly Service Fees  
Zone 40 Monthly Service Fee generally imposed on customers.**

Fiscal Year:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Monthly Rate:	\$ 44.54	44.54	46.22	47.90	49.57

**Exhibit 3 - Historical and Projected Impact & Connection Fees  
Zone 40 Impact Fees.**

Effective Date (Month-Yr)	<u>Mar-17</u>	<u>Mar-18</u>	<u>Mar-18</u>	<u>Mar-20</u>	<u>Mar-21</u>
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 16,104	16,651	16,962	17,601	17,985
Annual increase	5 %	3 %	2 %	4 %	2 %
Commercial Service (per acre)	\$ 9,175	9,486	9,663	10,027	10,245
Annual increase	5 %	3 %	2 %	4 %	2 %
Other Service (per acre)	\$ 1,778	1,838	1,872	1,942	1,984
Annual increase	5 %	3 %	2 %	4 %	2 %



**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Year Ended June 30, 2017 through 2021**

**Exhibit 3 - Historical and Projected Impact & Connection Fees  
Zone 41 Connection Fees.**

<b>Effective Date (Month-Yr)</b>	<u>Mar-17</u>	<u>Mar-18</u>	<u>Mar-18</u>	<u>Mar-20</u>	<u>Mar-21</u>
Connection Fee (per EDU)	\$ 376	376	376	376	376

**Exhibit 4 - Annual Water Production Summary**

<b>Water Supply Production (In Acre Feet)</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Ground Water	23,301	21,086	19,821	22,299	29,212
Surface Water	10,975	17,570	18,761	20,119	17,832
Recycled Water	740	866	826	977	987
<b>Total Production</b>	<b>35,016</b>	<b>39,522</b>	<b>39,408</b>	<b>43,395</b>	<b>48,031</b>
<b>Percentage Breakdown</b>					
Ground Water	67 %	53 %	50 %	52 %	61 %
Surface Water	31 %	45 %	48 %	46 %	37 %
Recycled Water	2 %	2 %	2 %	2 %	2 %

**Exhibit 5 - Water Service Accounts by Service Area**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Zone 40 and Zone 41	50,903	51,579	52,530	53,933	55,262
Zone 40 but not within Zone 41	4,410	4,416	4,438	4,772	4,913
Zone 41 but not within Zone 40	3,561	3,599	3,607	3,608	3,628
<b>Total</b>	<b>58,874</b>	<b>59,594</b>	<b>60,575</b>	<b>62,313</b>	<b>63,803</b>

**Exhibit 6 - Zone 40 and 41 Service Areas Top Ten Customers**

<b>Customer</b>	<u>Annual Water use Acre Feet (AF)</u>	<u>% of Total Water use</u>
Sacramento Regional County Sanitation District	274	0.6 %
Elk Grove Unified School District	235	0.5 %
Cintas Sales Corporation	150	0.3 %
Bre Delta Industrial Sacramento Ltd Partnership	138	0.3 %
Aramark Uniform Services Inc.	112	0.2 %
Federal Government	93	0.2 %
Ragingwire Enterprise Solutions Incorporated	70	0.1 %
Relp Metro LLC	53	0.1 %
Folsom Cordova Unified School District	46	0.1 %
Cosumnes Community Services District	44	0.1 %
<b>Total</b>	<b>1,215</b>	<b>2.5 %</b>

**Annual Report for the Sacramento County  
Water Agency Enterprise Fund  
For the Fiscal Year Ended June 30, 2017 through 2021**

**Exhibit 7 - Historical Operating Results**

(amounts expressed in thousands)

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenues:					
Operating revenues					
Water service charges	\$ 46,703	49,703	50,257	54,570	58,126
Charges for services	2,508	2,283	2,390	2,325	2,179
Development fees	13,762	26,149	29,204	26,141	30,840
Connection fees	254	734	502	507	483
Other	1,338	1,563	2,383	1,787	1,969
Total net operating revenues	<u>64,565</u>	<u>80,432</u>	<u>84,736</u>	<u>85,330</u>	<u>93,597</u>
Nonoperating revenues					
Total interest income	1,798	1,928	2,688	3,873	1,669
Less: interest earnings on reserves	<u>(1,204)</u>	<u>(1,188)</u>	<u>(1,204)</u>	<u>(1,191)</u>	<u>(1,198)</u>
Net interest income	<u>594</u>	<u>740</u>	<u>1,484</u>	<u>2,682</u>	<u>471</u>
Total revenues	<u>65,159</u>	<u>81,172</u>	<u>86,220</u>	<u>88,012</u>	<u>94,068</u>
Adjusted annual revenues (1)	65,159	81,172	86,220	88,012	94,068
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	<u>27,813</u>	<u>27,169</u>	<u>27,521</u>	<u>29,156</u>	<u>32,456</u>
Net revenues (1)	<u>37,346</u>	<u>54,003</u>	<u>58,699</u>	<u>58,856</u>	<u>61,612</u>
Impact fee credits	<u>(2,117)</u>	<u>(3,494)</u>	<u>(3,561)</u>	<u>(2,396)</u>	<u>(2,467)</u>
Net revenue less impact fee credits	<u>35,229</u>	<u>50,509</u>	<u>55,138</u>	<u>56,460</u>	<u>59,145</u>
Debt service					
Debt service on 2007 Bonds	25,669	25,681	25,712	9,578	9,627
Debt service on 2019 bonds				14,771	13,666
Less interest earnings on reserve	<u>(1,204)</u>	<u>(1,188)</u>	<u>(1,204)</u>	<u>(1,191)</u>	<u>(1,198)</u>
Adjusted annual debt service	<u>24,465</u>	<u>24,493</u>	<u>24,508</u>	<u>23,158</u>	<u>22,095</u>
Debt service coverage (1)	1.53	2.20	2.40	2.54	2.79
Pay-as-you-go capital	<u>10,390</u>	<u>6,653</u>	<u>17,155</u>	<u>20,742</u>	<u>25,542</u>
Net cash flow of year's operations	<u>\$ 374</u>	<u>19,363</u>	<u>13,475</u>	<u>12,560</u>	<u>11,508</u>
Reserves end of year	<u>\$ 44,167</u>	<u>55,498</u>	<u>65,648</u>	<u>64,986</u>	<u>71,318</u>
Bond reserve account end of year	<u>\$ 25,713</u>	<u>25,713</u>	<u>25,713</u>	<u>22,892</u>	<u>22,892</u>

(1) Calculated in accordance with the Master Installment Purchase Contract

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
For The Fiscal Year Ended June 30, 2021**

