



COMPREHENSIVE ANNUAL FINANCIAL REPORT

JULIE VALVERDE
DIRECTOR OF FINANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Photo Credit:

**Menchie Rona-Salzberg, Sr. Accountant
Department of Finance, Auditor-Controller Division**

"My family and I often take walks and bike rides along the Sacramento River levee. As the seasons change during the course of the year, we enjoy watching the surrounding scenery. I fondly remember the day I took this photo; we were by Pocket Road, near the Garcia Bend Park. This was the day my stepson learned how to skip rocks across the water. It was a particularly pleasant and fun day." ~ Menchie

Cover Design:

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2015



COUNTY OF SACRAMENTO
STATE OF CALIFORNIA
Julie Valverde, Director of Finance

**COUNTY OF SACRAMENTO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTRODUCTORY SECTION



Internal Services**Department of Finance****Auditor-Controller Division**

Ben Lamera,
Assistant Auditor-Controller

**County of Sacramento**

Bradley J. Hudson, County Executive
David Villanueva, Chief Deputy County Executive
Julie Valverde, Director of Finance

December 29, 2015

To the Citizens of Sacramento County
Sacramento, California

Dear Citizens:

The Comprehensive Annual Financial Report (CAFR) of the County of Sacramento (County) for the fiscal year ended June 30, 2015, 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 major special revenue funds, of the County, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and bond disclosures. The introductory section includes this transmittal letter, a copy of the 2013-14 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada, the County's organizational chart, and a list of public officials. The financial section includes the independent auditor's report on the basic financial statements, the Management's Discussion and Analysis (MD&A) of the County's overall changes in financial position, the audited basic financial statements, note disclosures, and combining and non-major fund financial statements to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year. This letter is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A, which is unaudited, can be found on pages 5 through 22 of this report. The statistical section, also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF SACRAMENTO COUNTY

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

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter

Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay.

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

The County has a charter form of government. It is governed by a five-member Board of Supervisors, 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 (2018, 2022, etc.), while supervisors from District 3 and District 4 are elected in presidential election years (2016, 2020, 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, planning, tax collection, elections, airports and many others. Supporting the delivery of County-wide services are several Departments and Agencies. The financial reporting entity of the County includes all the funds of the primary government (i.e., Sacramento County as legally defined), as well as all of its component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable.

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

ECONOMIC CONDITION AND OUTLOOK

The County continues to experience financial stress due, in part, to the lingering impacts of the "Great Recession" that began in late 2007. During the Great Recession and its aftermath, foreclosures of properties in the County significantly increased, and assessed values declined. County revenues, including property taxes and sales taxes, declined significantly while certain expenditures of the County (including pension-related costs and the cost of entitlement programs) increased. The County addressed these challenges by making significant program and staffing reductions, as well as the use of one-time resources.

The local economy now appears to be improving. Gross Assessed Valuations are expected to increase in Fiscal Year (FY) 2015-16 by approximately 4.6 percent, following a 6.5 percent increase in FY 2014-15. These increases follow four consecutive years of declines. The Sacramento Metropolitan Statistical Area (including Sacramento, Yolo, El Dorado and Placer counties) unemployment rate (not seasonally adjusted) decreased to 6.6 percent in September 2014 from 8.1 percent in September 2013.

California counties are closely linked to the financial condition of the State of California (the "State"), and are responsible for delivering health and welfare services on behalf of the State. The State had been experiencing its own fiscal stress, but it has seen improvements in revenue growth over the last two years, in part due to the improving economy and in part due to a temporary tax increase. In addition to dealing with its local issues, the County must deal with the impact of adverse State and federal budget actions, as State and federal revenues make up approximately 67 percent of the County's General Fund budgeted revenues. However, when State or federal funding has been cut back, the County generally has reduced programs in proportion

to the funding received and not utilized County General Fund revenues to backfill the reductions in State or federal funding. With limited exceptions, the County plans to continue to reduce programs if there are additional State or federal funding reductions.

Housing Market

Following a downturn that began in 2006, the region's housing market stabilized in 2011, and has continued to improve since that time. Median home sale prices have increased by approximately 60 percent since December 2011 to a level of \$319,000 in August 2014. Although this is a significant increase, median home sale prices are still approximately 22 percent below their high point in 2005.

Building permit activity is another indicator of the vitality of the housing market, and the trend is positive but relatively slow compared to the peak years of 1999 through 2005. During calendar year 2013, a total of 1,279 new dwelling unit permits were added to the Assessor's roll, an increase from 941 the previous calendar year, but well below the average annual number of 10,500 additions during 1999 through 2005. The total assessed valuation added during calendar year 2013 was just over \$1 billion, an increase from \$825 million added the previous calendar year, but again well below the average annual increase of \$2.6 billion during 1999 through 2005.

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

In FY 2014-15, the County's assessment roll is expected to increase by 6.4 percent, following an increase of 3.96 percent in FY 2013-14. This is the second annual consecutive increase, following four years of consecutive annual decreases totaling 14.3 percent from FY 2009-10 through FY 2012-13. The overall value of the roll remains approximately 4.4 percent below its peak in FY 2008-09, and the 6.4 percent growth expected in FY 2014-15 remains less than the average growth rate of 9.62 percent for the ten-year period ending FY 2008-09. The recent growth in assessed values is partially due to the Assessor continuing to move a number of parcels out of Proposition 8 "Decline in Value" status, and a continued reduction in the number of home foreclosures.

The 6.4 percent increase in assessed value for FY 2014-15 translated into a net 5.5 percent increase in Secured Property Tax Revenue to the County. The difference between gross assessed value growth and Secured Property Tax Revenue is due in part to the impact of assessment appeals, which increased dramatically during the Great Recession and its aftermath. The number of assessment appeals grew from a total of 854 in FY 2006-07 to over 11,000 in FY 2009-10, and have been declining ever since. For FY 2014-15 the County received approximately 2,400 appeals, but appeals sometimes take a number of years to work through the system. As outstanding appeals are resolved and the number of new appeals continues to decline, the rate of growth in Secured Property Tax Revenue will come closer to the rate of growth in assessed value.

Labor Market

The labor market in the region's four-county area has an impact on the general economic condition of the County. Total employment peaked in December 2006 at approximately 988,100 jobs, decreasing to a low of approximately 913,400 jobs in December 2010. Employment began increasing in 2011, reaching approximately 975,600 in August 2014. The four-county area's unemployment rate also hit a high of 12.4 percent in December 2010, and has decreased to 7.0 percent in August 2014, compared to the national average of 6.6 percent and state average of 7.4 percent in August 2014.

LONG-TERM FINANCIAL PLANNING

Each year, as part of the annual budget process, County staff prepares a General Fund Five Year Sensitivity Analysis that estimates what the impact could be on the General Fund's fiscal condition of different revenue and expenditure scenarios. This Sensitivity Analysis is updated periodically throughout the fiscal year.

As of the most recent Sensitivity Analysis, we are estimating Net County Cost (expenditures funded by discretionary resources) will need to increase by an average of approximately 2.5 percent a year from FY 2016-17 through FY 2019-20 to maintain current staffing and program levels (though this would not provide for additional discretionary reserves or be enough for full repayment of the Inter-fund Transfers that were used to help balance the General Fund budget during the “Great Recession”). The most recent General Fund Sensitivity Analysis suggests that if Net County Cost increases by an average of 2.5 percent a year during this period, discretionary revenue and reimbursements would need to increase by an average of approximately 7 percent a year for the General Fund to be in structural balance. In FY 2014-15, discretionary revenue and reimbursements increased by 10.1 percent over the prior fiscal year, but that included \$20.8 million in one-time discretionary revenue; on-going discretionary revenue and reimbursements increased by 5.2 percent. For FY 2015-16, we are estimating that discretionary revenue and reimbursements will increase by 2.7 percent. Based on current trends, we think it is possible, though not likely, that discretionary revenues and reimbursements could increase by an average of 7 percent per year over the four succeeding years.

In addition to a General Fund Sensitivity Analysis, each year County staff prepares a multi-year Capital Improvement Plan (CIP), which includes a Technology Improvement Plan, for consideration by the Board of Supervisors. The most recent CIP was approved by the Board in June of 2015 and identified capital and major technology system needs through FY 2019-20.

RELEVANT FINANCIAL POLICIES

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

Fund Balance and Reinvestment Policy: In developing the annual General Fund budget:

Any growth in discretionary revenue over the current fiscal year will be used first to fund any increases that result from:

- Any memoranda of understanding (MOUs) between the County and its labor organizations; and
- All legal obligations.

Any remaining discretionary revenue growth will be appropriated as follows:

- First, up to \$10 million to repay the Interfund Transfers until fully repaid; and
- Second, 50 percent to the General Reserve and 50 percent reinvested in high priority services as determined by the Board of Supervisors.

In the event that total General Fund discretionary revenue exceeds \$566 million, any remaining discretionary revenue growth available after satisfying MOU and legal obligations and repayment of the Interfund Transfers will be appropriated as follows:

Item	Amount	Maximum
Undesignated General Reserve	5 percent	10 percent of discretionary revenues
Innovation Investment Revolving Fund	5 percent	5 percent of discretionary revenues
Management Audits	5 percent	Based on Need
High Priority Services	Balance	No Maximum

County Budget Priorities:

The following are the Board Priorities in order of priority:

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

Economic Factors and Next Year's Budget and Rates

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

- Property tax revenues (from all sources – secured, unsecured, delinquent, etc.) budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$20.3 million, a 5.8 percent increase. The FY 2015-16 projection is a 4.4 percent increase over the FY 2014-15 actual collections. The FY 2015-16 projection is based on the July Assessment Roll prepared by the County Assessor.
- Sales and use tax revenues budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$7.3 million, a 9.7 percent increase. The FY 2015-16 projection is an 11.2 percent increase over FY 2014-15 actual collections. However, approximately \$4.5 million of that increase is a one-time true-up related to the ending of the "Triple Flip". If that is factored out, the "real" increase in sales and use tax revenue over FY 2014-15 actual collections is approximately 5.1%.
- Proposition 172 revenues budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$3.9 million, a 3.8 percent increase.
- Realignment revenues budgeted for FY 2015-16 are expected to increase over FY 2014-15 Adopted Budget by approximately \$64 million, a 14 percent increase. However, this increase reflects both new Realignment revenue received by the County and the allocation of fund balance carry-over in the various County Realignment trust funds. We are currently estimating that new Realignment revenue from all categories will increase by approximately \$28.8 million, or 5.4 percent, in FY 2015-16 compared to the amount of new Realignment revenue actually received by the County in FY 2014-15.

The FY 2015-16 General Fund Budget included a combination of increases and reductions that resulted in a net \$116.5 million (5.3 percent) increase in appropriations compared to the Fiscal Year 2014-15 Adopted General Fund Budget.

MAJOR INITIATIVES

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

Information Technology System Improvements: We are currently planning on replacing three major information systems starting in FY 2015-16: the Property Tax System, Criminal Justice Information System and Budget System. Each of these systems is old and running on out-of-date platforms. The total cost of replacing these systems over five years is estimated to be between \$23 million and \$32 million. The FY 2015-16 Adopted Budget includes funding to begin the process of replacing the Budget and Criminal Justice Systems as well as on-going funding related to the replacement of the Property Tax System.

Enhanced Services to Unincorporated Area Residents: We are continuing efforts to enhance services to unincorporated area residents. Over the last three years, (FY 2013-14, FY 2014-15 and FY 2015-16), we have added Code Enforcement Officers and Community Prosecutors and increased funding, staff and service levels for Animal Care and Parks programs.

Intelligence-Led Policing: In FY 2015-16 the Sheriff's Department implemented Intelligence-Led Policing, which is an innovative and responsive approach geared towards reducing criminal activity through the use of intelligence gathering and focused resource deployment. Implementing this new policing strategy will require additional staffing and the Board of Supervisors included funding for 24 new positions in the FY 2015-16 Budget as the initial investment in this program. Benefits of the policing model will include a more effective use of resources, an improved focus on building and maintaining relationships and the public trust, enhanced accountability based on analytical benchmarks and patrol-level community problem solving. All facets support the Sheriff's Department's mission to more effectively protect life and property and preserve the public peace fostering a safer community.

Homeless Services: The County is rebuilding its commitment to sheltering and serving the homeless. The FY 2015-16 Adopted Budget included \$1 million for a "Rapid Rehousing" program and additional resources for homeless services.

Health Care Services to Undocumented Immigrants: The County is initiating a program to provide limited primary and specialty health care to immigrants in undocumented status. The FY 2015-16 Adopted Budget included approximately \$3 million for this effort and we will assess the future scope of the program based on on-going need and costs.

Reduction of African-American Child Deaths: The County is investing more than \$1.5 million annually in staff and community-based contracts as part of a plan to reduce the disproportionate death rates among African-American children in Sacramento County, particularly deaths due to child abuse and neglect, homicide, sleep-related causes and perinatal conditions. The County has committed to support this initiative for at least the next five years.

Title IV-E Foster Care Waiver: Effective October 1, 2014, the County began participating in a federal Title IV-E Foster Care waiver program that will provide approximately \$16 million in additional resources over five years to implement evidence-based programs designed to reduce the number of children that need to be placed in foster care. This involves a coordinated effort by the County's Health & Human Services, Probation and Human Assistance Departments.

Planning and Development Initiatives: The County is continuing planning efforts in new growth areas and efforts to revitalize commercial corridors including the establishment of new Property Base Improvement Districts (PBIDs).

DEPARTMENT FOCUS

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

Airports

- In January 2015, the Department of Airports launched a Food Waste Recycling Pilot Program for pre-consumer food waste generated from the concessionaires on Concourse B (airside). The pilot program is intended to sort out potential issues and best practices in food waste and recycling in advance of the April 2016 deadline imposed by AB1826 which Governor Brown signed into law in October 2014. Currently, concession operations at International Airport generate approximately six tons of food waste that is collected every two to three weeks. Eventually the program will be expanded to Terminal A (airside) and Terminal B (landside) as well as post-consumer food waste in the Food Courts of Concourse B and Terminal A.

Animal Care

- Expanded the Return to Field Program for feral cats to include semi-friendly and friendly cats, increasing number of cats returned to home environment, decreasing number of cats house in shelter, and increasing live release rate.

Assessor's Office

- Assessment forms were made available on the Assessor's website via a portal that was created through a joint effort with the California Assessor's Association.

Child Support Services

- Awarded the 2014 Western Interstate Child Support Enforcement Council Program Awareness Award for establishing an effective public awareness campaign for our locally developed \$smartPay Child Support and Arrears Estimator program. The program is designed to educate customers on the benefits of principal reduction and to take advantage of arrears payments being first applied to the principal rather than interest.

Community Development

- Worked with local partners to develop a foreign trade strategy that positions the region to be a long-term leader in exporting of local products and services, thereby attracting foreign investments in new business and development.
- Started Expired Permit Program notifying homeowners and contractors of expired permits to ensure work performed is inspected meeting minimum life and safety requirements.

Cooperative Extension

- University of California Cooperative Extension (UCCE) collaborated with city and county departments to hold educational workshops and open garden events covering topics on composting, drought landscaping, reduced water use, pest management and garden design. The major event, with more than 2,500 visitors, was the annual Harvest Day held in early-August at the Fiar Oaks Horticulture Center.

County Counsel

- Actively involved in reviewing and commenting on the draft environmental impact report on the Bay Delta Conservation Plan and the development of appropriate legal strategies to protect the County's interests with respect to this proposed project.

District Attorney

- The District Attorney's Office (DA) created a Speakers Bureau. This community outreach and education program matches qualified members of the DA's staff with community groups and organizations wishing to learn more about the criminal justice system.
- The DA's Office held its first annual Youth Shadow Day during which students got a firsthand look at the criminal justice process by shadowing prosecutors, defense attorneys, criminal investigators, probation officers, judges, and crime lab staff.

Health and Human Services

- Behavioral Health Services implemented two mobile crisis teams in Sacramento County working with Sacramento County Sheriff and Sacramento Police Department Mobile Crisis Team.

Human Assistance

- Effective May 2014, Family Stabilization services were established to support Welfare-to-Work participants and family members who are facing housing stability and/or domestic abuse crisis. The program is state funded and is intended to help participants receive intensive case management services, resulting in their ability to successfully participate in Welfare-to-Work program activities. To date, 275 families have been served through Family Stabilization.
- Implemented the Housing Support Program (HSP) which assisted 399 CalWORKS families with obtaining and maintaining house. With \$1.3 million in funds, this program allowed for security deposits associated with move-in costs and up to four months in subsidized rent and utility assistance.

Probation

- Established the High-Risk 365 pilot project in Adult Field Services. This program provides services and supervision to newly adjudicated adult probation clients during the first year, post release. The pilot targets clients at the start of reentry and connects them with additional resources such as drug and alcohol services, mental health treatment, medical linkages, and eligibility for benefits.

Sheriff

- Enhancements to Correctional Health's electronic medical records system included a fully automated medical intake process. The enhancements provide electronic documentation of medical conditions at the time of booking and provide for better coordination of medical services throughout the jail medical system.

Technology

- Completed the Voice Over Internet Protocol (VoIP) Conversion Project to increase savings on telephone infrastructure costs and decommission aging equipment.
- 311 increased the number of service requests (phone, email or mobile application). In November 2013 through June 2014 there were an average of 2,246 calls per month. From July 2014 through June 2015 the average was 4,799. This represents an increase of 113 percent.

- Implemented “responsive” web designs to make websites easily readable from any size device without the need for multiple versions of each website.

Transportation

- Completed construction of the Asphalt Concrete (AC) Residential Overlay/Pavement Project – 2014, which consisted of placing conventional asphalt concrete, rubberized asphalt concrete, or slurry seal over existing concrete, and installing Americans with Disabilities (ADA) compliant upgrades.

Waste Management

- Executed 20-year leases with Clean World and Atlas to host the Sacramento Bio-digester and fueling station at our South Area Transfer Station on Fruitridge Road. This project convert’s collected food waste into bio-CNG used to fuel vehicles.

FINANCIAL INFORMATION

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

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

Single Audit

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance’s Auditor-Controller Division’s internal audit staff. The FY 2014-15 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2016.

Budgeting Controls

In addition to accounting controls, the County maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. The County prepares and adopts a budget for each fiscal year in accordance with the provisions of Sections 29000 through 29144 of the Government Code and other statutory provisions. All County departments are required to submit their annual budget requests for the ensuing year. The County Executive Office reviews each request and a budget is presented to the Board of Supervisors. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

The budget is made available for public inspection through a public notice. On the dates stated in the notice, the Board of Supervisors conducts public hearings on the budget and at the conclusion of the hearings makes a final determination thereon. The budget, which includes the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, is adopted no later than August 30. The Board may, by resolution, extend on a permanent basis or for a limited time, the date from August 30 to October 2. Because the final budget must be balanced, any shortfalls in revenue require an equal reduction in anticipated expenditures.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital assets, which are controlled on the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board of Supervisors. During FY 2014-15, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments.

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, municipal notes, and U.S. Treasury and Agency investments. The average yield on investments during FY 2014-15 was 0.24 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 0.18 percent.

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

Risk Management

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

OTHER INFORMATION

Independent Audit - Section 25250 of the Government Code requires an annual audit by independent certified public accountants. The firm of Vavrinek, Trine, Day & Co., LLP was selected by the County to meet this requirement. The independent auditors' report on the basic financial statements is included in the financial section of this report.

Awards

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

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

Acknowledgments

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Julie Valverde".

Julie Valverde
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

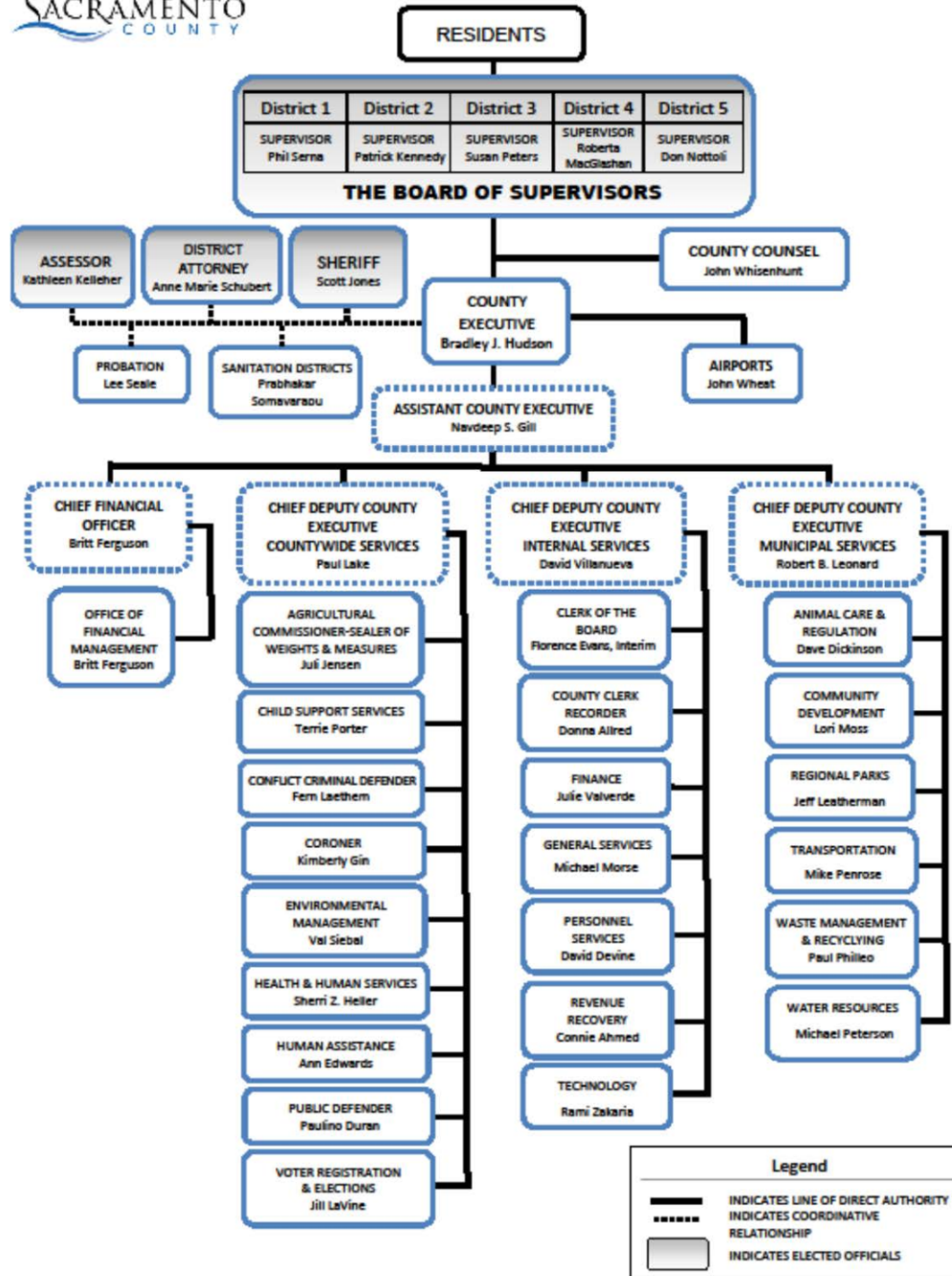
**County of Sacramento
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO





**COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2015**

ELECTED:

Board of Supervisors:

Phil Serna	District 1
Patrick Kennedy	District 2
Susan Peters	District 3
Roberta MacGlashan	District 4
Don Nottoli	District 5

Department Heads:

Kathleen Kelleher	Assessor
Anne Marie Schubert	District Attorney
Scott Jones	Sheriff

APPOINTED:

Bradley J. Hudson	County Executive
Navdeep Gill	Chief Operations Officer
David Villanueva	Chief Deputy County Executive
Julie Valverde	Director of Finance

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
COUNTY OF SACRAMENTO

For the Fiscal Year Ended June 30, 2015

ACKNOWLEDGEMENT

Prepared by the County of Sacramento
Department of Finance

Ben Lamera, Assistant Auditor-Controller
Karen Gee, Senior Accounting Manager
Treddis Campbell, Accounting Manager
Linda MacLeod, Accounting Manager
Nou Her, Senior Accountant
Diana Lee, Senior Accountant
Paula Burris, Administrative Services Officer III

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FINANCIAL
SECTION**





INDEPENDENT AUDITORS' REPORT

The 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento, California (the County) as of and for the year ended June 30, 2015, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 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 of Sacramento, California, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Uncertainties Regarding the Future Outcome of Litigation

As discussed in Note 19 to the financial statements, the County is the defendant in a lawsuit alleging breach of contract. Management asserts the ultimate outcome of the lawsuit cannot presently be determined, but management is of the opinion that it will not have a material impact on the County's financial position. Accordingly, no provision for any liability that may result has been made in the financial statements. Our opinion is not modified with respect to that matter.

New Accounting Pronouncements

As described in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

Local Economic Financial Stress

As described in Note 19 to the financial statements, the County is experiencing significant financial stress in numerous areas as evidenced by the General Fund Unassigned Fund Balance deficit of \$13.5 million at June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 22, the schedule of proportionate share of the net pension liability and the schedule of contributions on pages 126 through 127 and the schedule of funding progress on page 128 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 disclosure section 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, statistical and bond disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 29, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Sacramento's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflow of resources of the County exceeded liabilities and deferred inflows at the close of the 2014-15 fiscal year by \$830,866 (net position), of this amount, \$297,100 is restricted for specific purposes (restricted net position), and \$2,255,969 is the County's net investment in capital assets. The County's total net position increased by \$167,951 during the fiscal year. However, compared to June 30, 2014, total net position decreased by \$1.9 billion.
- As of June 30, 2015, the County governmental funds reported combined fund balances of \$595,467 for an increase of \$44,080, in comparison with the prior year. Total amounts available for spending include restricted, less the negative unassigned fund balances, which totaled \$563,728, or 94.7 percent of the ending fund balance. Of this amount, \$577,190 is restricted by law, enabling legislation, or externally imposed requirements. Total fund balance for the General Fund increased \$50,393 to \$249,830, which equates to 12.5 percent of total General Fund expenditures for the year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was a negative \$13,462 or negative 0.67 percent of total general fund expenditures due to reclassification of amounts to nonspendable and restricted.
- The County's investment in capital assets decreased by \$64,151 or 1.57 percent in comparison with June 30, 2014 balances.
- The County's total long-term obligations had a net decrease of \$95,629 in comparison with June 30, 2014 balances. This net decrease was comprised of a gross decrease of \$229,096 and a gross increase of \$133,467. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes, and pension obligation bonds. The increase resulted primarily from the issuance of one Teeter note, and an accrual for compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net 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, Solid Waste, Water Agency, Parking Enterprise and the County Transit.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One, Water Agency, Solid Waste Authority, Sunrise, Carmichael and Mission Oaks Recreation and Park Districts. The Tobacco Securitization Authority of Northern California (Authority) is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and the County is in no way responsible for those liabilities. The Sacramento County Public Financing Authority 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 Authority is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and neither the County nor the Agency are in any way responsible for those liabilities.

Sacramento County First Five 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 45 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 27 - 30 of this report. The general fund budgetary 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 the County Transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability/property self-insurance; telecommunication and information technology support; worker's compensation self-insurance; self-insurance for unemployment claims (Self-Insurance – Other); regional communications; and centralized services provided by the Department of General Services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The proprietary funds financial statements can be found on pages 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 much like that used for proprietary funds, except for agency funds, which have more limited accounting and financial statements because of their purely custodial nature.

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

Fiduciary funds report the Agency Funds, Treasurer's Pool, Non-pooled Investments, and Private-Purpose Trust Funds.

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 - 125 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise and internal service funds, and can be found on pages 129 - 217 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

In fiscal year 2014-15, the County adopted Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

Statement No. 68, (Statement), establishes standards of accounting and financial reporting, but not funding or budgetary standards, for the County's defined benefit pension plans. This Statement replaces the requirements of prior GASB statements impacting accounting and disclosure of pensions.

The significant impact to the County of implementing Statement No. 68 is the reporting of the County's unfunded pension liability on the County's full accrual basis of accounting government-wide financial statements. There are also new note disclosure requirements and supplementary schedules required by the Statement.

The measurement date for the pension liabilities is as of June 30, 2014. This date reflects a one year lag and was used so that these financial statements could be issued in an expedient manner. Activity (i.e., contributions made by the County), occurring during fiscal year 2014-15 are reported as deferred outflows of resources.

In order to implement the Statement, a prior period adjustment was made to the County's July 1, 2014 net position. This prior period adjustment decreased the County's net position by \$2,035,127 from \$2,735,069 to \$662,915 and reflects the reporting of: 1) net pension liabilities of \$2,217,217, and 2) deferred outflows of resources of \$182,090. Please refer to Note 21 for more information regarding the County's restatement and Note 14 for more information regarding the County's pensions.

Deferred 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, and differences between expected or actual experience.

The adoption of Statement No. 68 has no impact on the County's governmental fund financial statements, which continue to report expenditures equal to the amount of the County's actuarially determined contribution (formerly referred to as the "annual required contribution"). The calculation of pension contributions is also unaffected by this Statement.

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 or resources exceeded liabilities and deferred inflows or resources by \$830,866, at the close of the most recent fiscal year.

Condensed Statement of Net Position
June 30, 2015
(amount expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Assets:						
Current and other assets	\$ 1,091,765	2,001,939	570,892	551,640	1,662,657	2,553,579
Capital assets, net of depreciation	1,751,231	1,776,476	2,262,705	2,301,611	4,013,936	4,078,087
Total assets	<u>2,842,996</u>	<u>3,778,415</u>	<u>2,833,597</u>	<u>2,853,251</u>	<u>5,676,593</u>	<u>6,631,666</u>
Deferred outflows of resources:						
Accumulated Decrease in Market Value of SWAP Agreement	107,268	104,708	60,393	54,096	167,661	158,804
Deferred amounts on refundings	44,108	49,773	14,429	15,792	58,537	65,565
Deferred outflow amount related to pension	232,346		9,662		242,008	
Total deferred outflows of resources	<u>383,722</u>	<u>154,481</u>	<u>84,484</u>	<u>69,888</u>	<u>468,206</u>	<u>224,369</u>
Liabilities:						
Current and other liabilities	595,235	576,141	190,943	174,722	786,178	750,863
Long-term debt obligations	2,543,856	1,926,608	1,466,826	1,480,522	4,010,682	3,407,130
Total liabilities	<u>3,139,091</u>	<u>2,502,749</u>	<u>1,657,769</u>	<u>1,655,244</u>	<u>4,796,860</u>	<u>4,157,993</u>
Deferred inflow of resources:						
Deferred inflow amount related to pension	491,214		25,859		517,073	
Total deferred inflow of resources	<u>491,214</u>		<u>25,859</u>		<u>517,073</u>	
Net position:						
Net investment in capital assets	1,362,707	1,352,261	893,262	902,340	2,255,969	2,254,601
Restricted	179,628	284,613	117,472	113,277	297,100	397,890
Unrestricted	(1,945,922)	(206,727)	223,719	252,278	(1,722,203)	45,551
Total net position, restated	<u>\$ (403,587)</u>	<u>1,430,147</u>	<u>1,234,453</u>	<u>1,267,895</u>	<u>830,866</u>	<u>2,698,042</u>

The largest portion of the County's net position totaling \$2,255,969 (272 percent) reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment) plus deferred outflows of resources related to the 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.

Another significant portion of the County's net position totaling \$297,100 (36 percent) is restricted and represents resources that are subject to external restrictions on how they may be used. The major categories of restricted net position are for bond reserves (17 percent), debt service (27 percent) capital projects (10 percent), health programs (18 percent), and transportation (18 percent). The County's restricted net position decreased by \$100,790 from the prior year restricted net position amount of \$397,890. The decrease is due primarily to combination of an increase to transportation of \$15 million, a decrease for debt service of \$83 million, and a decrease to health programs of \$34 million.

The remaining balance of total net position, a negative \$1,722,203 is unrestricted. Unrestricted net position decreased by \$1,767,754 from the prior year. The decrease is primarily the result of a recognition of the County's unfunded pension obligations.

The County's total net position increased by \$167,951 during the current fiscal year, which results in an increase of 6 percent of total net position from prior year. Total prior year net position amount of \$2,735,069 was restated to \$662,915 (a decrease of \$2,072,154). This significant decrease was primarily due to implementing GASB Statement No. 68 which decreased net position by \$2,035,127. The beginning net position was also decreased by \$37,027 for overstatement of capital assets for infrastructure in the prior year. When compared to the prior year, government-wide revenues increased approximately \$34,965 or 1 percent, and County government-wide expenses decreased approximately \$138,441 or 5 percent. At the end of the current fiscal year the County reported a increase of 0.06 percent in net investment in capital assets. The increase in net investment in capital assets, of \$1,368 represents capital purchases net of depreciation plus the retirement of related long-term debt. The County's restricted net position decreased by 25 percent while unrestricted net position decreased by 3,881 percent. The decrease to unrestricted net position is primarily due to implementing GASB Statement No. 68. Governmental activities reported a negative balance in unrestricted net position of \$1,945,922 which is due to the recognition of the County's unfunded pension and long term debt obligations in the government-wide financial statements which uses long-term economic focus versus the current financial resources focus.

Governmental activities. Governmental activities increased the County's net position by \$145,711.

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

Condensed Statement of Activities
For the Year Ended June 30, 2015
(amounts expressed in thousands)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Revenues:						
Program revenues:						
Charges for service	\$ 381,084	377,771	313,757	299,791	694,841	677,562
Operating grants and contributions	1,223,283	1,225,662	878	20,001	1,224,161	1,245,663
Capital grants and contributions	18,210	40,793	19,119	11,891	37,329	52,684
General Revenue						
Taxes:						
Property	425,477	398,364			425,477	398,364
Sales / use	74,171	73,686	687	581	74,858	74,267
Transient	4,534	3,860			4,534	3,860
Unrestricted investment earnings (loss)	13,857	13,348	1,473	1,973	15,330	15,321
Grants and contributions not restricted to specific programs	287,041	234,422			287,041	234,422
Pledged tobacco settlement proceeds	12,368	12,493			12,368	12,493
Miscellaneous	51,966	78,304			51,966	78,304
Total revenues	<u>2,491,991</u>	<u>2,458,703</u>	<u>335,914</u>	<u>334,237</u>	<u>2,827,905</u>	<u>2,792,940</u>
Expenses:						
General government	169,604	202,583			169,604	202,583
Public assistance	639,831	629,196			639,831	629,196
Public protection	725,108	760,358			725,108	760,358
Health and sanitation	502,535	574,814			502,535	574,814
Public ways and facilities	152,186	152,956			152,186	152,956
Recreation and culture	34,771	37,150			34,771	37,150
Education	1,820	1,353			1,820	1,353
Interest and fiscal charges	125,603	122,597			125,603	122,597
Airports			188,132	199,264	188,132	199,264
Solid Waste			59,774	59,117	59,774	59,117
Water Agency			55,923	55,586	55,923	55,586
Parking Enterprise			2,463	1,725	2,463	1,725
County Transit			2,204	1,696	2,204	1,696
Total expenses	<u>2,351,458</u>	<u>2,481,007</u>	<u>308,496</u>	<u>317,388</u>	<u>2,659,954</u>	<u>2,798,395</u>
Change in net position before transfers	140,533	(22,304)	27,418	16,849	167,951	(5,455)
Transfers	5,178	4,981	(5,178)	(4,981)		
Change in net position	<u>145,711</u>	<u>(17,323)</u>	<u>22,240</u>	<u>11,868</u>	<u>167,951</u>	<u>(5,455)</u>
Net position, beginning of year, as restated	<u>(549,298)</u>	<u>1,447,470</u>	<u>1,212,213</u>	<u>1,256,027</u>	<u>662,915</u>	<u>2,703,497</u>
Net position, end of year	<u>\$ (403,587)</u>	<u>1,430,147</u>	<u>1,234,453</u>	<u>1,267,895</u>	<u>830,866</u>	<u>2,698,042</u>

Note: Beginning net position for FY 2014-15 was restated due to implementing GASB 68.

Total revenues for the County's governmental activities increased by \$33,288 from the prior year. This increase is primarily due to increased tax revenue (\$28 million), receipt of pre-2004 SB90 mandate reimbursements previously withheld due to State budget problems (\$20 million), increase in Mental Health Services Act revenue (\$20 million), offset by a reduction to roadway project funding (\$26 million).

Total expenses for governmental activities were \$2,351,458, a decrease of \$129,549 or 5.2 percent from the prior year. This decrease was primarily due to prior year restatement for capital assets resulting in a decrease (\$37 million), a reduction for reclassification of pension contributions to deferred outflow (\$86 million), decreased expenses for health programs (\$42 million) as a result of transition to Affordable Care Act, decreased expenses for road projects (\$13 million) offset by increased expenses for public assistance (\$35 million) due to expanded coverage for Foster Care, Cal WORKs and General Assistance.

Business-type activities. Business-type activities increased the County's net position by \$22,240. The increase is primarily related to increased activity for Solid Waste and Water Agency. See page 17 for additional comments on changes to net position.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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 12.5 percent of total General Fund expenditures while spendable fund balance equates to 10.9 percent of total General Fund expenditures. Of the General Fund spendable fund balance, \$232,455, or 93 percent is restricted.

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

Governmental funds. 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, 2015, the County's governmental funds reported combined fund balances of \$595,467, an increase of \$44,080 in comparison with the prior year's total ending fund balance of \$551,387. The components of total fund balance are as follows (for more information, see Note 18 – Fund Balances):

- *Nonspendable fund balance*, \$31,739, are amounts that are not spendable in form or are legally or contractually required to be maintained intact, and are made up of (1) inventory of \$772, (2) prepaid items \$21,495, (3) long term receivables/advances of \$1,307, and (4) legally required Teeter Tax program loss reserves of \$6,186 and (5) Teeter Tax delinquencies of \$1,979.
- *Restricted fund balance*, \$577,190, 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 \$211,906, (2) capital outlay of \$65,352, (3) debt service of \$101,784, (4) public ways and facilities of \$53,277, (5) economic development of \$40,433, (6) public protection of \$50,376, (7) environmental management of \$15,141 and (8) Stormwater Utility \$23,132.

- *Unassigned fund balance*, negative \$13,462, represents the residual classification for the County's general fund. The deficit balance, all in the general fund, is primarily due to reclassification of amounts to nonspendable and restricted.

Approximately 94.7 percent, or \$563,728, of the total fund balances is considered spendable. With the exception of the nonspendable portion, \$577,190 is available for appropriation for restricted purposes, leaving a negative unassigned fund balance of \$13,462.

The increase of \$44,080 in the governmental funds combined fund balances was primarily attributable to a combined decrease to special revenue funds (\$2 million), decrease in debt service (\$4 million) offset by \$50 million increase in general fund balance.

The General Fund is the chief operating fund of the County. The General Fund's total fund balance increased by 25 percent, or \$50,393, to \$249,830 at June 30, 2015. The nonspendable portion of fund balance was \$30,837 and the spendable portion was \$218,993, an increase of \$52,196 from the prior year spendable balance of \$166,797. This increase is primarily a result of 1) a decrease in non-spendable of \$2 million for prepaid retirement, 2) increases in property tax revenues (\$26 million), pre-2004 SB90 mandate reimbursement revenue (\$20 million), mental health services act revenue (\$20 million), SB 678 revenue for probation (\$8 million) offset by 3) increases in expenditures for public assistance (\$35 million), public protection (\$32 million) and decreases for health program costs of (\$43 million).

Other governmental funds: The total fund balances of the remaining governmental funds decreased 1.8 percent, or \$6,313, to \$345,637 with the following significant changes:

- The Special Revenue funds decreased by \$2,564 from a prior year fund balance of \$202,210 to \$199,646 primarily due to timing for completion of project expenditures that resulted in an increase for Transportation Sales Tax (\$1 million), an increase for Water Agencies (\$4 million), and a decrease for Stormwater Utility (\$8 million)
- The Debt Service funds decreased by \$3,860 from \$105,644 to \$101,784 primarily due to a decrease in Teeter delinquencies (\$5 million).
- The Capital Projects funds increased by \$111 from \$44,096 to \$44,207 primarily due to decreased project expenditures for Community Fee districts (\$2 million) and increased expenditures funded by for Tobacco Litigation Settlement (\$1.7 million).

Revenues for total governmental funds totaled \$2,508,063 in fiscal year 2014-15 which represents an increase of 2.5 percent from fiscal year 2013-14.

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

Revenues Classified by Source
Governmental Funds
(amounts expressed in thousands)

Revenue by Source	FY 2015		FY 2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 504,182	20.10 %	475,910	19.45 %	28,272	5.94 %
Use of money and property	13,843	0.55 %	13,347	0.55 %	496	3.72 %
Licenses and permits	56,766	2.26 %	50,032	2.05 %	6,734	13.46 %
Intergovernmental	1,546,630	61.68 %	1,524,291	61.93 %	22,339	1.47 %
Charges for sales and services	244,887	9.76 %	249,034	10.18 %	(4,147)	(1.67)%
Fines, forfeitures and penalties	43,041	1.72 %	43,723	1.79 %	(682)	(1.56)%
Pledged tobacco settlement proceeds	12,368	0.49 %	12,493	0.51 %	(125)	(1.00)%
Miscellaneous	86,346	3.44 %	77,392	3.54 %	8,954	11.57 %
Total	<u>\$ 2,508,063</u>	<u>100.00 %</u>	<u>2,446,222</u>	<u>100.00 %</u>	<u>61,841</u>	<u>2.53 %</u>

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

- Taxes increased primarily due to an increase in property taxes of \$28 million as a result of increases in assessed value on secured property, both of which are from new construction and the sale of homes with higher property values than in prior years.
- Licenses and permits increased by \$6 million, primarily for projects related to building inspections (\$1 million), water drainage and flood control studies (\$2 million), and roadway development projects (\$3 million).
- Intergovernmental revenue increased by \$22 million, primarily as a result of 1) increase of \$20 million due to receipt of pre-2004 SB90 mandate reimbursements previously withheld due to State budget problems, 2) increase of \$20 million for Mental Health Services Act (Prop 63), 3) increase of \$8 million in SB678 revenue for probation, 4) increase of \$5 million for economic development federal funding for an environmental remediation project, 5) increase of \$30 million in state and federal funding for Cal WORKs and Foster Care programs, offset by 6) \$35 million reduction in Health and Medical Treatment payments due to the transition of CMISP and LIHP to the Medi-Cal Managed Care program, and 7) \$26 million reduction in roadway projects due to delayed project expenditures.
- Charges for sales and services decreased primarily due to a \$3.4 million rebate for overcollection in county utility service fees in the prior year.
- Miscellaneous revenue increased primarily due to \$5.3 million in proceeds from the sale of a county owned building used for the defeasance of COP debt, and the receipt of \$2 million in prior year revenue for health programs.

Expenditures for governmental functions totaled \$2,502,107 in fiscal year 2014-15, which represents an increase of 1.2 percent from fiscal year 2013-14.

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

Expenditures by Function	FY 2015		FY 2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 151,271	6.05 %	142,581	5.76 %	8,690	6.09 %
Public assistance	656,873	26.25 %	621,588	25.13 %	35,285	5.68 %
Public protection	753,721	30.12 %	718,386	29.04 %	35,335	4.92 %
Health and sanitation	522,894	20.91 %	564,824	22.83 %	(41,930)	(7.42)%
Public ways and facilities	137,724	5.50 %	151,269	6.12 %	(13,545)	(8.95)%
Recreation and culture	35,368	1.41 %	34,650	1.40 %	718	2.07 %
Education	1,604	0.06 %	1,025	0.04 %	579	56.49 %
Capital outlay	35,754	1.43 %	40,629	1.64 %	(4,875)	(12.00)%
Debt service:						
Principal	69,242	2.77 %	72,695	2.94 %	(3,453)	(4.75)%
Interest and fiscal charges	137,656	5.50 %	125,196	5.06 %	12,460	9.95 %
Bond issuance costs			867	0.04 %	(867)	(100.00)%
Total	<u>\$ 2,502,107</u>	<u>100.00 %</u>	<u>2,473,710</u>	<u>100.00 %</u>	<u>28,397</u>	<u>1.15 %</u>

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

- General government increased by \$8 million primarily due to increases for capital asset purchases through County's interagency procurement program of \$7 million, and increased election costs of \$1 million.
- Public assistance increased by \$35 million primarily due to increased Foster Care, Cal WORKS and General Assistance costs. The increases are due to changes in state law expanding eligibility coverage for Foster Care to include people between the ages of 18 and 21 and increased benefits for recipients of Cal WORKS and General Assistance.
- Public protection increased by \$35 million as a result of 1) \$27 million increase in salary and benefit costs resulting from negotiated labor agreements, 2) \$6 million increase for Community Development services related to road maintenance, transportation projects and graffiti removal, and 3) \$2 million increase in Animal Care and Regulation costs for increased liability insurance and facility costs.
- Health and Sanitation decreased by \$42 million primarily related to Low Income Health Program that ended on January 1, 2014, when the Affordable Care Act went in to effect.

- Public Ways and Facilities decreased by \$13 million due to Road projects that were not completed and will carry over to FY 2015-16.
- Capital Outlay decreased by \$5 million primarily due to decreased project expenditures in Public Facilities Fixed Asset Financing Program (\$1.5 million) and Tobacco Litigation Settlement (\$4.2 million).
- Bond Principal decreased by \$3 million due to combined increase for the defeasance of \$5 million of 2006 Public Facilities COP debt and decreases of \$2 million for pension obligation bonds and \$6 million in Teeter notes.
- Interest costs increased \$12 million due to Pension Obligation bonds.
- Bond issuance costs: No new bond issuances this year.

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

	FY 2015	FY 2014	Increase/(Decrease)	
			Amount	Percent
Transfers in	\$ 184,765	187,577	(2,812)	(1.50)%
Transfers out	(167,637)	(156,053)	(11,584)	7.42 %
Issuance of debt	20,996	135,060	(114,064)	(84.45)%
Discounts on debt issued		(2,180)	2,180	
Payment to refunded bonds escrow agent		(108,850)	108,850	
Total other financing sources (uses)	<u>\$ 38,124</u>	<u>55,554</u>	<u>(17,430)</u>	<u>(31.37)%</u>

- Transfers in/out: Increase for net transfers out by \$14 million are primarily due to 1) capital projects and roadway improvements (\$2 million), 2) defeasance of 2006 Public Facilities COP debt (\$5.3 million) and 3) pension obligation debt service payments (\$7 million).
- Issuance of debt, discounts on debt issued, and payment to refunded bonds escrow agent: Decrease is due to no new bond issuances this year.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the fiscal year, the unrestricted net position for Airports was \$116,999, Solid Waste \$27,324, Water Agency \$48,935, and Parking Enterprise \$4,533 and County Transit \$426. The internal service funds that are used to account for certain governmental activities had unrestricted net position of negative \$111,524.

Airports total net position decreased by \$4,558 during fiscal year ended June 30, 2015 primarily as a result of a combination of operating income of \$25,260, net non-operating expenses of \$(38,510), capital contribution of \$11,457, and transfer out of \$(2,765). The decrease was primarily due to a decrease in revenues by approximately \$1 million, which resulted from decreases in airfield charges, fuel sale revenue, and interest revenue; and decreased operating costs of approximately \$7.4 million.

The Solid Waste's total net position increased by \$8,955 during fiscal year ended June 30, 2015. This increase was a result of a combination of operating income of \$9,944, net non-operating income of \$594, with a transfer out of \$1,583. The increase in net position is primarily the result of operating revenues for residential service charges and tipping fees exceeding the cost of providing these services.

The Water Agency's total net position increased by \$15,402 during fiscal year ended June 30, 2015. This increase was a result of a combination of operating income of \$24,416; net non-operating expenses of \$(11,598); a transfer out of \$(797) ; and capital contribution of \$3,381. The increase in net position is primarily the result of water service charges and development fee revenues exceeding the cost of providing these services.

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

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

	Major Funds			Non-Major Funds		Totals	Internal Service Funds
	Airports	Solid Waste	Water Agency	Parking Enterprise	County Transit		
Operating revenues	\$ 158,440	69,636	63,650	3,002	228	294,956	275,701
Operating expenses	(133,180)	(59,692)	(39,234)	(2,463)	(2,204)	(236,773)	(249,934)
Operating income (loss)	25,260	9,944	24,416	539	(1,976)	58,183	25,767
Non-operating revenues, net	(38,510)	594	(11,598)		1,523	(47,991)	207
Income before capital contributions and transfers	(13,250)	10,538	12,818	539	(453)	10,192	25,974
Transfers in (out)	(2,765)	(1,583)	(797)	(33)		(5,178)	(11,950)
Capital contributions	11,457		3,381			14,838	
Changes in net position	\$ (4,558)	8,955	15,402	506	(453)	19,852	14,024

The income before capital contributions and transfers of enterprise funds of \$10,192 resulted primarily from net decrease for Airports of \$13,250 and increases for Solid Waste of \$10,538 and Water Agency of \$12,818.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the Original Budget and the Final Budget resulted in a \$74.6 million increase in appropriations in Fiscal Year 2014-15, and are briefly summarized as follows:

General Government: The budget for General Government increased by \$13.4 million, mainly due to: 1) the inclusion of an \$11.2 million repayment of resources previously transferred to the General Fund from other funds; 2) a \$2.8 million increase in the Financing-Transfers/Reimbursements budget related to the transfer of \$2 million in General Fund resources to the Community Investment Fund for Board of Supervisors' district projects and \$750 to the Capital Construction Fund for the Orangevale Library project; and 3) a \$2.3 million increase in the Non-Departmental Costs budget related to the payment of \$1.1 million to the City of Sacramento in accordance with an automobile dealers sales tax sharing agreement, a \$750 General Fund contribution to the Problem Property Trust Fund and a \$450 increase in the budget for consulting services.

Public Assistance: The budget for Public Assistance increased by \$14.1 million, mainly due to a \$12.5 million increase in the Department of Human Assistance – Aid Payments budget related to the Foster Care, Adoptions Assistance and General Assistance programs and an appropriation for the potential transfer of Title IV-E “savings” to a separate fund following the implementation of the Federal Title IV-E Waiver.

Public Protection: The budget for Public Protection increased by \$22.7 million, mainly due to: 1) a \$6.4 million increase in the Probation Department budget related to the County’s participation in the federal Title IV-E Foster Care waiver and increased employee labor costs; 2) a \$6.1 million increase in the Sheriff’s budget reflecting, in part, a \$4 million reduction in budgeted salary savings to provide a more realistic savings factor, approximately \$800 related to the implementation of the new Alternative Sentencing Program, approximately \$800 in funding for radio maintenance and supplies for patrol cars, and approximately \$1 million in various grant-funded expenditures; 3) a \$4.1 million increase in the Community Development Department’s budget related primarily to a one-time \$2 million transfer of General Fund resources to the Roads Fund for road maintenance activities, approximately \$900 to fund increased staffing in the Code Enforcement, Building Inspection and Surveys Divisions due to increased workload, approximately \$600 for additional Community Prosecution services, and \$600 to provide for on-call consultant services in the Building Inspection and Surveys Divisions; 4) a \$2.9 million increase in the Court-County Contribution budget to cover increased costs associated with the change in accrual period; and 5) a \$2 million increase in the District Attorney’s budget primarily due to a \$1.5 million increase at September budget adoption hearings to fully fund the Department’s Base Budget.

Health and Sanitation: The budget for Health and Sanitation increased by \$23.3 million due primarily to increased federal and state funding for services provided by the Department of Health and Human Services.

Actual revenues for the General Fund were \$71.1 million less than the final budgetary estimates. The under-collection of revenues was mainly due to reduced health and social services program costs that resulted in reduced federal and state reimbursement revenue and other health and social services revenue reductions (approximately \$56 million), a reduction in revenue to the Fixed Asset Acquisition Fund (approximately \$7.6 million) and a reduction in grant, fee and other revenue in a number of departments (approximately \$43 million), partially offset by increases in certain revenue sources, including a \$26 million increase in discretionary revenue, primarily an \$18 million increase in SB 90 revenue related to the State’s repayment of pre-2004 SB 90 revenue owed to cities and counties and a \$7 million increase in property tax revenue, and a \$5 million increase in revenue for In-Home Supportive Service (IHSS) provider payments.

Actual expenditures were \$190.7 million less than budgetary estimates. Expenditures less than budget were due to a number of factors, including: 1) reduced health and social services program costs (approximately \$97 million); 2) expenditures for projects in the Fixed Asset Acquisition Fund were less than budgeted (approximately \$31 million); and 3) salary and benefit and other cost savings in a number of departments due to vacant positions and other factors (approximately \$62 million).

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, 2015, amounted to \$4,013,936, net of accumulated depreciation. This investment in capital assets includes land and easements, computer software and other intangibles, water facility rights, infrastructure, building and improvements, equipment, and construction in progress. The total decrease in the County's investment in capital assets for the current period was 1.57 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
	2015	Restated 2014	2015	2014	2015	Restated 2014	
Non depreciable:							
Land	\$ 137,377	141,136	133,557	133,557	270,934	274,693	(1.37)%
Construction in progress	33,024	22,100	63,122	49,648	96,146	71,748	34.01 %
Permanent Easement	8,456	6,229	25	25	8,481	6,254	35.61 %
Other Intangible			1,904	1,904	1,904	1,904	
Water facility rights			195,922	195,647	195,922	195,647	0.14
Depreciable:							
Buildings and improvements	443,964	468,066	1,723,625	1,778,891	2,167,589	2,246,957	(3.53)%
Infrastructure*	1,071,587	1,082,060 *	117,498	120,505	1,189,085	1,202,565 *	(1.12)%
Equipment	48,758	48,785	26,127	20,482	74,885	69,267	8.11 %
Computer Software	8,065	8,100	7	9	8,072	8,109	(0.46)%
Water facility rights			918	943	918	943	(2.65)%
Total	\$ 1,751,231	1,776,476	2,262,705	2,301,611	4,013,936	4,078,087	(1.57)%

* Restated June 30, 2014 Infrastructure balance due to an overstatement of County Roadway infrastructure which was transferred to City of Rancho Cordova, Citrus Heights, Elk Grove, and Folsom Incorporation. The Infrastructure's value decreased by \$37 million.

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

- Land: Decreased in total by approximately \$4 million. The overall decrease is due to the combination of the sale of the Bank of America building (\$5), and an increase in the Road fund (\$1.3)
- Permanent Easement: The increase is due to the Road fund (\$2.2).
- Buildings and improvements: Decreased in total by approximately \$79 million. This was due to a combination of increases in completed projects for Airports (\$1.1), Waste (\$1.7), Water Agency (\$11), capitalized costs for the downtown administration building (\$3.5), and Governmental projects

capitalized (\$1); and decreases due to the Bank of America property that was sold (\$3), depreciation for Airports (\$51), Solid Waste (\$2.7), Water Agency (\$13.6), and Governmental funds (\$27.6).

- Infrastructure: Decreased in total by approximately \$13 million. This was due to a combination of increases in the Road Fund (\$44), Storm Utilities (\$6.6), and Water Agency (\$0.5); and decreases due to depreciation of the Road fund (\$49), Storm Utilities (\$12) and Water Agency (\$3.4).
- Construction in progress: Increased in total by approximately \$24 million. This was due to a combination of decreases due to Airport projects capitalized to Building costs (\$3.5), Water Agency to Structure (\$8.4), Storm Utilities to Infrastructure (\$4), Road fund capitalized to Infrastructure (\$1.6); capitalized costs to Downtown Building (\$3.5), and Governmental projects capitalized (\$3.7); and increases due to Airport projects capitalized (\$10), Road fund (\$1.8), Storm Utility (\$5.5), Dependent Parks (\$3), Solid Waste (\$1.8), Governmental projects capitalized (\$11.5), and Water Agency project capitalized (\$13.8).
- Equipment: Increased in total by approximately \$6 million. This was due to a combination of increases due to General Services (\$8.7), Solid Waste (\$10.1), Department of Technology (\$1), and Governmental Funds (\$3.8); and decreases for depreciation from General Services (\$6.8), Regional Radio (\$1.6), Solid Waste (\$4.4), Airport (\$1.3), Governmental Funds (\$3), and Department of Technology (\$1)..

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

Debt Administration

At June 30, 2015, the County's governmental activities had long-term obligations, totaling \$1,932 million. Of this amount \$245.6 million are Certificates of Participation, \$238 million are Revenue bonds for cash settlement of the tobacco settlement agreement, and \$86 million are revenue bonds issued by the Public Financing Authority to finance redevelopment projects in designated redevelopment project areas in the City and County of Sacramento, plus accreted interest.

Other significant long-term obligations include \$30 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), and \$974 million in bonds issued to eliminate the unfunded pension obligation existing between the County and the Sacramento County Employees' Retirement System, and \$189 million associated accreted interest for Pension Obligation Bonds. The remaining represents various other debt obligations. In addition, compensated absences amounted to \$108 million and capital lease obligations were \$4 million.

Business-type activities had long-term obligations of approximately \$1.481 billion. This includes \$1.073 billion of Airports revenue bonds and other Airports debt, \$17 million of Solid Waste Enterprise certificates of participation and other Solid Waste debt, and Sacramento County Water Agency revenue bonds, reimbursement agreements and usage fee totaling \$392 million.

For the year ended June 30, 2015 the County's total long-term obligations had a net decrease of \$95,629. The net decrease resulted primarily from a decrease from scheduled principal retirements of revenue bonds and certificates of participation (\$59 million), and net decrease in pension obligation bonds and associated accreted interest (\$42 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)	
	2015	Restated	2015	Restated	2015	2014	Amount	Percent
		2014		2014				
Governmental activities:								
Compensated absences	\$ 108,199	104,006	6,288	6,273	114,487	110,279	4,208	3.82 %
Certificates of participation	245,630	269,975	13,500	15,120	259,130	285,095	(25,965)	(9.11)%
Teeter notes	29,732	34,432			29,732	34,432	(4,700)	(13.65)%
Pension obligation bonds	973,934	990,308			973,934	990,308	(16,374)	(1.65)%
Accreted Interest	189,000	214,284			189,000	214,284	(25,284)	(11.80)%
Revenue bonds	324,102	326,852	1,136,430	1,154,800	1,460,532	1,481,652	(21,120)	(1.43)%
Accreted Interest	22,850	20,058			22,850	20,058	2,792	13.92 %
OPEB Liability	34,564	26,704	2,459	1,924	37,023	28,628	8,395	29.32 %
Other long-term debt	3,522	3,559			3,522	3,559	(37)	(1.04)%
Capital lease obligations	4,123	4,891			4,123	4,891	(768)	(15.70)%
Deferred amounts								
For issuance premiums	3,576	3,771	14,943	15,644	18,519	19,415	(896)	(4.61)%
For issuance discounts	(7,379)	(7,798)	(6,129)	(6,376)	(13,508)	(14,174)	666	(4.70)%
PFC and subordinate revenue bonds			304,055	316,575	304,055	316,575	(12,520)	(3.95)%
Reimbursement agreements			1,634	2,054	1,634	2,054	(420)	(20.45)%
Usage fee - City of Sacramento			3,213	4,215	3,213	4,215	(1,002)	(23.77)%
Water rights - SMUD assignment			4,956	5,715	4,956	5,715	(759)	(13.28)%
SMUD transformer				1,845		1,845	(1,845)	(100.00)%
	<u>\$ 1,931,853</u>	<u>1,991,042</u>	<u>1,481,349</u>	<u>1,517,789</u>	<u>3,413,202</u>	<u>3,508,831</u>	<u>(95,629)</u>	<u>(2.73)%</u>

Additional information regarding the County's long-term debt can be found in Note 8, beginning on page 76.

Economic Factors and Next Year's Budget and Rates

- Four major sources of revenue generated from the performance of the economy are:
 - Property tax revenues (from all sources – secured, unsecured, delinquent, etc.) budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$20.3 million, a 5.8 percent increase. The FY 2015-16 projection is a 4.4 percent increase over the FY 2014-15 actual collections. The FY 2015-16 projection is based on the July Assessment Roll prepared by the County Assessor.
 - Sales and use tax revenues budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$7.3 million, a 9.7 percent increase. The FY 2015-16 projection is an 11.2 percent increase over FY 2014-15 actual collections. However, approximately \$4.5 million of that increase is a one-time true-up related to the ending of the "Triple Flip". If that is factored out, the "real" increase in sales and use tax revenues over FY 2014-15 actual collections is approximately 5.1 percent.
 - Proposition 172 revenues budgeted for FY 2015-16 are expected to increase over the FY 2014-15 Adopted Budget by \$3.9 million, a 3.8 percent increase.
 - Realignment revenues budgeted for FY 2015-16 are expected to increase over FY 2014-15 Adopted Budget by \$64 million, a 14 percent increase. However, this increase reflects both new Realignment revenue received by the County and the allocation of fund balance carry-over in the various County Realignment trust funds. We are currently estimating that new Realignment revenue from all categories will increase by approximately \$28.8 million, or 5.4 percent, in FY 2015-16 compared to the amount of new Realignment revenue actually received by the County in FY 2014-15.
- The FY 2015-16 General Fund Budget included a combination of increases and reductions that resulted in a net \$116.5 million (5.3 percent) increase in appropriations compared to the FY 2014-15 Adopted General Fund Budget.

Request for Information

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)**

Page 1 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First Five Commission
Assets:				
Current assets:				
Cash and investments	\$ 658,157	306,542	964,699	59,773
Restricted cash and investments		57,781	57,781	
Receivables, net of allowance for uncollectibles:				
Billed	29,756	22,365	52,121	
Interest	758	13	771	
Intergovernmental	250,806	5,892	256,698	3,434
Receivable from component unit	568	211	779	
Prepaid expenses	21,815	108	21,923	
Internal balances	(20,512)	20,512		
Inventories	2,597	519	3,116	
Total current assets	<u>943,945</u>	<u>413,943</u>	<u>1,357,888</u>	<u>63,207</u>
Noncurrent assets:				
Restricted assets		148,124	148,124	
Loan receivable from Successor Agency	71,085		71,085	
Long-term receivables	70,187		70,187	
Prepaid bond insurance	6,548	8,825	15,373	
Capital assets:				
Land and other nondepreciable assets	178,857	394,530	573,387	
Buildings, improvements, infrastructure and equipment	1,572,374	1,868,175	3,440,549	
Total capital assets	<u>1,751,231</u>	<u>2,262,705</u>	<u>4,013,936</u>	
Total noncurrent assets	<u>1,899,051</u>	<u>2,419,654</u>	<u>4,318,705</u>	
Total assets	<u>2,842,996</u>	<u>2,833,597</u>	<u>5,676,593</u>	<u>63,207</u>
Deferred outflows of resources:				
Accumulated decrease in market value of SWAP agreement	107,268	60,393	167,661	
Deferred amounts on refunding	44,108	14,429	58,537	
Deferred outflows related to pensions	232,346	9,662	242,008	251
Total deferred outflows of resources	<u>383,722</u>	<u>84,484</u>	<u>468,206</u>	<u>251</u>
Total assets and deferred outflows of resources	<u>3,226,718</u>	<u>2,918,081</u>	<u>6,144,799</u>	<u>63,458</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, 2015
(amounts expressed in thousands)**

Page 2 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First Five Commission
Liabilities:				
Current liabilities				
Warrants payable	20,234	3,091	23,325	
Accrued liabilities	112,573	14,139	126,712	2,296
Intergovernmental payable	60,038	1,147	61,185	2,612
Accrued interest payable	17,778		17,778	
Current portion of insurance claims payable	33,130		33,130	
Payable to primary government				779
Current portion of long-term debt obligations	56,380	41,455	97,835	14
Current liabilities payable from restricted assets		28,278	28,278	
Unearned revenues	8,860	4,275	13,135	
Total current liabilities	<u>308,993</u>	<u>92,385</u>	<u>401,378</u>	<u>5,701</u>
Noncurrent liabilities:				
Insurance claims payable	177,345		177,345	
Long-term debt obligations	1,875,473	1,439,894	3,315,367	299
Derivative instrument liability	107,268	60,393	167,661	
Landfill closure and postclosure care		38,165	38,165	
Other long-term liabilities	1,629		1,629	
Net pension liability	668,383	26,932	695,315	693
Total noncurrent liabilities	<u>2,830,098</u>	<u>1,565,384</u>	<u>4,395,482</u>	<u>992</u>
Total liabilities	<u>3,139,091</u>	<u>1,657,769</u>	<u>4,796,860</u>	<u>6,693</u>
Deferred inflows of resources:				
Deferred inflows related to pensions	491,214	25,859	517,073	743
Total liabilities and deferred inflows of resources	<u>3,630,305</u>	<u>1,683,628</u>	<u>5,313,933</u>	<u>7,436</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, 2015
(amounts expressed in thousands)**

Page 3 of 3

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First Five Commission
Net position:				
Net investment in capital assets	1,362,707	893,262	2,255,969	
Restricted for:				
Bond reserves		50,523	50,523	
Landfill closure		9,155	9,155	
Kiefer Wetlands Preserve		927	927	
Debt service	36,459	42,509	78,968	
Capital projects	30,033		30,033	
Passenger facility charges		9,244	9,244	
Future construction		2,103	2,103	
Endowments:				
Expendable		59	59	
Nonexpendable		2,029	2,029	
Fire protection	171		171	
Health programs	54,465		54,465	
Transportation	53,277	923	54,200	
Lighting and landscape maintenance	2,809		2,809	
Community facilities	2,414		2,414	
Unrestricted	(1,945,922)	223,719	(1,722,203)	56,022
Total net position (deficit)	<u>\$ (403,587)</u>	<u>1,234,453</u>	<u>830,866</u>	<u>56,022</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 YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Functions/Programs	Expenses	Primary Government						Component Unit
		Program Revenues			Net (Expenses) Revenue and Changes in Net Position			First Five Commission
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Totals	
Primary government:								
Governmental activities:								
General Government	\$ 169,604	169,287	220,224	297	220,204		220,204	
Public Assistance	639,831		492,059		(147,772)		(147,772)	
Public Protection	725,108	106,089	48,950	7,532	(562,537)		(562,537)	
Health and Sanitation	502,535	35,503	428,181	2,425	(36,426)		(36,426)	
Public Ways and Facilities	152,186	57,397	33,869	6,163	(54,757)		(54,757)	
Recreation and Culture	34,771	12,808		1,793	(20,170)		(20,170)	
Education	1,820				(1,820)		(1,820)	
Interest and fiscal charges	125,603				(125,603)		(125,603)	
Total governmental activities	<u>2,351,458</u>	<u>381,084</u>	<u>1,223,283</u>	<u>18,210</u>	<u>(728,881)</u>		<u>(728,881)</u>	
Business-type activities								
Airport	188,132	177,244	775	11,150		1,037	1,037	
Solid Waste	59,774	69,636	103			9,965	9,965	
Water Agency	55,923	63,649		7,133		14,859	14,859	
Parking Enterprise	2,463	3,001				538	538	
County Transit	2,204	227		836		(1,141)	(1,141)	
Total business-type activities	<u>308,496</u>	<u>313,757</u>	<u>878</u>	<u>19,119</u>		<u>25,258</u>	<u>25,258</u>	
Total primary government	<u>\$ 2,659,954</u>	<u>694,841</u>	<u>1,224,161</u>	<u>37,329</u>	<u>(728,881)</u>	<u>25,258</u>	<u>(703,623)</u>	
Component Unit								
First Five Commission	\$ 24,028		14,976				(9,052)	
Total Component Units	<u>\$ 24,028</u>		<u>14,976</u>				<u>(9,052)</u>	
General revenue:								
Taxes:								
Property Taxes					425,477		425,477	
Sales /Use Taxes					74,171	687	74,858	
Transient Occupancy					4,534		4,534	
Unrestricted investment earnings (loss)					13,857	1,473	15,330	
Grants and contributions not restricted to specific programs					287,041		287,041	
Pledged tobacco settlement proceeds					12,368		12,368	
Miscellaneous					51,966		51,966	
Transfers					5,178	(5,178)		
Total general revenues and transfers					<u>874,592</u>	<u>(3,018)</u>	<u>871,574</u>	
Changes in net position					145,711	22,240	167,951	
Net position (deficit), beginning of year, as restated					(549,298)	1,212,213	662,915	
Net position (deficit), end of year					<u>\$ (403,587)</u>	<u>1,234,453</u>	<u>830,866</u>	

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

**COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	\$ 197,472	340,102	537,574
Receivables:			
Billed	23,400	6,195	29,595
Interest	35	707	742
Intergovernmental	243,235	4,660	247,895
Receivable from component unit	568		568
Due from other funds	19	175	194
Prepaid items	21,495		21,495
Inventories	772		772
Long-term advances to other funds		9,207	9,207
Loan receivable from Successor Agency		71,085	71,085
Long-term receivables	33,243	36,857	70,100
Total assets	\$ 520,239	468,988	989,227
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Warrants payable	\$ 12,316	2,774	15,090
Accrued liabilities	86,009	12,543	98,552
Intergovernmental payable	47,326	12,658	59,984
Due to other funds	31,950	2,798	34,748
Unearned revenue	1,208	2,347	3,555
Long-term advances from other funds	41,752		41,752
Other long-term liabilities		1,629	1,629
Total liabilities	220,561	34,749	255,310
Deferred inflows of resources:			
Unavailable Revenue	49,848	88,602	138,450
Fund balances:			
Nonspendable	30,837	902	31,739
Restricted	232,455	344,735	577,190
Unassigned	(13,462)		(13,462)
Total fund balances	249,830	345,637	595,467
Total liabilities, deferred inflows of resources, and fund balances	\$ 520,239	468,988	989,227

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, 2015
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 595,467
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.	1,708,577
Accrued interest	(17,778)
Prepaid bond insurance of the governmental activities are not current financial resources and, therefore are not reported in the funds.	6,548
Long-term liabilities and related deferred outflows of resources including loss on refunding, are not due and payable in the current period and therefore are not reported in the funds.	(1,873,347)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds	138,450
Net pension liability including related deferred outflows and inflows are not reported in the funds.	(867,133)
Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications, and department of technology to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement net position.	<u>(94,371)</u>
Net position of governmental activities	<u>\$ (403,587)</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 YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	\$ 463,728	40,454	504,182
Use of money and property	7,280	6,563	13,843
Licenses and permits	11,134	45,632	56,766
Intergovernmental	1,466,676	79,954	1,546,630
Charges for sales and services	134,703	110,184	244,887
Fines, forfeitures and penalties	28,626	14,415	43,041
Pledged tobacco settlement proceeds		12,368	12,368
Miscellaneous	45,215	41,131	86,346
Total revenues	<u>2,157,362</u>	<u>350,701</u>	<u>2,508,063</u>
Expenditures:			
Current:			
General government	97,544	53,727	151,271
Public assistance	656,873		656,873
Public protection	737,049	16,672	753,721
Health and sanitation	493,513	29,381	522,894
Public ways and facilities		137,724	137,724
Recreation and culture	16,011	19,357	35,368
Education	318	1,286	1,604
Capital outlay		35,754	35,754
Debt service:			
Principal		69,242	69,242
Interest and fiscal charges		137,656	137,656
Total expenditures	<u>2,001,308</u>	<u>500,799</u>	<u>2,502,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>156,054</u>	<u>(150,098)</u>	<u>5,956</u>
Other financing sources (uses):			
Transfers in	13,406	171,359	184,765
Transfers out	(119,067)	(48,570)	(167,637)
Issuance of debt		20,996	20,996
Total other financing sources (uses)	<u>(105,661)</u>	<u>143,785</u>	<u>38,124</u>
Net change in fund balances	50,393	(6,313)	44,080
Fund balances - beginning	199,437	351,950	551,387
Fund balances - ending	<u>\$ 249,830</u>	<u>345,637</u>	<u>595,467</u>

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

**COUNTY OF SACRAMENTO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds	\$ 44,080
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(26,252)
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.	116,247
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>11,636</u>
Change in net position of governmental activities	<u><u>\$ 145,711</u></u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Page 1 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues				
Taxes	\$ 449,741	456,908	463,728	6,820
Use of money and property	5,764	7,501	7,280	(221)
Licenses and permits	11,239	11,273	11,134	(139)
Intergovernmental	1,472,203	1,506,282	1,466,676	(39,606)
Charges for sales and services	163,040	163,535	134,703	(28,832)
Fines, forfeitures and penalties	31,282	31,477	28,626	(2,851)
Miscellaneous	40,463	51,505	45,215	(6,290)
Total revenues	<u>2,173,732</u>	<u>2,228,481</u>	<u>2,157,362</u>	<u>(71,119)</u>
Expenditures:				
Current:				
General government:				
Legislative and administrative	54,939	62,690	13,932	48,758
Finance	60,198	65,222	47,552	17,670
Counsel	3,784	3,932	3,712	220
Human resources	11,194	11,259	10,122	1,137
Elections	8,684	8,684	8,017	667
Other	14,621	15,003	14,209	794
Total general government	<u>153,420</u>	<u>166,790</u>	<u>97,544</u>	<u>69,246</u>
Public assistance:				
Administration	276,332	277,629	262,181	15,448
Aid programs	355,239	367,776	364,095	3,681
Other	31,686	31,958	30,597	1,361
Total public assistance	<u>663,257</u>	<u>677,363</u>	<u>656,873</u>	<u>20,490</u>

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

**COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Public protection:				
Judicial	141,936	146,596	140,713	5,883
Police protection	267,818	273,037	278,276	(5,239)
Detention and correction	260,221	267,490	255,952	11,538
Protection and inspection	3,739	3,790	3,686	104
Other	64,048	69,518	58,422	11,096
Total public protection	<u>737,762</u>	<u>760,431</u>	<u>737,049</u>	<u>23,382</u>
Health and sanitation	546,892	570,183	493,513	76,670
Recreation and culture	15,688	16,850	16,011	839
Education	330	351	318	33
Total expenditures	<u>2,117,349</u>	<u>2,191,968</u>	<u>2,001,308</u>	<u>190,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,383</u>	<u>36,513</u>	<u>156,054</u>	<u>119,541</u>
Other financing sources (uses):				
Transfers in	13,541	13,541	13,406	(135)
Transfers out	(119,202)	(119,202)	(119,067)	135
Total other financing sources (uses)	<u>(105,661)</u>	<u>(105,661)</u>	<u>(105,661)</u>	
Net change in fund balance	<u>\$ (49,278)</u>	<u>(69,148)</u>	<u>50,393</u>	<u>119,541</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, 2015
 (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	
Assets:						
Current assets:						
Cash and investments	\$ 169,195	77,069	55,320	4,958	306,542	120,583
Restricted cash and investments	55,678		2,103		57,781	
Receivables, net of allowance for uncollectibles:						
Billed	6,975	10,451	4,939		22,365	161
Interest				13	13	16
Intergovernmental	3,817	481		1,594	5,892	2,911
Receivable from component unit			211		211	
Due from other funds						41,567
Prepaid items	108				108	320
Inventories	519				519	1,825
Total current assets	<u>236,292</u>	<u>88,001</u>	<u>62,573</u>	<u>6,565</u>	<u>393,431</u>	<u>167,383</u>
Noncurrent assets:						
Restricted assets	111,334	10,082	26,708		148,124	
Long-term advances to other funds						41,752
Prepaid bond insurance	8,825				8,825	
Long-term receivables						87
Capital assets:						
Land and other nondepreciable assets	96,064	36,954	260,213	1,299	394,530	
Buildings & improvements, infrastructure, equipment and intangibles, net	1,222,361	85,842	557,603	2,369	1,868,175	42,654
Total capital assets	<u>1,318,425</u>	<u>122,796</u>	<u>817,816</u>	<u>3,668</u>	<u>2,262,705</u>	<u>42,654</u>
Total noncurrent assets	<u>1,438,584</u>	<u>132,878</u>	<u>844,524</u>	<u>3,668</u>	<u>2,419,654</u>	<u>84,493</u>
Total assets	<u>1,674,876</u>	<u>220,879</u>	<u>907,097</u>	<u>10,233</u>	<u>2,813,085</u>	<u>251,876</u>
Deferred outflows of resources:						
Accumulated decrease in market value of SWAP agreement			60,393		60,393	
Deferred amounts on refunding	12,824	581	1,024		14,429	
Deferred outflows related to pensions	4,932	2,986	1,698	46	9,662	13,355
Total deferred outflows of resources	<u>17,756</u>	<u>3,567</u>	<u>63,115</u>	<u>46</u>	<u>84,484</u>	<u>13,355</u>
Total assets and deferred outflows of resources	<u>1,692,632</u>	<u>224,446</u>	<u>970,212</u>	<u>10,279</u>	<u>2,897,569</u>	<u>265,231</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, 2015
 (amounts expressed in thousands)**

Page 2 of 3

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental Activities-Internal Service Funds</u>
	<u>Airports</u>	<u>Solid Waste</u>	<u>Water Agency</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Liabilities:						
Current liabilities:						
Warrants payable	\$ 1,818	1,001	267	5	3,091	5,144
Accrued liabilities	6,736	4,145	3,107	151	14,139	13,517
Intergovernmental payable	1,104	5	27	11	1,147	557
Due to other funds	1,758	1,954	196	179	4,087	2,927
Current portion of insurance claims payable						33,130
Current portion of long-term debt obligations	27,518	1,779	12,154	4	41,455	658
Current liabilities payable from restricted assets	28,278				28,278	
Unearned revenue	4,118	157			4,275	5,305
Total current liabilities	<u>71,330</u>	<u>9,041</u>	<u>15,751</u>	<u>350</u>	<u>96,472</u>	<u>61,238</u>
Noncurrent liabilities:						
Insurance claims payable						177,345
Long-term debt obligations	1,045,365	14,874	379,608	47	1,439,894	13,740
Derivative instrument liability			60,393		60,393	
Long-term advances from other funds		902			902	8,305
Landfill closure and postclosure care		38,165			38,165	
Net pension liability	14,586	7,774	4,412	160	26,932	35,450
Total noncurrent liabilities	<u>1,059,951</u>	<u>61,715</u>	<u>444,413</u>	<u>207</u>	<u>1,566,286</u>	<u>234,840</u>
Total liabilities	<u>1,131,281</u>	<u>70,756</u>	<u>460,164</u>	<u>557</u>	<u>1,662,758</u>	<u>296,078</u>
Deferred inflows of resources:						
Deferred inflow amount related to pension	12,617	8,338	4,732	172	25,859	38,023
Total liabilities and deferred inflows of resources	<u>1,143,898</u>	<u>79,094</u>	<u>464,896</u>	<u>729</u>	<u>1,688,617</u>	<u>334,101</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, 2015
 (amounts expressed in thousands)**

Page 3 of 3

	Business-type Activities - Enterprise Funds				Total	Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
Net position:						
Net investment in capital assets	354,078	107,946	427,570	3,668	893,262	42,654
Restricted for:						
Bond reserves	24,810		25,714		50,524	
Landfill closure		9,155			9,155	
Kiefer Wetlands Preserve		927			927	
Debt service	41,515		994		42,509	
Passenger facility charges	9,244				9,244	
Transportation				923	923	
Future construction			2,103		2,103	
Endowments:						
Expendable	59				59	
Nonexpendable	2,029				2,029	
Unrestricted	116,999	27,324	48,935	4,959	198,217	(111,524)
Total net position (deficit)	\$ 548,734	145,352	505,316	9,550	1,208,952	(68,870)
Adjustment to reflect internal service fund activities related to enterprise funds					25,501	
Net position of business-type activities					\$ 1,234,453	

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 YEAR ENDED JUNE 30, 2015**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities-Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds		
Operating revenues:						
Charges for sales and services	\$ 158,244	68,916	61,545	3,142	291,847	272,362
Other	196	720	2,105	88	3,109	3,339
Total operating revenues	<u>158,440</u>	<u>69,636</u>	<u>63,650</u>	<u>3,230</u>	<u>294,956</u>	<u>275,701</u>
Operating expenses:						
Salaries and benefits	27,022	22,299	8,315	359	57,995	89,871
Services and supplies	51,886	29,055	11,624	2,095	94,660	99,041
Cost of sales and services	510				510	3,111
Depreciation and amortization	53,532	7,152	17,154	507	78,345	10,482
Self-insurance						46,516
Landfill closure costs		1,186			1,186	
Other	230		2,141	1,706	4,077	913
Total operating expenses	<u>133,180</u>	<u>59,692</u>	<u>39,234</u>	<u>4,667</u>	<u>236,773</u>	<u>249,934</u>
Operating income (loss)	<u>25,260</u>	<u>9,944</u>	<u>24,416</u>	<u>(1,437)</u>	<u>58,183</u>	<u>25,767</u>
Nonoperating revenues (expenses):						
Use of money and property	(55)	188	1,340		1,473	16
Intergovernmental	468	487	3,752	836	5,543	
Passenger facility charges	18,514				18,514	
Sales / use tax				687	687	
Interest expense	(57,382)	(822)	(16,690)		(74,894)	(892)
Other	(55)	741			686	1,083
Total nonoperating revenues (expenses)	<u>(38,510)</u>	<u>594</u>	<u>(11,598)</u>	<u>1,523</u>	<u>(47,991)</u>	<u>207</u>
Income before capital contributions and transfers	(13,250)	10,538	12,818	86	10,192	25,974
Transfers out	(2,765)	(1,583)	(797)	(33)	(5,178)	(11,950)
Capital contributions	11,457		3,381		14,838	
Changes in net position	<u>(4,558)</u>	<u>8,955</u>	<u>15,402</u>	<u>53</u>	<u>19,852</u>	<u>14,024</u>
Net position (deficit), beginning of year, restated	553,292	136,397	489,914	9,497		(82,894)
Net position (deficit), end of year	<u>\$ 548,734</u>	<u>145,352</u>	<u>505,316</u>	<u>9,550</u>		<u>(68,870)</u>
Adjustment to reflect internal service fund activities related to enterprise funds.					2,388	
Change in net position of business-type activities					<u>\$ 22,240</u>	

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

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 165,163	61,479	57,231	3,142	287,015	80,843
Receipts from interfund services provided						219,234
Receipts for other operating activities		7,149	2,105		9,254	
Payments to suppliers	(33,061)	(24,486)	(13,679)	(3,648)	(74,874)	(131,228)
Payments to employees	(28,758)	(23,699)	(9,521)	(375)	(62,353)	(101,216)
Payments for other operating activities	209	(1,385)		39	(1,137)	(650)
Payments for interfund services used	(19,262)	(2,930)		(2)	(22,194)	(28,017)
Net cash provided by (used for) operating activities	84,291	16,128	36,136	(844)	135,711	38,966
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Receipt on advance from other funds						3,356
Payment on advance from other funds						(4,114)
Transfers from other funds			2,955	(33)	2,922	
Transfer to other funds	(2,765)	(1,583)			(4,348)	(11,950)
Interest paid on advance from other funds						(908)
Intergovernmental revenue	378			993	1,371	
Other non-operating revenue		1,512			1,512	
Non-operating expense						(5)
Net cash provided by (used for) noncapital financing activities	(2,387)	(71)	2,955	960	1,457	(13,621)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Passenger facility charges	18,154				18,154	
Capital contributions	8,336				8,336	
Acquisition and construction of capital assets	(5,439)	(13,508)	(9,897)	(564)	(29,408)	(12,024)
Principal paid on long-term obligations	(22,240)	(1,814)	(12,608)		(36,662)	
Interest paid on long-term obligations	(56,955)	(669)	(17,860)		(75,484)	(187)
Proceeds from the sale of capital assets	141	422			563	2,456
Net cash used for capital and related financing activities	(58,003)	(15,569)	(40,365)	(564)	(114,501)	(9,755)

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities- Internal Service Funds
	<u>Airports</u>	<u>Solid Waste</u>	<u>Water Agency</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments	(41,389)				(41,389)	
Proceeds from sale and maturities of investments	78,012				78,012	
Interest received on cash and investments	168	188	1,347	(10)	1,693	58
Net cash provided by (used for) investing activities	<u>36,791</u>	<u>188</u>	<u>1,347</u>	<u>(10)</u>	<u>38,316</u>	<u>58</u>
Net increase (decrease) in cash and cash equivalents	60,692	676	73	(458)	60,983	15,648
Cash and cash equivalents, beginning of year	<u>249,200</u>	<u>86,475</u>	<u>61,418</u>	<u>5,416</u>	<u>402,509</u>	<u>104,935</u>
Cash and cash equivalents, end of year	<u>\$ 309,892</u>	<u>87,151</u>	<u>61,491</u>	<u>4,958</u>	<u>463,492</u>	<u>120,583</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	\$ 169,195	77,069	55,320	4,958	306,542	120,583
Restricted cash and investments	55,678		2,103		57,781	
Restricted noncurrent assets (net of accrued interest)	111,334	10,082	26,708		148,124	
Less: Long-term investments included in restricted assets	<u>(26,315)</u>		<u>(22,640)</u>		<u>(48,955)</u>	
Cash and cash equivalents	<u>309,892</u>	<u>87,151</u>	<u>61,491</u>	<u>4,958</u>	<u>463,492</u>	<u>120,583</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airports	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	25,260	9,944	24,416	(1,437)	58,183	25,767
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	53,532	7,152	17,154	507	78,345	10,482
Provision for uncollectible accounts	(27)				(27)	
Impact fee credits applied			(3,952)		(3,952)	
Other nonoperating revenue	208	(403)			(195)	
Non cash reduction in salaries and benefits GASB 68	(2,201)	(1,776)	(1,010)	(21)	(5,008)	(7,832)
Other nonoperating expense		(288)			(288)	
Changes in assets and liabilities:						
Billed	6,014	(774)	(363)		4,877	2,084
Due from other funds		55			55	1,882
Prepaid expenses	4				4	147
Inventories	65				65	781
Warrants payable	522	443		(86)	879	(437)
Accrued liabilities	(230)	1,515	223	191	1,699	503
Intergovernmental payable						(1,504)
Due to other funds		(160)	(64)	(2)	(226)	(214)
Unearned revenues	737				737	371
Landfill closure and postclosure care		(2)			(2)	
Compensated absences	131	242	(342)	(1)	30	945
Other post employment benefits	276	180	74	5	535	643
Insurance claims payable						5,348
Total adjustments	59,031	6,184	11,720	593	77,528	13,199
Net cash provided by (used for) operating activities	<u>\$ 84,291</u>	<u>16,128</u>	<u>36,136</u>	<u>(844)</u>	<u>135,711</u>	<u>38,966</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets			3,381		3,381	
Amortization of bonds premiums and discounts	30		388		418	
Impact fees - credit applied			3,950		3,950	
Capital grants receivable	3,426				3,426	
Amortization of deferred outflows	1,115				1,115	
Capital assets purchases included in accrued liabilities	1,846				1,846	
Accrued investment income	(781)				(781)	

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Agency</u>	<u>Investment Trust</u>	<u>Redevelopment Obligation Retirement Fund - Successor Agency</u>
Assets:			
Cash and investments	\$ 196,252	2,385,255	27,547
Receivables, net of allowance for uncollectibles:			
Billed	8,971		180
Interest	5,527		102
Intergovernmental			3,026
Prepaid items			7,922
Total assets	<u>\$ 210,750</u>	<u>2,385,255</u>	<u>38,777</u>
Liabilities:			
Warrants payable	\$ 14,125		
Accrued liabilities	3,746		581
Intergovernmental payable	192,879		1,406
Unearned revenue			2,613
Other long-term liabilities			6,852
Loan due to County Public Financing Authority			72,035
Total liabilities	<u>\$ 210,750</u>	<u>2,385,255</u>	<u>83,487</u>
Net position (deficit) held in trust		<u>\$ 2,385,255</u>	<u>(44,710)</u>

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

**COUNTY OF SACRAMENTO
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	<u>Investment Trust</u>	<u>Redevelopment Obligation Retirement Fund - Successor Agency</u>
Additions:		
Property taxes	\$	6,085
Contributions on pooled investments	8,500,886	
Use of money and property	44,133	10
Miscellaneous		16
	<hr/>	<hr/>
Total additions	8,545,019	6,111
	<hr/>	<hr/>
Deductions:		
Distributions from pooled investments	8,153,615	
Services and supplies		1,712
Interest expense		4,281
	<hr/>	<hr/>
Total deductions	8,153,615	5,993
	<hr/>	<hr/>
Net increase (decrease) in net position	391,404	118
Net position held in trust, beginning of year	1,993,851	(44,828)
	<hr/>	<hr/>
Net position (deficit) held in trust, end of year	\$ 2,385,255	(44,710)
	<hr/> <hr/>	<hr/> <hr/>

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FINANCIAL SECTION

NOTES TO BASIC FINANCIAL STATEMENTS

**COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Scope of Financial Reporting Entity

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

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

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

Blended Component Units:

Lighting and Landscape Maintenance District Special Revenue Fund:

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

Special Revenue Fund Other:

Natomas Fire District
County Service Area Number Ten
Water Agency 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 debts and liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are in any way responsible for those liabilities. The Authority meets the criteria set forth in generally accepted accounting principles as a blended component unit of the County because the Authority is providing services solely to the County and is accounted for in debt service and special revenue funds.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(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, and neither the County nor the Agency is any 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 County has created the Public Facilities Financing Corporation (Corporation) for the purpose of facilitating the financing of public projects within the County. The Board of Supervisors appoints the governing board of the Corporation and is responsible for the fiscal and administrative activities of the entity. For financial reporting purposes, capitalized leases between the County and the Corporation have been eliminated and the financial data of the entity has been included within the County's reporting entity and is accounted for in a debt service fund.

Discretely Presented Component Unit:

Sacramento County First Five Commission is a discretely presented component unit. The Commission is administered by a governing board of seven members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County, funded by additional State taxes on tobacco products approved by California voters via Proposition 10 in November 1998. The Commission is presented as a discretely presented component unit of the County because, although the County 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 Five Commission, 2750 Gateway Oaks Drive, Suite 330, Sacramento CA 95833.

Excluded from the Reporting Entity:

The Sacramento County Employees' Retirement System is fiscally independent of the County and is governed by a separate Board of Directors and not by the County Board of Supervisors.

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

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Joint Power Authorities or Jointly Governed Organizations

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

AGENCY

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

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

 Sacramento Central Groundwater Authority

PURPOSE

Regional planning (primarily transportation)
 Coordination of Federal and State funding for job programs
 Regional flood control issues
 Administration of the franchising and licensing of cable TV services
 Housing projects
 Administration of County-wide transportation projects
 Formation of districts and cities within the County
 Acquisition of rail lines for a transportation corridor
 Monitor and enforce air quality
 Library operations
 Waste water conveyance, treatment and disposal
 Sewer Service
 Planning and development of the Elk Grove-Rancho Cordova-El Dorado Connector
 Project
 Finance the acquisition and construction of River Cats Stadium
 Finance acquisition, construction, improvement, renovation and equipping of certain
 theatre facilities located in the City of Sacramento
 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. Funding, if any, for each of these agencies from the County is based on annual appropriations. The County has no continuing financial liability and does not expect any financial burden from its participation in any of these agencies. Separate financial statements of the JPAs can be obtained by contacting the individual agencies or the County Department of Finance, Auditor-Controller Division.

Joint Ventures

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

Government-Wide and Fund Financial Statements Presentation

Government-wide Financial Statements:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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

Fund Financial Statements:

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

The Department of Airports fund is used to account for the facilities of the Airports, including the International, Executive, Franklin Field, and Mather Airfield 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 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 Communication for emergency communications services, and Department of Technology.

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

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

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 Sacramento County Redevelopment Successor Agency (Successor Agency). The fund was established effective February 1, 2012.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Measurement Focus and Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Taxes (other than property taxes), interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within 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 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services including: water, solid waste, airline fees and charges, parking fees and public transit fees. The principal operating revenues for the County's internal services funds are charges for customer services including: fleet operations, purchasing, printing services, central stores, mail services, building maintenance, surplus property disposal, telecommunications, special district formation, real estate, surveyor, self insurance for: liability and property damages, workers' compensation claims and unemployment claims, emergency communication functions, telecommunication and data processing. Operating expenses for enterprise funds and internal services funds include cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Implementation of New Governmental Accounting Standards

GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27

During the fiscal year ended June 30, 2015, the County implemented GASB Statement No. 68. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB Statement 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirements about pensions have been addressed.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

GASB Statement No. 69, Government Combinations and Disposals of Government Operations

The objective of this statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of this statement are effective for financial statements beginning after December 15, 2013. There was no material impact to the financial statements.

GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68

During the fiscal year ended June 30, 2015, the County implemented GASB Statement No. 71. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement was applied simultaneously with the provisions of Statement 68.

Cash and Cash Equivalents

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

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for fiscal year 2014-15 is July 1 and the lien date is January 1 (unsecured property taxes are paid in one installment August 31). The tax collections are recorded in the Unapportioned Tax Collection Agency fund prior to apportionment.

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

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

A description of the debt related to the Teeter Plan can be found in Note 8.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the balance sheet of governmental funds reports a separate section for deferred inflows of resources. Unavailable revenue reported consists primarily of revenue outside of the County's 120 day availability policy. This separate financial statement element represents an acquisition of net position 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 reimburse the County for costs incurred on certain capital asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a capital projects fund or to capital contributions revenue if administered by a proprietary fund. Additionally, the County receives reimbursement from the federal government and State of California for other programs, such as public assistance, administered by the County. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

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

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either due to/from other funds or advances to/from other funds. Any remaining balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances to other funds, as reported in the fund statements, are offset by unavailable revenue or nonspendable fund balance in the applicable 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. Inventories of proprietary funds are recorded at the lower of cost computed by the weighted average method or market value.

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.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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, easement, structures and improvements, infrastructure, machinery and equipment, computer software, water facility rights, and other intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5 and an estimated useful life in excess of four years except for computer software, computer and peripheral equipment which have an estimated useful life of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The County has not reported infrastructure acquired prior to 1980. Donated capital assets are recorded at estimated fair value at the date of donation. Capital outlay is recorded as expenditures of the General, special revenue, and capital projects funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital lease is included in depreciation and amortization. Structures and improvements, infrastructure, equipment and intangible assets of the primary government, are depreciated using the straight line method over the following estimated used lives:

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

Compensated Absences

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

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

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

Long-Term Obligations

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

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.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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 spendable in 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. 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 Administrator 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.

Spending Policy

Each year when preparing the budget for the next fiscal year, the Board of Supervisors will on an annual basis, determine any growth in total General Fund discretionary revenue over the current fiscal year. The growth will be used first to fund any increases that result from:

- Any memoranda of understanding (MOU’s) between the County and its labor organizations; and
- All legal obligations.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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Any remaining discretionary revenue growth will be appropriated as follows:

- First, up to \$10 million to repay the Interfund Loans until fully repaid; and
- Second, 50 percent to the General reserve, and 50 percent reinvested in high priority services as determined by the Board of Supervisors.

In the event that total General Fund discretionary revenue exceeds \$566 million, any remaining discretionary revenue growth available after satisfying MOU a legal obligations and repayment of the Interfund Loans will be appropriated as follows:

Item	Amount	Maximum
Unassigned General Reserve	5 percent	10 percent of discretionary revenues
Innovation Investment Revolving Fund	5 percent	5 percent of discretionary revenues
Management Audits	5 percent	Based on need
High Priority Services	Balance	No maximum

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 and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net 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.

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, Unemployment and Department of Technology ISF Deficit Net Position

As of June 30, 2015, the Liability/Property, Workers Compensation and Department of Technology ISF have deficit net position of \$16,818, \$89,378 and \$21,249, respectively. These deficits in net position represent the county’s unfunded actuarially determined liability for the liability/property and workers compensation. The County is collecting additional amounts from the departments to eliminate the unfunded liability.

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COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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

Total fund balances of the County's governmental funds of \$595,467 differs from net position of governmental activities of \$(403,587) primarily from the long-term economic focus in the statement of net position versus the current financial resources focus in the governmental fund balance sheets. The effect of the differences is illustrated below:

Balance Sheet/Statement of Net Position

	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Assets:					
Current assets:					
Cash and investments	\$ 537,574		\$ 120,583		\$ 658,157
Receivables, net of allowance for uncollectibles:					
Billed	29,595		161		29,756
Interest	742		16		758
Intergovernmental	247,895		2,911		250,806
Receivable from component unit	568				568
Due from other funds	194		16,067	(36,773)	(20,512)
Prepaid expenses	21,495		320		21,815
Inventories	772		1,825		2,597
Total current assets	<u>838,835</u>		<u>141,883</u>	<u>(36,773)</u>	<u>943,945</u>
Noncurrent assets:					
Long-term receivables	70,100		87		70,187
Prepaid Bond Insurance		6,548			6,548
Long-term advances to other funds	9,207		41,752	(50,959)	
Loan receivable from Successor Agency	71,085				71,085
Capital assets:					
Land and other nondepreciable assets		178,857			178,857
Buildings & improvements, infrastructure, equipment and intangibles, net		1,529,720	42,654		1,572,374
Total capital assets		<u>1,708,577</u>	<u>42,654</u>		<u>1,751,231</u>
Total noncurrent assets	<u>150,392</u>	<u>1,715,125</u>	<u>84,493</u>	<u>(50,959)</u>	<u>1,899,051</u>
Total assets	<u>989,227</u>	<u>1,715,125</u>	<u>226,376</u>	<u>(87,732)</u>	<u>2,842,996</u>
Deferred outflows of resources:					
Accumulated decrease in market value of SWAP agreement		107,268			107,268
Deferred outflow of resources related to pensions		218,991	13,355		232,346
Loss on refunding		44,108			44,108
Total deferred outflows of resources		<u>370,367</u>	<u>13,355</u>		<u>383,722</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Governmental Activities Statement of Net Position
Liabilities					
Current liabilities:					
Warrants payable	15,090		5,144		20,234
Accrued liabilities	98,552		14,021		112,573
Intergovernmental payable	59,984		54		60,038
Accrued interest payable		17,778			17,778
Due to other funds/payable to external parties	34,748		2,927	(37,675)	
Current portion of insurance claims payable			33,130		33,130
Current portion of long-term debt obligations		55,722	658		56,380
Deferred / unearned revenue	3,555		5,305		8,860
Total current liabilities	<u>211,929</u>	<u>73,500</u>	<u>61,239</u>	<u>(37,675)</u>	<u>308,993</u>
Noncurrent liabilities:					
Insurance claims payable			177,345		177,345
Long-term debt obligations		1,861,733	13,740		1,875,473
Derivative instrument liability		107,268			107,268
Net pension liability		632,933	35,450		668,383
Long-term advances from other funds	41,752		8,305	(50,057)	
Other long-term liabilities	1,629				1,629
Total noncurrent liabilities	<u>43,381</u>	<u>2,601,934</u>	<u>234,840</u>	<u>(50,057)</u>	<u>2,830,098</u>
Total liabilities	<u>255,310</u>	<u>2,675,434</u>	<u>296,079</u>	<u>(87,732)</u>	<u>3,139,091</u>
Deferred inflows of resources	<u>138,450</u>	<u>(138,450)</u>			
Deferred inflows of resources related to pension		453,191	38,023		491,214
Total deferred inflows	<u>138,450</u>	<u>314,741</u>	<u>38,023</u>		<u>491,214</u>
Fund balances/net position:					
Nonspendable	31,739			(31,739)	
Restricted	577,190			(577,190)	
Unassigned	(13,462)			13,462	
Net investment in capital assets		1,708,577	42,662	(388,532)	1,362,707
Restricted for:					
Debt service		(11,230)		47,689	36,459
Capital projects				30,033	30,033
Fire protection				171	171
Health programs				54,465	54,465
Transportation				53,277	53,277
Lighting and landscape maintenance				2,809	2,809
Community facilities				2,414	2,414
Unrestricted		(2,602,030)	(137,033)	793,141	(1,945,922)
Total fund balance / net position	<u>\$ 595,467</u>	<u>(904,683)</u>	<u>(94,371)</u>		<u>(403,587)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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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, and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 4,089,976
Accumulated depreciation	<u>(2,381,399)</u>
	<u>1,708,577</u>

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. 6,548

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Compensated absences	(96,429)
Other post employment benefits (OPEB)	(29,709)
Bonds, loans, capital leases, other payables	(1,579,467)
Derivative instrument liability	(107,268)
Accreted interest	(211,850)
Accrued interest payable	<u>(17,778)</u>
	<u>(2,042,501)</u>

Net Pension Liability	
Deferred outflows related to pensions	218,991
Net pension liability	(632,933)
Deferred inflows related to pensions	<u>(453,191)</u>
	<u>(867,133)</u>

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

Accumulated decrease in market value of SWAP agreement	107,268
Loss on refunding	44,108
Total deferred outflows of resources	<u>151,376</u>

Unavailable revenue	138,450
Total	<u>\$ (904,683)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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(2) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications and 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.

\$ (94,371)

The net change in fund balances for governmental funds of \$44,080, differs from the change in net position for governmental activities of \$145,711 reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated on next page.

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

	Total Governmental Funds	Capital- Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Revenues:						
Taxes:						
Property	\$ 425,477					425,477
Sales / use	74,171					74,171
Transient occupancy	4,534					4,534
Use of money and property	13,843			16	(2)	13,857
Licenses and permits	56,766				(56,766)	
Intergovernmental	1,546,630				(1,546,630)	
Charges for sales and services	244,887			3,332	132,865	381,084
Operating grants and contributions					1,223,283	1,223,283
Capital grants and contributions					18,210	18,210
Grants and contributions not restricted to specific programs					287,041	287,041
Fines, forfeitures and penalties	43,041				(43,041)	
Pledged tobacco settlement proceeds	12,368					12,368
Miscellaneous	86,346		(20,500)	1,083	(14,963)	51,966
Total revenues	<u>2,508,063</u>		<u>(20,500)</u>	<u>4,431</u>	<u>(3)</u>	<u>2,491,991</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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

	Total Governmental Funds	Capital- Related Items (3)	Long-term Revenues, Expenses (4)	Internal Service Funds (5)	Reclassifications and Eliminations	Statement of Activities
Expenditures/expenses						
Current:						
General government	\$ 151,271	28,973	(6,940)	(3,700)		169,604
Public assistance	656,873	1,013	(12,868)	(5,187)		639,831
Public protection	753,721	16,232	(39,237)	(5,608)		725,108
Health and sanitation	522,894	(3,345)	(13,207)	(3,807)		502,535
Public ways and facilities	137,724	18,319	(2,277)	(1,588)	8	152,186
Recreation and culture	35,368	574	(1,044)	(127)		34,771
Education	1,604	240	6	(30)		1,820
Capital outlay	35,754	(35,754)				
Debt service:						
Principal	69,242		(69,242)			
Interest and fiscal charges	137,656		(12,934)	892	(11)	125,581
Total expenditures/expenses	<u>2,502,107</u>	<u>26,252</u>	<u>(157,743)</u>	<u>(19,155)</u>	<u>(3)</u>	<u>2,351,436</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>5,956</u>	<u>(26,252)</u>	<u>137,243</u>	<u>23,586</u>		<u>140,533</u>
Other financing sources (uses):						
Transfers in	184,765					184,765
Transfers out	(167,637)			(11,950)		(179,587)
Issuance of debt	20,996		(20,996)			
Total other financing sources (uses)	<u>38,124</u>		<u>(20,996)</u>	<u>(11,950)</u>		<u>5,178</u>
Net change in fund balances/net position	44,080	(26,252)	116,247	11,636		145,711
Fund balances/net position - beginning	551,387	1,734,552	(2,729,230)	(106,007)		(549,298)
Fund balances/net position - ending	<u>\$ 595,467</u>	<u>1,708,300</u>	<u>(2,612,983)</u>	<u>(94,371)</u>		<u>(403,587)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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 financial resources depreciation expense charged for the year. Donated assets result in an increase in net position.

Total	<u>\$ (26,252)</u>
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(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.

	<u>\$ (504)</u>
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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	24,345
Teeter notes	25,696
Revenue bonds	2,750
Pension Obligation Bonds	16,374
Accreted Interest	36,607
Capital leases obligations	768
Other long-term debt	<u>77</u>
Total	<u>106,617</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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(4) Bond proceeds are reported as 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	(20,996)
Pension Obligation Bonds accreted interest	(11,323)
Revenue bonds accreted interest	(2,792)
Premium/discounts	<u>(1,063)</u>
Total	<u>(36,174)</u>

Contributions to pension plans are reported as expenses in the governmental funds and thus reduce fund balance. In the governmental activities statements, however, contributions to pension plans reduce net pension liability in the statement of net position and does not affect the statement of activities.

86,133

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 other post employment benefits (OPEB)	(6,667)
Change in compensated absences	<u>(3,899)</u>

(10,566)

Amortization of deferred inflows

(5,664)

Some revenues will not be collected for several months after the year ends, and therefore are not considered "available" and are reported as unavailable revenue in the governmental funds. Deferred inflows decreased by this amount during the year.

(20,500)

Decrease in accrued interest

(2,901)

Total

\$ 123,790

(5) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, selfinsurance, 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.

\$ 11,636

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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 fiscal year 2014-15 was adopted on September 23, 2014. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors in June 2014. 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.

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

During Fiscal Year 2014-15, the original adopted budget was amended by the Board of Supervisors. The final budget data contained in the financial statements reflects the effect of all approved budget amendments. During Fiscal Year 2014-15, the appropriation limit for the fiscal year 2014-15 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) which are carried at cost. The cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net position/balance sheets as "cash and investments". The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain agency funds accrues to the benefit of the General fund. The County, acting in a fiduciary capacity, invests bond proceeds in accordance with long-term obligation covenants. The Treasurer's investment pool and funds managed in a fiduciary capacity, are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The difference from their fair value is noted annually on the GASB Statement No. 31, *Compliance - Fair Value Adjustment* letter prepared annually by the County Director of Finance. 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. Fair value is determined on a monthly basis.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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A separately issued report of County Treasurer's Internal and External Pools is available at <http://www.finance.saccounty.net/Treasury/Rpts.asp>.

Cash, investments, and restricted assets as shown on the basic financial statements at June 30, 2015, are as follows:

Government-wide statement of net position:	
Cash and investments	\$ 964,699
Restricted assets, included in current assets	57,781
Restricted assets, included in noncurrent assets	148,124
Fiduciary funds statement of net position:	
Agency	196,252
Private Purpose Trust	27,547
Investment Trust	2,385,255
Discretely presented component unit (First Five Commission)	<u>59,773</u>
Total cash, investments, and restricted assets including interest receivable	3,839,431
Less interest receivable included in restricted assets	<u>(1,939)</u>
Total cash, investments, and restricted assets	<u><u>\$ 3,837,492</u></u>

Investments Authorized by Debt Agreement

Cash and investments held by fiscal agents are restricted as to its use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2015, all cash held by fiscal agents was covered by federal depository insurance or by collateral held by the County's financial institutions in the County's name.

Investments 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 Code requires that the investments be made with the prudent investor standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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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 investment are noted below:

Government Code Section 53601 and the County Investment Policy lists the investments in which the Treasurer may purchase. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, treasury notes, or bonds of the State of California; registered treasury notes or bonds of any of the other 49 states in addition to California; bonds, notes, warrants or other forms of indebtedness of any local agency within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, the Federal Home Loan Bank Board or other instruments of, or issued by, a federal agency or United States, government sponsored enterprise; bankers acceptances (not over 180 days maturity, not to exceed 40 percent of the total portfolio); commercial paper of "prime quality" (the highest ranking provided by either Moody's investor services or Standard and Poor's Corporation) and these investments are further restricted as to capacity and credit rating of the company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks, not to exceed 30 percent of the total portfolio; repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service, not to exceed 30 percent of the portfolio; shares of beneficial interest issued by a diversified management company subject 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" (The Policy). The Policy is prepared by the Department of Finance and is based on criteria cited in the Government Code. The Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer or issuer.

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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 dollarweighted average maturity on all securities shall be equal to or less than three years. As of June 30, 2015, of the County’s \$3.6 billion in investments held by the Treasurer and \$33 million held by fiscal agents, over 72.3 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 323 days. In addition, 91.2 percent of the portfolio matures within 2 years. See table on page 65.

Credit Risk – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short term rating of superior capacity and a minimum long term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers’ rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by Standard & Poor’s and Moody’s rating agencies. In addition, the County is permitted to invest in the State’s Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not-rated. See table on page 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, 2015, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of \$250,000. Banks are required to pledge securities as collateral. Investments are held with a safekeeping agent in the name of the County.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. As of June 30, 2015, approximately 48.5 percent of total investments at year-end are in U.S. Government and Agency securities. There is no limitation on amounts invested in these types of issues; 24.2 percent of the portfolio is invested in commercial paper or guaranteed investment contracts. As of June 30, 2015, more than 5 percent of the portfolio in any one single issuer, is invested as shown below:

	Reported Amount
Federal Home Loan Banks	\$ 771,860
FNMA/FNMA Discount Notes	481,327
FHLMC Discount/Federal Home Loan Mort. Corp.	303,493

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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The following schedule indicates the credit and interest rate risk at June 30, 2015. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Moody's Investor Services and Standard and Poor's, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Ratings	Under 30 Days	31-180 Days	Maturity 181-365 Days	1-5 Years	Over 5 Years	Fair Value
Imprest cash							\$ 315
Cash in banks							9,983
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							13
Cash in banks							203,015
Total cash and cash deposits							203,028
Investments held by Treasurer:							
Federal Farm Credit Bonds	Aaa/AA+		50,037	50,041	60,014		160,092
Federal Home Loan Banks	Aaa/AA+		20,016	50,009	257,541		327,566
Federal Home Loan Banks Discount Notes	P-1/A-1+	62,715	381,579				444,294
Federal National Mortgage Association	Aaa/AA+	10,000	60,135	50,747	226,891		347,773
Federal National Mortgage Association Discount Notes	P-1/A-1+		127,885	5,669			133,554
FHLMC Discount Notes	P-1/AA+		11,423				11,423
Federal Home Loan Mortgage Corporation	Aaa/AA+	20,038	50,032	30,402	191,598		292,070
SLGS	Aaa/AAA					1,531	1,531
Commercial paper	P-1/A-1+	144,989	674,800				819,789
Guaranteed Investment contracts	NR					39,887	39,887
Supranationals	Aaa/AAA	44,998					44,998
Negotiable certificates of deposit	P-1/A-1+	220,003	540,074				760,077
Other assets held by Treasurer (primarily Teeter Plan notes)	NR		2,504		27,228		29,732
Local Agency Investment Fund	NR	68,700					68,700
Money Market Mutual funds	AAAm	109,813					109,813
Total investments held by Treasurer		681,256	1,918,485	186,868	763,272	41,418	3,591,299
Total in custody of Treasurer							3,794,327
Investments held by fiscal agents:							
Money Market Mutual funds	AAA/Aaa	10,846					10,846
Money Market Mutual funds	Aaa/AAAm	22,021					22,021
Total investments held by fiscal agents		32,867					32,867
Total investments		\$ 714,123	1,918,485	186,868	763,272	41,418	
Total cash and investments							\$3,837,492

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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, 2015:

Statement of Net Position	Treasurer's Pool	Non-Pooled Funds	Total
Net position held for pool participants	\$ 3,200,233	594,094	3,794,327
Equity of internal pool participants	\$ 1,188,708	220,364	1,409,072
Equity of external pool participants	2,011,525	373,730	2,385,255
Total equity	\$ 3,200,233	594,094	3,794,327
Statement of changes in net position			
Net position at July 1, 2014	\$ 2,861,529	446,423	3,307,952
Net changes in investments by pool participants	338,704	147,671	486,375
Net position at June 30, 2015	\$ 3,200,233	594,094	3,794,327

A summary of the investments held by the Treasurer's and Non-Pooled Funds at June 30, 2015 are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Governmental securities	\$ 1,718,303	1,720,149	.04-8.2	7/15-6/20
Supranationals	44,998	44,983	0.12	7/15
Commercial paper	819,789	819,632	.11-.22	7/15-10/15
Negotiable certificates of deposit	760,077	759,986	.12-.24	7/15-10/15
Other assets held by Treasurer (primarily Teeter Plan notes)	29,732	29,732	0.39	8/15-8/19
Local Agency Investment Fund	68,700	68,700	0.29	N/A
Money Market Mutual Funds	109,813	109,813	.01-.31	N/A
Guaranteed investment contracts	39,887	39,887	5.30-5.64	10/27-5/39
Total investments held by Treasurer	\$ 3,591,299	3,592,882		

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, is as follows:

	Restated Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 141,136	2,668	(6,427)	137,377
Construction in progress	22,100	21,806	(10,882)	33,024
Permanent Easement	6,229	2,227		8,456
Total capital assets not being depreciated	<u>169,465</u>	<u>26,701</u>	<u>(17,309)</u>	<u>178,857</u>
Capital assets, being depreciated:				
Buildings and improvements	895,137	5,273	(2,928)	897,482
Infrastructure	2,854,427	50,752		2,905,179
Equipment	266,386	13,955	(18,727)	261,614
Intangible - Computer Software	42,021	2,310	(160)	44,171
Total capital assets being depreciated	<u>4,057,971</u>	<u>72,290</u>	<u>(21,815)</u>	<u>4,108,446</u>
Less accumulated depreciation for:				
Buildings and improvements	(427,071)	(27,697)	1,250	(453,518)
Infrastructure	(1,772,367)	(61,225)		(1,833,592)
Equipment	(217,601)	(12,985)	17,730	(212,856)
Intangible - Computer Software	(33,921)	(2,344)	159	(36,106)
Total accumulated depreciation	<u>(2,450,960)</u>	<u>(104,251)</u>	<u>19,139</u>	<u>(2,536,072)</u>
Total capital assets, being depreciation	<u>1,607,011</u>	<u>(31,961)</u>	<u>(2,676)</u>	<u>1,572,374</u>
Total governmental activities	<u>\$ 1,776,476</u>	<u>(5,260)</u>	<u>(19,985)</u>	<u>1,751,231</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 133,557			133,557
Construction in progress	49,648	25,770	(12,296)	63,122
Permanent Easement	25			25
Water facility rights	195,647	275		195,922
Other Intangible Assets	1,904			1,904
Total capital assets not being depreciated	<u>380,781</u>	<u>26,045</u>	<u>(12,296)</u>	<u>394,530</u>
Capital assets, being depreciated:				
Buildings and improvements	2,281,044	16,217	(3,795)	2,293,466
Infrastructure	151,634	453		152,087
Equipment	75,914	11,702	(6,021)	81,595
Computer Software	14			14
Water facility rights	1,273			1,273
Total capital assets being depreciated	<u>2,509,879</u>	<u>28,372</u>	<u>(9,816)</u>	<u>2,528,435</u>
Less accumulated depreciation for:				
Buildings and improvements	(502,153)	(68,820)	1,132	(569,841)
Infrastructure	(31,129)	(3,460)		(34,589)
Equipment	(55,432)	(6,038)	6,002	(55,468)
Computer Software	(5)	(2)		(7)
Water facility rights	(330)	(25)		(355)
Total accumulated depreciation	<u>(589,049)</u>	<u>(78,345)</u>	<u>7,134</u>	<u>(660,260)</u>
Total capital assets, being depreciated, net	<u>1,920,830</u>	<u>(49,973)</u>	<u>(2,682)</u>	<u>1,868,175</u>
Total business-type activities	<u>\$ 2,301,611</u>	<u>(23,928)</u>	<u>(14,978)</u>	<u>2,262,705</u>
Component Unit: First Five Sacramento Commission				
Capital assets, being depreciated:				
Equipment	\$ 15		(15)	
Less accumulated depreciation for:				
Equipment	\$ (15)		\$ 15	

Interest costs relating to the acquisition or construction of capital assets are capitalized as a component of the cost of capital assets. The total capitalized interest relating to projects completed or in progress during the fiscal year ended June 30, 2015 was \$175 for the Airport and \$1,556 for the Water Agency.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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

	Depreciation Expense
Governmental activities:	
General government	\$ 15,766
Public assistance	1,232
Public protection	19,581
Health and sanitation	3,163
Public ways and facilities	49,528
Recreation and culture	3,943
Education	556
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	10,482
Total depreciation expense - governmental activities	\$ 104,251
 Business-type activities:	
Airport	\$ 53,532
Solid Waste	7,152
Parking Enterprise	303
Water Agency	17,154
County Transit	204
Total depreciation expense - business-type activities	\$ 78,345

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

NOTE 6 - INTERFUND TRANSACTIONS

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the year ended June 30, 2015:

Due From / To Other Funds at June 30, 2015, are as follows:

Receivable Fund	Payable Fund	Amount
General	Internal service	\$ <u>19</u>
Nonmajor governmental	Nonmajor enterprise	<u>175</u>
Internal service	General	31,950
	Nonmajor governmental	2,798
	Major enterprise, Airport	1,758
	Major enterprise, Solid Waste	1,954
	Major enterprise, Water Agency	196
	Nonmajor enterprise	4
	Internal service funds	<u>2,907</u>
	Subtotal	<u>41,567</u>
	Total	<u>\$ 41,761</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Amounts due the General Fund are related to: 1) Principal and interest due from Public Facilities Fixed Asset Financing Program (non-major governmental); 2) To fund community services activities pending reimbursement from federal, state and local government; 3) Sheriff security and Department of Environmental Review and Assessment services provided to the Airports; and 4) Reimbursement due from Liability/Property Internal Service Fund for the final quarter of the fiscal year ending June 30, 2015.

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

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

Advances To/From Other Funds at June 30, 2015 are as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor governmental	Internal Service	\$ 8,305
	Solid Waste	902
		9,207
Internal service	General	41,752
	Total	\$ 50,959

Amounts advanced from non-major governmental funds are related to the Fixed Asset Financing program, \$8,305 in the Internal Service Funds, and \$902 related to the purchase of land to be repaid over ten years (Solid Waste). Amounts advanced from internal service funds, \$41,752, related to General Fund advances. The advances to the General Fund were for operations. As per the Fund Balance policy, each year when preparing the budget for the next fiscal year, the Board of Supervisors will on an annual basis, determine any growth in total General Fund discretionary revenue over the current fiscal year. The growth will be used first to fund any increases that result from any memorandum of understanding (MOU's) between the County and its labor organizations and all legal obligations. Any remaining discretionary revenue growth will be appropriated first, up to \$10 million to repay the interfund loans until fully repaid. In Fiscal Year 2014-15, the General Fund repaid \$2,032 to Internal Service Funds and \$9,168 to non-major governmental.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Transfers Out / In Other Funds for the year ended June 30, 2015 are as follows:

Transfer Out	Transfer In	Amount	
General	Nonmajor governmental	\$ 119,067	Transfer to cover debt service payments
Nonmajor governmental	General	13,406	Transfers to cover debt service payments and Teeter Property tax
Nonmajor governmental	Nonmajor governmental	35,164	Transfer to cover debt service payments and capital project
Internal service	Nonmajor governmental	11,950	Transfer to cover debt service and Pension Obligation Bond debt service payments
Enterprise - Water Agency	Nonmajor Governmental	797	Transfer to cover Pension Obligation Bonds debt service payments
Enterprise - Airport		2,765	
Enterprise - Solid Waste		1,583	
Nonmajor enterprise		33	
		<u>\$ 184,765</u>	

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 7 - LEASES

Capital leases:

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

As of June 30, 2015, the future minimum lease payments under capital leases are as follows:

Year ending June 30	Governmental Activities
2016	\$ 820
2017	654
2018	654
2019	654
2020	654
2021 - 2025	1,387
Total minimum lease payments	4,823
Less amount representing interest	(700)
Net present value of minimum lease payments	\$ 4,123

The following is a schedule of capital assets under capital leases by major classes at June 30, 2015:

Capital Assets under Capital Leases		Governmental Activities
Asset:		
Land	\$	673
Structures and improvements		10,560
Total		11,233
Less: Accumulated depreciation		
Structures and improvements		(5,468)
Net Capital Assets under lease	\$	5,765

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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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, 2015, are as follows:

Year Ending June 30	Operating Leases Commitment	
	Governmental	Business - Type
2016	\$ 31,299	710
2017	29,509	728
2018	23,735	740
2019	21,442	670
2020	18,447	578
2021 - 2025	47,174	123
2026 - 2030	2,467	
	\$ 174,073	3,549

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

Total rental payments for operating leases recorded for the year ended June 30, 2015 were \$35,632.

Lease Income and Receivables

The Airports Enterprise Fund 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 Airports Enterprise Fund are for the purpose of rental or related use.

Airports as lessor, leases land, buildings and terminal space to air carriers and concessionaires on a fixed fee as well as a contingent basis. All Airport 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 fiscal year 2014-15, Airports received approximately \$4,885 for contingent rental payments in excess of stated minimums.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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The following is a schedule of future minimum rentals on non-cancelable operating leases as of June 30, 2015.

<u>Year Ending June 30</u>	<u>Future Minimum Rentals Business Type Activities</u>
2016	\$ 19,565
2017	17,902
2018	17,460
2019	15,822
2020	6,887
2021 - 2025	10,220
2026 - 2030	4,792
2031 - 2035	3,092
2036 - 2040	2,322
2041 - 2045	2,322
Total future minimum rentals	<u>\$ 100,384</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 104,006	84,665	(80,472)	108,199	8,684
Certificates of participation	269,975		(24,345)	245,630	15,750
Teeter notes	34,432	20,996	(25,696)	29,732	10,001
Pension obligation bonds	990,308		(16,374)	973,934	13,876
Accreted Interest	214,284	11,323	(36,607)	189,000	
Revenue bonds	326,852		(2,750)	324,102	4,410
Accreted Interest	20,058	2,792		22,850	
OPEB Liability	26,704	7,860		34,564	
Other long-term debt	3,559	40	(77)	3,522	2,791
Capital lease obligations	4,891		(768)	4,123	644
Deferred amounts					
For issuance premiums	3,771		(195)	3,576	(195)
For issuance discounts	(7,798)		419	(7,379)	419
Total governmental activities - long-term obligations	<u>\$ 1,991,042</u>	<u>127,676</u>	<u>(186,865)</u>	<u>1,931,853</u>	<u>56,380</u>
Business-type activities:					
Compensated absences	\$ 6,273	5,256	(5,241)	6,288	235
Revenues bonds	1,154,800		(18,370)	1,136,430	23,290
PFC and subordinate revenue bonds	316,575		(12,520)	304,055	13,180
Certificates of participation	15,120		(1,620)	13,500	1,680
Reimbursement agreements	2,054		(420)	1,634	823
Usage fee - City of Sacramento	4,215		(1,002)	3,213	1,035
OPEB Liability	1,924	535		2,459	
Water rights - SMUD assignment	5,715		(759)	4,956	759
SMUD transformer	1,845		(1,845)		
Deferred amounts					
For issuance premiums	15,644		(701)	14,943	700
For issuance discounts	(6,376)		247	(6,129)	(247)
Total business-type activities - long-term obligations	<u>\$ 1,517,789</u>	<u>5,791</u>	<u>(42,231)</u>	<u>1,481,349</u>	<u>41,455</u>
Component Unit (First Five Commission):					
Compensated absences	\$ 210	189	(138)	261	14
OPEB Liability	42	10		52	
Total component unit	<u>\$ 252</u>	<u>199</u>	<u>(138)</u>	<u>313</u>	<u>14</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities reported in these funds are included with governmental activities. At year-end, \$11,770 of the internal services funds compensated absences balance and \$4,903 in OPEB liability balance are included in governmental activities. Also for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund and Internal Service Funds.

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2015 are as follows:

Governmental Activities:

Certificates of Participation:

	<u>Amount Outstanding at June 30, 2015</u>
County of Sacramento 2003 Certificates of Participation (2003 Public Facilities Projects – ADA Improvements to the Boys Ranch, Mather Golf Course and Thornton Youth Center) issued April 24, 2003. Principal payments are due June 1, 2016 through the year 2034, escalating from \$395 to \$4,145, with interest rates ranging from 4.1 percent to 5.0 percent.	\$ 11,670
County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003. Principal payments are due December 1, 2015, through the year 2034, escalating from \$900 to \$2,160, with interest rates ranging from 4.0 percent to 5.0 percent.	28,560
County of Sacramento 1997 Refunding Certificates of Participation (1994 Public Facilities Project – Coroner/Crime Lab and Data Center) issued January 1, 1998, to defease \$89,500 of outstanding debt for the County of Sacramento Certificates of Participation (1994 Public Facilities Project). Principal payments are due October 1, 2014, through the year 2027, escalating from \$3,330 to \$6,170, with interest rates ranging from 4.3 percent to 5.0 percent. Lump-sum payments of \$17,495 and \$50,295 are due October 1, 2017, and October 1, 2027, respectively.	61,285
County of Sacramento Certificates of Participation (2006 Public Facilities Project) issued on May 11, 2006, \$40,860 of refunding bonds for the cost of acquisition, construction of a new fleet maintenance facility, acquiring and improving the County’s voter registration and elections/sheriff station house facility, partially refunded and defeased \$14,550 of outstanding debt for the County of Sacramento’s 1997 Certificates of Participation (1997 Public Facilities Project). The County issued \$27,690 in Serial Certificates with interest ranging from 4.0 percent to 5.0 percent, \$5,785 of 5 percent Term Certificates due February 1, 2031 and \$7,385 of 5 percent Term Certificates due February 1, 2036. Principal payments are due February 1, 2016, through the year 2036, ranging from \$1,840 to \$2,095. On October 30, 2014, the County sold a Bank of America building and used the proceeds to partially defease principal by \$5,065.	22,600
County of Sacramento 2007 Certificates of Participation (Animal Care Facility/Youth Detention Facility – 120 bed expansion) issued July 25, 2007. Principal payments are due October 1, 2015 through the year 2037, escalating from \$995 to \$2,935, with interest rates ranging from 4.0 percent to 5.0 percent.	41,155

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Amount
Outstanding at
June 30, 2015

County of Sacramento 2010 Certificates of Participation issued on March 3, 2010. The County issued the 2010 bonds to refund and defease \$30,494 of outstanding debt for 2003 Refunding Certificates of Participation, Mail Jail Detention Facility; \$5,459 for 1999 Refunding Certificates of Participation – Cherry Island Golf Course; \$67,055 for 1997 Refunding Certificates of Participation (1994 Public Facilities Project), to pay costs of issuance, debt service reserve of \$12,532 and to pay the Swap termination fee of \$10,180 on the 1990 Swap agreement. Principal payments on the 2010 bonds are due commencing on February 1, 2016 through February 1, 2030, payments ranging from \$3,235 to \$9,975 and interest rates ranging from 3.0 percent to 5.5 percent.

80,360

Total certificates of participation

245,630

Add: Issuance premium

3,576

\$ 249,206

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

Amount
Outstanding at
June 30, 2015

Teeter notes:

County of Sacramento, 2010 Teeter Loan Agreement Note, dated November 30, 2010, to purchase the delinquent property taxes receivable as of June 30, 2010. Annual payments of principal and interest are due August 1st of each year and ending in 2015. The amount of principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2015. Interest payments will be at a variable rate that averaged 0.363 percent in fiscal year 2014-15 and was 0.388 percent at June 30, 2015.

\$ 2,504

County of Sacramento, 2011 Teeter Loan Agreement Note, dated November 4, 2011, to purchase the delinquent property taxes receivable as of June 30, 2011 at \$36,698. Annual payments of principal and interest are due August 1st of each year and ending in 2016. 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, 2016. Interest payments will be at a variable rate that averaged 0.363 percent in the fiscal year 2014-15 and was 0.388 percent at June 30, 2015.

3,537

County of Sacramento, 2012 Teeter Loan Agreement Note, dated March 27, 2013, to purchase the delinquent property taxes receivable as of June 30, 2012 at \$28,374. Annual payments of principal and interest are due August 1st of each year and ending in 2017. 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, 2017. Interest payments will be at a variable rate that averaged 0.363 percent in the fiscal year 2014-15 and was 0.388 percent at June 30, 2015.

4,859

County of Sacramento, 2013 Teeter Loan Agreement Note, dated December 10, 2013, to purchase the delinquent property taxes receivables as of June 30, 2013, at \$23,100. Annual payments of principal and interest are due August 1st of each year and ending in 2018. 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, 2018. Interest payments will be at a variable rate that averaged 0.363 percent in the fiscal year 2014-15 and was 0.388 percent at June 30, 2015.

6,851

County of Sacramento, 2014 Teeter Loan Agreement Note, dated December 9, 2014, to purchase the delinquent property taxes receivables as of June 30, 2014, at \$20,996. Annual payments of principal and interest are due August 1st of each year and ending in 2019. The amount of the principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2019. Interest payments will be at a variable rate that averaged 0.374 percent in the fiscal year 2014-15 and was 0.388 percent at June 30, 2015.

11,981

Total Teeter notes

\$ 29,732

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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Amount
Outstanding at
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Pension obligation bonds:

<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 Retirement System. The issue is composed of \$404,060 of Series 1995A Fixed Rate Bonds, \$67,000 of Series 1995B Variable Rate Bonds, and \$67,000 of Series 1995C Variable Rate Bonds. Principal payments on the fixed rate bonds are due commencing June 30, 2016, through June 30, 2022, escalating from \$11,066 to \$45,379. Rates on the fixed rate bonds range from 6.19 percent to 7.68 percent. On September 22, 2011, the County did a partial advance refunding to defease \$134,000 of the 1995 B & C Pension Funding variable rate bonds.</p>	\$ 169,733
<p>County of Sacramento Pension Obligation Bonds issued July 15, 2003, \$152,321 of Series 2003 A & B Taxable Pension Funding Bonds. The net proceeds, \$149,630 established an irrevocable escrow fund to defease to maturity a portion of the Series 1995 Taxable Pension Funding Bonds, from August 15, 2003 through August 15, 2008. The issue is composed of \$54,879 of Series 2003A, Capital Appreciation Bonds, \$97,441 of Series 2003B Convertible Capital Appreciation Bonds to provide budgetary relief (over three to seven years at the time of bonds were issued) due to pension benefit enhancements and losses incurred by the pension system. Final principal payment on the Series 2003A bonds was made on August 15, 2008, in the amount of \$26,500. Principal payments on the Series 2003B bonds are due commencing August 15, 2022, for \$69,014, and August 15, 2023, for \$28,426. The rate on Series 2003B bonds is 5.73 percent.</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 June 30, 2016 through June 30, 2031, escalating from \$2,400 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 swaps.</p>	343,240
<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 & C, to pay costs associated with the termination of interest rate swaps relating to the refunded bonds \$51,920, and to pay cost of issuance of the Series 2011A Bonds, \$2,912. Principal payments on the 2011 bonds are due commencing on August 1, 2018 through August 1, 2023, payments ranging from \$27,230 to \$58,260 and interest rates ranging from 4.19 percent to 6.42 percent.</p>	177,685
<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 cost of issuance of the Series 2011B Bonds, \$1,665. The 2011B bonds are due on June 30, 2025 in full, \$73,875 at an interest rate of 6.625 percent.</p>	73,875

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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	<u>Amount Outstanding at June 30, 2015</u>
<p>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 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.</p>	<u>111,960</u>
<p>The total accreted interest balance at June 30, 2015, on the 1995, 2003 and 2004 Pension Obligation Bonds is \$189,000.</p>	
<p>Total pension obligation bonds</p>	973,934
<p>Plus: Accreted interest</p>	189,000
<p>Less: deferred amount for issuance discount</p>	<u>(3,298)</u>
	<u><u>\$ 1,159,636</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Revenue Bonds:

On December 1, 2005, the Tobacco Securitization Authority issued \$255,486 of refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$176,080 of bonds and to provide additional funds to be used by the County on selected projects. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The Series 2005 bonds are payable solely from pledged Tobacco Settlement Revenues and interest earnings on amounts on deposit. The Authority issued \$219,685 for the Series 2005A-1 Senior Current Interest Bonds. The first Series A-1 Term Bonds are for \$45,825 with an interest rate of 4.75 percent, final early (Turbo) redemption date of June 1, 2015, with a due date of June 1, 2023. The second Series A-1 Term Bonds are for \$87,290 with an interest rate of 5.375 percent, final Turbo redemption date of June 1, 2024, with a due date of June 1, 2038. The third Series A-1 Term Bonds are for \$86,570 with an interest rate of 5.5 percent, final Turbo redemption date of June 1, 2028, with a due date of June 1, 2045. The Authority issued \$12,468 for the Series 2005A-2 Senior Convertible Bonds with an interest rate of 5.4 percent, final Turbo redemption date of June 1, 2017, with a due date of June 1, 2027. The Authority issued \$11,674 for the Series 2005B First Subordinate Capital Appreciation Bonds with an interest rate of 5.9 percent, final Turbo redemption date of June 1, 2030, with a due date of June 1, 2045. The Authority issued \$11,658 for the Series 2005C Second Subordinate Capital Appreciation Bonds with an interest rate of 6.7 percent, final Turbo redemption date of June 1, 2033, with a due date of June 1, 2045.

\$ 237,636

The Sacramento County Financing Authority issued three series of Revenue Bonds issued December 23, 2003 for the purpose of allowing the Authority to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are tax increment and/or housing set-aside tax increment revenues, depending upon the project. Incremental taxes were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$70,023, payable through December 2033. For the current year, principal and interest paid and total incremental tax revenues were \$3,381 and \$2,051 respectively. Series A - \$33,696 Mather/McClellan and Del Paso Heights project areas improvements. The series includes \$13,490 in serial bonds, maturing from December 2004 - 2022, with interest rates ranging from 2.0 percent to 5.0 percent. In addition, \$8,165 in term bonds were issued with a stated rate of 5.125 percent maturing in December 2028. Another term bond of \$9,065 was issued with a stated interest rate of 4.75 percent which matures in December 2033. Finally, \$2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18 percent to 5.58 percent that mature from December 2020-2030. Series B - \$8,345 Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from \$670 to \$4,450. The bonds mature from 2011 through 2033. Stated interest rates range from 3.82 percent to 6.26 percent. Series C - \$12,880 North Sacramento Project, North Sacramento Housing Project, Alkali Flat Project and Alkali Flat Housing Project. This issue contains serial bonds, totaling \$8,665 maturing from December 2004 to 2021. Interest rates range from 2.5 percent to 5.3 percent. It also has two term bonds (\$1,635 and \$2,580) maturing in December 2028 and 2033, respectively. Both term bonds have a stated interest rate of 5.0 percent.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Amount
Outstanding at
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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 Agency. The loan proceeds will finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. The source of repayment of the bonds is tax increment and/or housing set-aside tax increment revenues, depending upon the project. The 2008 loans are issued on parity to the outstanding 2003A and 2003B loans. The loans are sized to satisfy the coverage and cash flow requirements of the project area wrapping around parity debt. Payment of debt service on the Bonds is insured by Assured Guaranty. Tax increment revenues were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$82,343, payable through December 2038. For the current year, principal and interest paid and total tax increment revenues were \$2,995 and \$2,375, respectively. Series A - \$24,765 Mather/McClellan (Tax Exempt) Redevelopment Area improvements.

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

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

	<u>86,466</u>
Total revenue bonds	324,102
Plus: Accreted interest	22,850
Less: deferred amount for issuance discount	<u>(4,081)</u>
	<u>\$ 342,871</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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	<u>Amount Outstanding at June 30, 2015</u>
Other long-term debt:	
Sacramento County Water Agency reimbursement agreements with interest at net County Treasury Pool Rate to be paid on unpaid balance after County acceptance of project completion, unless paid within 60 days of acceptance and maturities ranging from 30 days to 5 years to be repaid from drainage permit revenues in the Water Agencies Special Revenue Fund.	\$ 2,712
California Energy Commission loan in the amount of \$1,088, at 3.0 percent interest for energy efficiency projects at Rio Consumnes Correctional Center. Principal payments ranging from \$39 to \$51 are due December 22 and June 22 of each year ending December 2024.	<u>810</u>
Total other long term debt	<u><u>\$ 3,522</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Long-term debt obligation maturities of governmental activities are summarized below. The amounts representing interest for variable rate obligations have been based on the debt's interest rate at June 30, 2015.

Year ending June 30	Certificates of Participation		Teeter Note		Pension Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 15,750	12,062	10,001	132	13,876	104,583
2017	16,625	11,314	7,497	73	16,042	107,826
2018	17,565	10,523	5,729	45	18,316	111,065
2019	14,590	9,656	4,109	24	63,317	61,449
2020	14,310	8,929	2,396	9	70,769	56,460
2021 - 2025	60,880	35,076			483,324	221,512
2026 - 2030	65,935	18,911			259,705	41,063
2031 - 2035	31,590	6,530			48,585	236
2036 - 2040	8,385	623				
	<u>\$ 245,630</u>	<u>113,624</u>	<u>29,732</u>	<u>283</u>	<u>973,934</u>	<u>704,194</u>

Year ending June 30	Revenue Bonds		Other		Accreted Interest
	Principal	Interest	Principal	Interest	
2016	\$ 4,410	15,885	2,712		39,493
2017	4,550	15,784	810		39,063
2018	5,880	15,564			38,559
2019	6,340	15,277			
2020	6,550	14,963			95
2021 - 2025	40,670	72,884			73,076
2026 - 2030	45,475	61,054			2,624
2031 - 2035	57,205	45,366			
2036 - 2040	67,370	28,265			
2041 - 2045	85,652	261,210			18,940
	<u>\$ 324,102</u>	<u>546,252</u>	<u>3,522</u>		<u>211,850</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Amount
Outstanding at
June 30, 2015

Business-type Activities:

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

On May 9, 2007, Sacramento County Water Financing Authority issued \$184,500 of serial 2007A (Fixed Rate) series and \$228,920 of term series 2007B (Index Rate) Revenue Bonds. The interest rates on the 2007A bonds range from 3.75 percent to 5.0 percent. The variable interest rates on the 2007B bonds range from 0.739 percent to 0.759 percent at June 30, 2015. Proceeds from this debt issue were used to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Agency's Water System and to advance refund the majority of the 2003 revenue bonds which have been subsequently paid in full.

\$ 371,070

On May 1, 2008, The County issued \$496,195 of Airport System Senior Revenue Bonds, Series A, B and C, and \$89,430 of Airport Subordinate and PFC Revenue Refunding Bonds, Series D and E. Series 2008A fully refunded Series 1992B Bonds, Series 1998A Bonds and advance refunded Series 2002A Bonds. Series 2008A also provided \$56.5 million to finance a portion of the costs of Terminal Modernization Program at the Sacramento International Airport. Series 2008B refunded 45.4 percent of the Series 2006A Bonds and provided \$266.5 million to finance a portion of the costs of Terminal Modernization Program at Sacramento International Airport. Series 2008C advance refunded Series 2002B Bonds. Series 2008D fully refunded Series 1998B Bonds. Series 2008E refunded 54.6 percent of the Series 2006A Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$15,225. This amount is recorded in deferred outflows. This current and advance refunding was undertaken in part to adopt a new Bond Indenture that was approved by the County of Sacramento Board of Supervisors. This refunding and advance refunding reduced the total debt service payments over the next 25 years by \$38,284, and resulted in an economic gain of \$24,908. The Series A, B and C Bonds are payable from, and secured by, future Net Revenues of the Airport. Series D and E Bonds are payable from, and secured by, a pledge of the net proceeds of the PFC imposed by the Airport. The bonds are additionally payable from, and secured by, the Net Revenues of the Airport subordinate and junior to the lien of the Series 2008 A, B and C bonds, and any additional parity revenue bonds that may be issued in the future.

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

Amount
Outstanding at
June 30, 2015

On July 28, 2009, the Airport issued additional bonds in the amount of \$480,050 to continue the financing of the Terminal Modernization Program, Airport System Senior Revenue Bonds Series 2009A \$31,115, and Series 2009B \$170,685; Subordinate and PFC/Grant revenue Bonds Series 2009C \$112,860, and Series 2009D \$165,390. The Airport issued the Series 2009 Senior Bonds as Senior Obligations pursuant to the Master Indenture approved on May 1, 2008, and Third Supplemental Indenture, approved on July 1, 2009. The Series 2009 Senior Bonds are to be secured by the Trust Estate and payable from Net Revenues on parity with the Series 2008 Senior Bonds. The Airport issued the Series 2009 Subordinate Bonds as Subordinate Obligations under the Master Indenture and the Fourth Supplemental Indenture approved on July 1, 2009. The Series 2009 Subordinate Bonds are secured by the Trust Estate and payable from Net Revenues on parity with the 2008 Subordinate Bonds. Principal and interest on the 2009C Bonds and Series 2009D Bonds are additionally payable from and secured by available PFC Revenues which consist of a portion of the Passenger Facility Charges approved by the Federal Aviation Administration and imposed and collected with respect to International Airport, and by Available Grant Revenues which consist of a portion of the Letter of Intent grant awards approved by the FAA on March 6, 2009. On August 25, 2010, the County issued additional Airport System Senior Revenue Bonds in the amount of \$128,300 to complete the financing of the Terminal Modernization Program. The Series 2010 Senior Bonds were issued pursuant to the Master Indenture approved on May 1, 2008, as supplemented and amended by a Fifth Supplemental Indenture or Trust, dated as of August 1, 2010. The Series 2010 Senior Bonds are to be secured by the Trust Estate and payable from Net Revenues on parity with the Series 2009 and 2008 Senior Bonds. 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.

1,069,415

Total Revenue Bonds	1,136,430
PFC & Subordinated Bonds	304,055
Add: Issuance premiums	14,697
Less: Issuance discounts	<u>(6,129)</u>
	<u><u>\$ 1,449,053</u></u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2015

Certificates of Participation (COP):

On July 19, 2005, Sacramento County Department of Waste Management & Recycling (Solid Waste Enterprise Fund) issued the 2005 Refunding Revenue Certificates of Participation totaling \$27,580, with interest rates ranging from 3.0 percent to 5.0 percent. Proceeds from this were used to (i) establish irrevocable escrow funds to refund in full the \$15,865 of County of Sacramento Certificates of Participation 1997 Public Facilities Project (Solid Waste Facilities); \$8,800 of County of Sacramento Certificates of Participation 1998 Public Facilities Project (Gas to Energy Facilities); and \$4,795 of County of Sacramento Certificates of Participation 2002 Public Facilities Project (Solid Waste Facilities); (ii) pay the costs of the bond insurance premium and (iii) purchase a Reserve Fund Surety Bond in the amount of the reserve fund requirement. As a result, the County of Sacramento Certificates of Participation 1997 Public Facilities Project, the County of Sacramento Certificates of Participation 1998 Public Facilities Project and the County of Sacramento Certificates of Participation 2002 Public Facilities Project are considered to be defeased and the liability for those Certificates of Participation have been removed from the Fund's financial statements. At June 30, 2015, \$2,420 of the 1997 bonds were legally defeased and remain outstanding.

	\$ 13,500
Total certificates of participation	<u>13,500</u>
Add: amounts for issuance premium	246
	<u><u>\$ 13,746</u></u>

Reimbursement agreements:

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

	\$ 1,634
Total reimbursement agreements	<u>\$ 1,634</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Amount
Outstanding at
June 30, 2015

Usage fee – City of Sacramento:

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

\$ 3,213

Water rights – SMUD assignment:

Sacramento County Water Agency Enterprise fund has entered into an agreement with Sacramento Municipal Utilities District (SMUD) which provides for the assignment of thirty thousand acre feet of SMUD's CVP water supply to the Water Agency. Under this contract the Water Agency has agreed to pay the United States certain costs that are allocated to the assigned contract amount. Under the terms of the agreement, the Water Agency will pay the balance over ten years with final payment due October 2021.

\$ 4,956

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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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, 2015.

Year ending June 30	Revenue Bonds and PFC					
	Revenue Bonds		COP		Usage Fee City of Sacramento	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 36,470	72,460	1,680	559	1,035	109
2017	29,815	70,959	1,755	484	1,071	74
2018	31,145	69,600	1,835	406	1,107	38
2019	32,575	68,176	1,915	323		
2020	34,125	66,475	2,015	225		
2021 - 2025	197,695	305,015	4,300	178		
2026 - 2030	252,750	248,785				
2031 - 2035	320,160	176,669				
2036 - 2040	373,925	85,989				
2041 - 2045	131,825	7,003				
	<u>\$ 1,440,485</u>	<u>1,171,131</u>	<u>13,500</u>	<u>2,175</u>	<u>3,213</u>	<u>221</u>

Year ending June 30	SMUD Water Rights	
	Principal	Interest
2016	\$ 759	196
2017	759	166
2018	759	136
2019	759	106
2020	759	76
2021 - 2025	1,161	72
	<u>\$ 4,956</u>	<u>\$ 752</u>

The various debt indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. The County was in compliance with all such significant financial limitations and restrictions for fiscal year ending June 30, 2015.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Conduit Debt and Non-Exchange Financial Guarantees

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

The County is a member of the River City Regional Stadium Financing Authority. In 1999, the Authority issued taxable lease revenue bonds in the amount of \$39,990, to finance the site acquisition and construction of a privately owned and operated baseball stadium and related improvements, known as Raley Field. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay 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, 2015, the principal amount of bonds outstanding was \$30,625, and 66 percent of the average annual lease obligation amount is \$2,343. The guarantee will be in effect until the bonds mature in 2029, or until all bonds are fully paid. Ticket receipts have been sufficient since the bonds were issued in 1999 to meet all lease obligations, and the County does not anticipate that this will change, as current ticket receipts are projected to be sufficient to continue to meet the lease obligations. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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

The County is a member of the Sacramento Regional Arts Facilities Financing Authority. In 2002, the Authority issued certificates of participation in the amount of \$16,580, to finance the acquisition, construction, improvement, renovation and equipping of certain theatre facilities located in the City of Sacramento. If ticket receipt revenues are insufficient to pay the annual lease obligations, the County has agreed to pay 50 percent of these annual obligations. The Facility Lease Agreement obligates the California Musical Theatre to repay the County for any payments made by the County.

As of June 30, 2015, the principal amount of certificates of participation outstanding (COPs) was \$12,470, and 50 percent of the average annual lease obligation amount is \$522. The guarantee will be in effect until the bonds mature in 2032, or until all bonds are fully paid. Ticket receipts have been sufficient since the certificates of participation were issued in 2002 to meet all lease obligations, and the County does not anticipate that this will change, as current ticket receipts are projected to be sufficient to continue to meet the lease obligations. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2015, the total amount of all non-exchange financial guarantees outstanding is \$26,448.

Department of 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 International 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 therefore under the Indenture. The bonds do not constitute a debt, liability or general obligation of the Department of Airports or a pledge of the faith and credit of the Department of Airports. The Department of Airports will not be obligated to levy any taxes or expend any funds for the repayment of the bonds. As of June 30, 2015, the outstanding balance of the debt was \$8,800. The Special Facility Bonds will mature on November 1, 2028.

At June 30, 2015 the County's debt limit for general obligation bonds and legal debt margin was \$1,646,487.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

NOTE 9 - DERIVATIVES - INTEREST RATE SWAP

All three of the County's interest rate swap are considered to be effective hedging derivative instruments. The County used the consistent critical terms method to evaluate hedge effectiveness for the \$99,955 and \$128,965 Water Agency Revenue bonds, Series 2007B, and the regression analysis method for the \$330,875 Taxable Pension Bonds, 2008 C-1 swap. Using these methods, as described in more detail below, these three County swaps are classified as effective hedging derivative instruments.

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

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the June 30, 2015 financial statements are as follows debit(credit).

	<u>Notional Amount</u>	<u>Changes in Fair Value</u>		<u>Fair Value - as of June 30, 2015</u>	
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>2015</u>
Governmental Activities:					
<i>Cash Flow Hedges:</i>					
Series 2004 C-1 / 2008 C-1					
Pay-fixed interest rate swap	\$ 330,875	Deferred outflow	\$ (2,560)	Debt	\$ (107,268)
		Total Governmental Activities	\$ (2,560)		\$ (107,268)
Business type Activities:					
<i>Cash Flow Hedges:</i>					
Series 2007 B Swap Ins B					
Pay-fixed interest rate swap	\$ 128,965	Deferred outflow	\$ (2,654)	Debt	\$ (30,962)
Series 2007 B Swap Inst. B					
Pay-fixed interest rate swap	99,955	Deferred outflow	(3,644)	Debt	(29,431)
		Total Business Type activities	\$ (6,298)		\$ (60,393)

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Objective and Terms of Hedging Derivative Instruments:

The following table displays the objective and terms of the County's hedging derivative instruments outstanding at June 30, 2015 along with the credit rating of the associated counterparty:

Governmental Activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Series 2004 C-1 / 2008 C-1 Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 C-1 bonds	\$ 330,875	7/10/2006	7/10/2030	County pays 5.901% fixed; receives USD LIBOR (BBA) adjusted monthly: 0.1854%	Baa1 Moody's A- S&P A Fitch

Business Type Activities:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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Taxable Pension Funding Bonds Refunding 2008 C-1 Swap:

Credit Risk:

The County is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap has a negative fair value. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. The swap counterparty was rated "Baa1" by Moody's Investors Services, "A-" by Standard & Poor's and "A" by Fitch as of June 30, 2015.

Interest Rate Risk:

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

Basis Risk:

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

Contingencies:

Should the 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, 2015, the negative fair value of the swap amounted to \$107,268.

Termination Risk:

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

Water Agency Revenue Bonds, Series 2007B Swaps:

Credit Risk:

The Sacramento County Water Agency (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 Sacramento County Water Agency would be exposed to credit risk from the counterparty. The swap counterparty was rated "Aa2" by Moody's Investors Services and "A+" by Standard & Poor's as of June 30, 2015.

Interest Rate Risk:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

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

Should the 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, 2015, negative fair value of the swaps amounted to \$60,393.

Termination Risk:

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

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Derivative Instrument Payments and Hedged Debt:

Using the rates as of June 30, 2015, 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>Year ending June 30</u>	<u>2004 C-1 / 2008 C-1 Pension Refunding Bonds</u>			
	<u>Series C-1 Variable-Rate</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Net Cash Flows</u>
2016	\$ 2,400	5,835	20,391	28,626
2017	4,775	5,756	20,118	30,649
2018	7,250	5,638	19,704	32,592
2019	7,500	5,515	19,275	32,290
2020	10,650	5,341	18,667	34,658
2021 - 2025	87,025	22,874	79,941	189,840
2026 - 2030	175,055	11,710	40,927	227,692
2031 - 2035	48,585	260	910	49,755
	<u>\$ 343,240</u>	<u>62,929</u>	<u>219,933</u>	<u>626,102</u>

Business-Type Activities:

<u>Year ending June 30</u>	<u>Sacramento County Water Agency Enterprise Fund</u>			
	<u>Series 2007 B Revenue Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Net Cash Flows</u>
2016	\$	1,712	7,915	9,627
2017		1,712	7,915	9,627
2018		1,712	7,915	9,627
2019		1,712	7,968	9,680
2020		1,712	7,861	9,573
2021 - 2025	5,955	8,515	39,401	53,871
2026 - 2030	45,365	8,002	36,995	90,362
2031 - 2035	96,020	5,257	24,105	125,382
2036 - 2040	81,580	1,580	7,209	90,369
	<u>\$ 228,920</u>	<u>31,914</u>	<u>147,284</u>	<u>408,118</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

NOTE 10 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2015, special assessment improvement bonds outstanding for all assessment districts totaled \$166,514. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects and the related debt obligation proceeds are accounted for in the Capital Projects Funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the Agency Funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue \$20,000 of Special Tax Bonds. On October 14, 1999 the District issued \$13,025. On May 12, 2005 the District issued the \$11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75 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 original aggregate principal amount of \$13,025 are the only bonds that have been issued under such authorization. At June 30, 2015, \$6,975 of authorized bonds remains un-issued. The outstanding balance at June 30, 2015 was \$7,235.

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. The Series 2004 and the Series 2011 bonds, a total of \$20,645, constitute the entire bonded indebtedness as of June 30, 2015. At June 30, 2015, \$69,355 of authorized bonds remains un-issued. The outstanding balance at June 30, 2015, for the Series 2004 bonds was \$9,630 and for the Series 2011 bonds was \$10,375.

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, 2015, \$3,500 of authorized Improvement Area No. 1 bonds and \$1,845 of authorized Improvement Area No. 2 bonds remain un-issued. Interest rates for District No. 1 range from 2.0 percent to 5.0 percent, and District No. 2 ranges from 1.5 percent to 5.25 percent. The outstanding balance was at June 30, 2015, for Improvement Area No. 1 was \$11,395 and for Improvement Area No. 2 was \$9,090.

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, 2015. At June 30, 2015, \$1,940 of authorized bonds remains un-issued. The outstanding balance at June 30, 2015 was \$2,640.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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The Metro Air Park Community Facilities District 2000-1 (District) has been authorized to issue \$200,000 of Special Tax Bonds. On April 8, 2004 the District issued \$63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00 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 & the Series 2007B bonds, a total of \$103,660, constitute the entire bonded indebtedness as of June 30, 2015. At June 30, 2015, \$96,340 of authorized bonds remains un-issued. The outstanding balance at June 30, 2015, for the 2004A bonds was \$54,760 and for the 2007B bonds was \$40,200.

The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue \$30,000 of Special Tax Bonds. On September 6, 2007 the District issued \$14,415 of Special Tax Bonds with interest rates ranging from 4.40 percent to 6.00 percent. These bonds constitute the entire bonded indebtedness. At June 30, 2015, \$15,585 of authorized bonds remains un-issued. The outstanding balance at June 30, 2015, was \$14,095.

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, 2015, \$78 of authorized bonds remain unissued. The outstanding balance at June 30, 2015, was \$684.

Sunrise Recreation and Park District (District) issued \$7,435 of Certificates of Participation bonds on July 12, 2007 for a portion of the District's cost of recreation and park construction at or near the Antelope Community Park. The interest rate ranges from 3.95 percent to 4.50 percent. The outstanding balance at June 30, 2015, was \$6,410.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

NOTE 11 - PLEDGED REVENUES

The County has pledged a portion of delinquent property tax revenues to re-pay \$29,732 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on December 1, 2009, November 30, 2010, and November 4, 2011, March 27, 2013, December 10, 2013, and December 9, 2014. 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 \$29,732 and interest of \$283 remain on the notes and are payable through August 1, 2019. For the current year, net revenues pledged were equal to the total principal and interest paid of \$25,696 and \$115, respectively.

The County has pledged certain future revenues, net of specified operating expenses, to repay \$496,195 in Department of Airports Senior Revenue Bonds issued in May 2008, and \$201,800 in Department of Airports Senior Revenue Bonds issued in July 2009, and \$128,300 in Department of Airports Senior Revenue Bonds issued in August 2010. Proceeds from the 2008 Senior Revenue Bond refunded Series 1992B, Series 1998A, Series 2002A, and 45.4 percent of Series 2006A as well as provided \$323 million in financing for the Terminal Modernization Program. The bonds are payable solely from Net Revenues of the Department of Airports and are payable through 2041. The total principal and interest remaining to be paid on senior bonds is \$1,417,928. Principal and interest paid for the current year was \$49,246 and the total Net Revenues were \$76,516.

The County has pledged Passenger Facility Charges (PFC) to repay \$89,430 in Department of Airports Subordinate and PFC Revenue Refunding Bonds issued in May 2008 and \$278,250 in Airport System Subordinate and PFC/Grant Revenue Bonds issued in July 2009. Proceeds from the 2008 bond series refunded Series 1996C, Series 1998B and 54.6 percent of Series 2006A. Proceeds from 2009 Subordinate and PFC/Grant Revenue Bonds provided \$251 million to continue the financing of the Terminal Modernization Program. The 2008 Subordinate and PFC Bonds are payable through 2026 and the 2009 Subordinate and PFC/Grant Revenue Bonds are payable through 2041. Total principal and interest remaining to be paid on the subordinate bonds is \$592,249. Principal and interest paid for the current year was \$29,912, the available PFC revenue was \$21,943, and the Available Grant Revenues, \$8,329. The PFC cash generated in fiscal year 2015 was \$18,166.

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

Fiscal Year Ending June 30	Passenger Facility Charges	Grant Revenues
2015	\$ 21,943	8,329
2016	21,945	
	\$ 43,888	8,329

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 12 - COMMITMENTS

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

Governmental Funds – The County’s governmental funds have entered into contracts for the construction of certain projects totaling \$33,024 at June 30, 2015.

Airport – The Airport had approximately \$3,969 in outstanding construction contract commitments at June 30, 2015.

Solid Waste Enterprise Fund – Solid Waste entered into equipment and construction agreements totaling \$1,665 at June 30, 2015.

Water Agency Enterprise Fund – The Water Agency has entered into contracts for the construction of certain projects totaling \$11,021 at June 30, 2015.

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 Fund’s landfills. These functions are required for 30 years after closure of the landfill sites. Although closure and postclosure care costs will be paid only near or after the date that a site is closed, the 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, 2015 were \$17,389. The Fund will recognize costs of \$35,131 as the remaining capacity in the Kiefer Landfill is used in future years. At June 30, 2015, the capacity of the Kiefer Landfill used to date was 33 percent and the estimated remaining landfill life is 58 years. As required by applicable laws, management has established a fund for the post-closure Kiefer Landfill, in which \$9,155 is considered restricted at June 30, 2015, 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.

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

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

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

The Fund reported Elk Grove Landfill postclosure care liabilities at June 30, 2015 as \$1,816.

The Elk Grove landfill is 100 percent full and the postclosure 30-year liability period runs through June 2024. At June 30, 2015, the reported liabilities represent costs for the remaining 9 years. The portion of the postclosure costs expected to be paid during the next year is \$227.

The Fund reported Grand Island Landfill postclosure care liabilities at June 30, 2015 of \$343. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2029. At June 30, 2015, the reported liabilities represent postclosure costs for the remaining 14 years. The portion of the postclosure costs expected to be paid during the next year is \$26.

Future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2015. 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 waster, 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 closure liability for the fiscal years ending June 30, 2015, is estimated to be \$18,944.

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Changes in accrued landfill closure and postclosure care liability for the fiscal year ended June 30, 2015 were as follows:

	July 1, 2014 Beginning	Additions	Reductions	June 30, 2015 Ending	Due within One Year
Kiefer	\$ 16,739	650		17,389	
Elk Grove	2,012	30	(226)	1,816	226
Grand Island	365	5	(27)	343	26
Kiefer Final Cover	19,575	500	(1,131)	18,944	75
	<u>\$ 38,691</u>	<u>1,185</u>	<u>(1,384)</u>	<u>38,492</u>	<u>327</u>

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, 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 is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and Miscellaneous members employed by the County of Sacramento. SCERS also provides retirement benefits to the employee members of the Superior Court of California (County of Sacramento) and eleven Special Districts.

The management of SCERS is vested with the Sacramento County Board of Retirement. The 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.

Plan membership at June 30, 2015, consisted of the following:

Retired members or beneficiaries currently receiving benefits	10,049
Vested terminated members entitled to but not yet receiving benefits	3,201
Active members	<u>12,049</u>
Total	<u>25,299</u>

SCERS is legally and fiscally independent of the County. SCERS' Comprehensive Annual Financial Report, including a separate audit of the financial statements for the fiscal year ended June 30, 2014, is available on the System's web site <http://www.scers.org> or can be obtained by contacting the County's Department of Finance.

Benefits Provided - SCERS provides service retirement, disability, death and survivor benefits to eligible employees. All permanent full-time or part-time employees of County of Sacramento or contracting district become members of SCERS upon employment. There are separate retirement plans 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 that date but

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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 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 that date 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 that date 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% of the first \$350 of final compensation, plus 3% 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 Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

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

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members with membership dates on or after January 1, 2013.

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

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

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SCERS provides an annual cost-of-living benefit to Safety Tier 1, Tier 2, Tier 3 and Tier 4 member retirees and Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 member retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose area, is capped at 4% for Tier 1 members and 2% 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 Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2014, for 2013/2014 (based on the June 30, 2012 valuation) was 25.00% of compensation. All members are required to make contributions to SCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2014, for 2013/2014 (based on the June 30, 2012 valuation) was 6.42% of compensation.

Contributions - Benefits payable by the System are financed through member contributions, employer contributions, and earnings from investments. Member contributions are required by law. Contribution rates, which are actuarially determined, are based on age at entry into the System (a single rate is used for members entering the System after January 1, 1975). County, Superior Court and Member Districts' contributions are actuarially determined to provide for the balance of contributions needed. This rate includes an additional amount required to partially fund the annual cost-of-living increases for retired members of the Miscellaneous Tier 1, Tier 3, Tier 4 and Tier 5 and Safety Tiers. All contribution rates are reviewed and revised annually. The authority for both benefit provisions and contribution obligations is derived from the County Employees Retirement Law of 1937 and California Public Employees' Pension Reform Act of 2013 (CalPEPRA).

Employee and employer contribution rates for the fiscal year ended June 30, 2015, are as follows:

		Miscellaneous - Contribution Rates				
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Employee	5.43 to 6.74%	3.82 to 5.26%	5.18 to 6.79%	7.8 to 8.07%	8.78%
	Employer	13.30 to 14.59%	11.00 to 12.43%	13.42 to 14.98%	9.38 to 9.60%	8.78%
		Safety - Contribution Rates				
		Tier 1	Tier 2	Tier 3	Tier 4	
	Employee	7.15 to 14.3%	5.97 to 13.22%	5.91 to 13.04%	13.86%	
	Employer	21.35 to 30.01%	18.62 to 25.80%	18.11 to 24.93%	13.86%	

For the year ended June 30, 2015, the employer contributions to the Plan were equal to the actuarially determined required employer contributions as follows:

Employer Contributions	Governmental Activities	Business-type Activities	Total	Component Unit First Five Commission
County - Miscellaneous	\$ 106,601	7,985	114,586	251
County - Safety	76,291	1,030	77,321	
Carmichael Recreation and Park District - Miscellaneous	325		325	
Mission Oaks Recreation and Park District - Miscellaneous	258		258	
Sunrise Recreation and Park District - Miscellaneous	459		459	
Total Employer Contributions	\$ 183,934	9,015	192,949	251

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

As of June 30, 2015, the County of Sacramento reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Governmental Activities	Business-type Activities	Total	Component Unit First Five Commission
County - Miscellaneous	\$ 278,019	21,733	299,752	693
County - Safety	387,842	5,199	393,041	
Carmichael Recreation and Park District - Miscellaneous	787		787	
Mission Oaks Recreation and Park District - Miscellaneous	643		643	
Sunrise Recreation and Park District - Miscellaneous	1,092		1,092	
Total Net Pension Liability	<u>\$ 668,383</u>	<u>26,932</u>	<u>695,315</u>	<u>693</u>

The County's net pension liability for the 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, 2014 and 2013, and determined based upon the Total Pension Liability (TPL) from actuarial valuations as of June 30, 2014 and 2013, respectively. The total pension liability for each membership class was calculated based on the participants in and benefits provided for the respective membership class, and the Plan's fiduciary net position was determined in proportion to the valuation value of assets for each membership class. The County's is the sole active employer in the Safety membership class that made contributions in fiscal year 2013-14; therefore 100% 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, 2014, 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 for each Plan as of June 30, 2013 and 2014, was as follows

	County	Carmichael	Mission Oaks	Sunrise
Proportion - June 30, 2013	87.538 %	0.117 %	0.099 %	0.191 %
Proportion - June 30, 2014	89.865 %	0.102 %	0.083 %	0.142 %
Change - Increase (Decrease)	<u>2.327 %</u>	<u>(0.015)%</u>	<u>(0.014)%</u>	<u>(0.049)%</u>

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For the year ended June 30, 2015, the County recognized pension expense of \$93,976. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

Deferred Outflows of Resources

	Governmental Activities				Business-type Activities	Total	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise			
Changes in assumptions	\$ 48,266				647	48,913	
Changes in proportions		102	44			146	
Pension contributions subsequent to measurement date	182,892	325	258	459	9,015	192,949	251
Total deferred outflows related to pension	<u>\$ 231,158</u>	<u>427</u>	<u>302</u>	<u>459</u>	<u>9,662</u>	<u>242,008</u>	<u>251</u>

Deferred Inflows of Resources

	Governmental Activities				Business-type Activities	Total	Component Unit First Five Commission
	County	Carmichael	Mission Oaks	Sunrise			
Differences between actual and expected experience	\$ 66,297	144	118	200	4,187	70,946	127
Changes in assumptions	26,883	76	62	106	2,101	29,228	67
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	358			187	28	573	1
Net differences between projected and actual earnings on plan investments	394,787	623	509	864	19,543	416,326	548
Total deferred inflows related to pension	<u>\$ 488,325</u>	<u>843</u>	<u>689</u>	<u>1,357</u>	<u>25,859</u>	<u>517,073</u>	<u>743</u>

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A total of \$192,949 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>Carmichael</u>	<u>Mission Oaks</u>	<u>Sunrise</u>
2016	\$ (126,177)	(188)	(164)	(352)
2017	(126,177)	(188)	(164)	(352)
2018	(126,177)	(188)	(164)	(352)
2019	(120,094)	(176)	(152)	(302)
Total	<u>\$ (498,625)</u>	<u>(740)</u>	<u>(644)</u>	<u>(1,358)</u>

Actuarial Assumptions - The total pension liabilities in the June 30, 2014, actuarial valuations were determined using the following actuarial assumptions:

	<u>County and Special District Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Level percent of payroll (3.50% payroll growth assumed)	Level percent of payroll (3.50% payroll growth assumed)
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	3.25%	3.25%
Real across-the-board salary increase	0.25%	0.25%
Projected Salary Increase*	4.50% to 8>50%	5.25% to 11.50%
Assumed post-retirement benefit increase	0% to 3.25%	2% to 3.25%
Post-Retirement Mortality		
a) Service	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2022	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2022 set back one year for males and set forward two years for females
b) Disability	RP-2000 Disabled Retiree Mortality Table projected with Scale BB to 2022 with no age adjustment for males and set forward three years for females	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2022 set forward two years
c) Employee Contribution Rate	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2022 weighted 40% male and 60% female	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2022 set back one year for males and set forward two years for females weighted 70% male and 30% female
Pre-Retirement Mortality	Based upon the actuarial experience study for the period July 1, 2010 through June 30, 2013, which can be found on SCERS' website	Based upon the actuarial experience study for the period July 1, 2010 through June 30, 2013, which can be found on SCERS' website
Other Assumptions	See analysis of actuarial experience study for the period July 1, 2010 through June 30, 2013	See analysis of actuarial experience study for the period July 1, 2010 through June 30, 2013

*Includes inflation at 3.25% plus real across-the-board salary increase of 0.25% plus merit and longevity increases.

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Discount Rate - The discount rate used to measure the total pension liability was 7.50% as of June 30, 2014. 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, 2014, are summarized in the table below:

Asset Class	Target Allocation	Real Rate of Return	Long-Term Expected Rate of Return
Domestic Equities	22.50 %	6.83 %	5.98 %
International Equities	22.50 %	8.38 %	7.23 %
Fixed Income	20.00 %	1.24 %	1.25 %
Hedge Funds	10.00 %	3.20 %	3.20 %
Private Equity	10.00 %	12.82 %	12.82 %
Real Assets	15.00 %	6.17 %	5.64 %
Opportunities	0.00 %	0.00 %	0.00 %
Total Portfolio	100.00 %	6.19 %	5.67 %
Inflation			3.25 %
Expense adjustment			(0.40)%
Risk adjustment			1.02 %
Total Long-Term Expected Rate of Return			7.50 %

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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, and Sunrise’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>
1% Decrease (6.50%)	\$1,727,219	1,959	1,594	2,726
Current Discount Rate (7.50%)	692,793	787	643	1,092
1% increase (8.50%)	(160,322)	(182)	(148)	(253)

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>.

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NOTE 15 - POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The plan is a single-employer plan and it does not issue a publicly available report. In September 2012 and December 2014, the Board of Supervisors approved the Retiree Medical and Dental Insurance Program Administrative Policy for calendar years 2014 and 2015, respectively. The County provides access to group medical insurance and dental insurance, and medical and dental offset payments to a specific group of eligible retirees as a result of a settlement.

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 Sacramento County Employees Retirement System (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, 2018. 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 schedule

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

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

Approximately two hundred forty-eight annuitants from bargaining unit 003-Law Enforcement, Non-Supervisory, met the eligibility requirement and receive medical and/or dental subsidy/offset as of June 30, 2015.

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Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$	13,447
Interest on net pension obligation		1,147
Adjustment to the annual required contribution		<u>(1,402)</u>
Annual OPEB cost		13,192
Annual contributions made		<u>(4,787)</u>
Increase in OPEB obligation		8,405
Net OPEB obligation, beginning of year		<u>28,671</u>
Net OPEB obligation, end of year		<u><u>\$ 37,076</u></u>
Covered payroll (active plan members)	\$	803,586
UAAL as a percentage of covered payroll		14.4 %

Trend Information

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 10,367	6,937	67 %	20,988
6/30/14	12,509	4,827	39 %	28,671
6/30/15	13,192	4,787	36 %	37,076

Funding Status and Progress

As of June 30, 2013, the most recent actuarial valuation date the plan was 0 percent funded. The actuarial accrued liability was \$115,690 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$115,690. The covered payroll (annual employees covered by the plan) for Fiscal Year 2014-15 was \$803,586, and the ratio of the UAAL to covered payroll was 14.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, examples include assumptions made about future employment, mortality and the healthcare cost trend. Amounts are determined regarding the funded status of the plan, and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presented as required supplementary information following the notes to the financial statements, present multi-year trend information indicating whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Actuarial Methods and Assumptions:

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

In the June 30, 2013 actuarial valuation, the actuarial cost method used for valuation is entry age normal cost method which determines normal cost as a level percent of payroll, and the amortization period is a 23-year fixed (closed) period for FY 2014-15. The actuarial assumptions utilized a 4.0 percent discount rate, an inflation rate of 3 percent, and premiums based on calendar year 2013 medical plans, for FY 2012-13 thru 2014-15, and a medical trend of 7.5 percent beginning in 2016, reduced by decrements of 0.5 percent each year to an ultimate rate of 5 percent. The UAAL is being amortized as a level percentage of pay. The remaining amortization period at June 30, 2015, was 23 years.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 16 - SELF-INSURANCE

The County self-insures for property damage, general liability, workers' compensation, and unemployment insurance claims. Self-insurance programs are accounted for in internal service funds, and interfund premium charges are treated as interfund services. Interfund premiums are based primarily upon the insured funds' claims experience and are adjusted for any excess or deficit net position within the self-insurance funds. At June 30, 2015, governmental and proprietary funds owed premium charges to the Liability/Property, Workers' Compensation, and Unemployment Insurance funds. It is the County's policy to fund the governmental funds' liability for premium charges by making provisions in budgets of succeeding years. The self-insurance internal service funds recognize revenue and the owing funds expense/expenditure when the owing funds are charged by the self-insurance internal service funds.

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

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

Reconciliation of Claims Liabilities

	Liability/Property		Worker's Compensation		Unemployment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Unpaid claims and claim adjustment expenses at beginning of the fiscal year								
Current portion	\$ 10,973	9,006	21,692	25,836	239	229	32,904	35,071
Noncurrent	24,483	21,726	147,740	141,607			172,223	163,333
Total beginning balance, July 1	35,456	30,732	169,432	167,443	239	229	205,127	198,404
Incurred claims and claim adjustment expenses:								
Provision for insured events for current year	7,643	6,778	21,711	20,577	1,182	1,198	30,536	28,553
Increase (decrease) in provision for insured events of prior fiscal years	8,010	16,212	8,144	3,594			16,154	19,806
Total incurred claims and claim adjustment expenses	\$ 15,653	22,990	29,855	24,171	1,182	1,198	46,690	48,359
Payments:								
Claims and claim adjustment expenses attributable to insured events of current fiscal year	\$ 647	344	2,546	2,380	970	959	4,163	3,683
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	16,910	17,922	20,030	19,802	239	229	37,179	37,953
Total payments	17,557	18,266	22,576	22,182	1,209	1,188	41,342	41,636
Total unpaid claims and claim adjustment expenses at end of the fiscal year, June 30	\$ 33,552	35,456	176,711	169,432	212	239	210,475	205,127
Current portion of unpaid claims and claim adjustments	\$ 10,294	10,973	22,624	21,692	212	239	33,130	32,904
Non current portion of unpaid claims and claim adjustments	23,258	24,483	154,087	147,740			177,345	172,223
Total current and non current unpaid and claim adjustment expenses at end of the fiscal year	\$ 33,552	35,456	176,711	169,432	212	239	210,475	205,127

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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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)	1,888,000 *	50	Each occurrence
Flood	1,390,000 *	5 percent / 100 minimum	Per building / Each occurrence
Earthquake (EQ)	25,000 *	5 percent / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	21,046 *	20	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	15,000	25	Each occurrence
Employee Dishonesty	15,000	25	Each occurrence
Forgery/Money/Computer Fraud	15,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	25,000	None	Not applicable
Hull (Physical Damage)	8,669	Various	Helicopters - 1 percent of Aircraft Value/Min. 7.5 Airplanes - Nil Deductible
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 \$100 million and Terrorism is included at \$500 million. Both are per occurrence and annual aggregate. Property – County property is covered for Terrorism Coverage subject to a \$200 million occurrence and annual aggregate limit. Effective March 31, 2008, EQ is capped at \$25 million. Effective March 31, 2015, All Risk total is at \$1.880 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective March 31, 2015, Flood total is at \$1.390 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Effective July 1, 2008, Workers' Compensation (Excess) limit is statutory rather than a dollar limit. Effective July 1, 2008, Employers' Liability (Excess) limit is at \$5 million.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 17 - RESTRICTED NET POSITION

Restricted net position is net position subject to constraints either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provision or enabling legislation. Restricted net position as of June 30, 2015, are as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Bond reserves	\$	50,523	50,523
Landfill closure		9,155	9,155
Kiefer Wetlands Preserve		927	927
Debt service	36,459	42,509	78,968
Capital projects	30,033		30,033
Passenger facility charges		9,244	9,244
Future Construction		2,103	2,103
Fire Protection	171		171
Health programs	54,465		54,465
Transportation	53,277	923	54,200
Lighting and landscape maintenance	2,809		2,809
Community facilities	2,414		2,414
Endowments:			
Expendable		59	59
Nonexpendable		2,029	2,029
Total	<u>\$ 179,628</u>	<u>117,472</u>	<u>297,100</u>

Net position restricted by enabling legislation are comprised of \$9,244 (FAA approved passenger facility charges), \$2,809 (lighting and landscape maintenance) and \$2,414 (community facilities) in the Statement of Net Position at June 30, 2015.

Restricted Net Position include:

- *Landfill closure* – resources necessary 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.
- *Endowments* – to be used to support the Airport public art in perpetuity.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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- *Health programs* – health programs are comprised of the following:
 - *Water Agencies* – drainage fees and assessments used to protect the community from flood hazards.
 - *Stormwater Utilities* – Stormwater Utility fees, ad valorem tax proceeds, interest income and other various revenues to provide storm drainage, flood control, flood preparation and stormwater quality management services.
 - *Tobacco* – Proceeds from the tobacco litigation settlement to be used for the operation of health, youth, and tobacco prevention programs.
 - *Tobacco Securitization Authority* – reports the activities related to the County securitizing its portion of the nation-wide Tobacco Settlement Agreement.
 - *In-Home Support Services* – state funding for services to aged, blind and disabled persons who are unable to remain in their homes without assistance.
- *Transportation* – funds received from developer fees and transportation sales tax used to finance construction, improvements and maintenance of the County road system.
- *Lighting and landscape maintenance* – funds received from special assessments used to maintain landscaped corridors, medians and natural open space.
- *Community facilities* – service charges collected from direct levies on property tax bills for various community facilities districts.
- *Fish and game* – fines collected for violations of the fish and game code and deposited to the Fish and Game Propagation Program to support activities related to fish and game, including education.
- *Future construction* – funds that are restricted for future construction projects related to the County Transit and Water Agency.
- *Bond Reserves* – funds that are restricted due to being held to meet bond reserve requirements for the Airport and Water Agency.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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NOTE 18 - FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, and unassigned. (see Note 1 for a description of these categories). A deficit unassigned fund balance in the General Fund (\$13 million) is due to reclassification of amounts to nonspendable and restricted. A detailed schedule of fund balances as of June 30, 2015, is as follows:

	<u>Major</u>		<u>Non Major Governmental Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
Nonspendable:					
Inventory	\$ 772				772
Long-term receivables/advances	405	902			1,307
Prepaid items	21,495				21,495
Teeter Plan delinquencies	1,979				1,979
Teeter Plan tax loss	6,186				6,186
Total nonspendable:	<u>30,837</u>	<u>902</u>			<u>31,739</u>
Restricted for:					
Public protection:					
Probation	6,206				6,206
Police Protection	11,582				11,582
Clerk Recorder	22,593				22,593
Dispute Resolution	1,041				1,041
Community Development	2,414				2,414
Protection and Inspection		6,369			6,369
Fire Protection		171			171
Health and sanitation:					
Mental Health Services	154,189				154,189
Alcohol and Drug Programs	1,323				1,323
VLF Realignment	1,929				1,929
Solid Waste Authority		433			433
Tobacco Securitization Authority		417			417
Water Agencies		52,740			52,740
In-Home Support Services		875			875
Public ways and facilities		46,486		6,791	53,277
Recreation and culture	3,250	8,172			11,422
Education		320			320
Capital outlay	27,928	8		37,416	65,352
Economic development		40,433			40,433
Lighting and landscape		2,809			2,809
Stormwater utility		23,132			23,132
Tobacco settlement		1,238			1,238
Environmental Management		15,141			15,141
Debt service			101,784		101,784
Total restricted:	<u>232,455</u>	<u>198,744</u>	<u>101,784</u>	<u>44,207</u>	<u>577,190</u>
Unassigned:	<u>(13,462)</u>				<u>(13,462)</u>
Total	<u>\$ 249,830</u>	<u>199,646</u>	<u>101,784</u>	<u>44,207</u>	<u>595,467</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
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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. Anticipated costs related to such claims and litigation are accrued in the Self-Insurance funds where appropriate. Although the final outcome of these matters cannot be predicted, the County believes that these accruals are adequate to provide for its estimated future obligations in these matters, and that any amounts in excess of such accruals will not be significant to the County.

Financial Stress

The local economy now appears to be improving. Gross Assessed Valuations are expected to increase in Fiscal Year (FY) 2015-16 by approximately 4.6 percent, following a 6.5 percent increase in FY 2014-15. These increases follow four consecutive years of declines. The Sacramento Metropolitan Statistical Area (including Sacramento, Yolo, El Dorado and Placer counties) unemployment rate (not seasonally adjusted) decreased to 5.7 percent in September 2015 from 6.6 percent in September 2014.

California counties are closely linked to the financial condition of the State of California (the “State”), and are responsible for delivering health and welfare services on behalf of the State. The State had been experiencing its own fiscal stress, but it has seen improvements in revenue growth over the last three years, in part due to the improving economy and in part due to a temporary tax increase. In addition to dealing with its local issues, the County must deal with the impact of adverse State and federal budget actions, as State and federal revenues make up approximately 68 percent of the County’s General Fund budgeted revenues. However, when State or federal funding has been cut back, the County generally has reduced programs in proportion to the funding received and not utilized County General Fund revenues to backfill the reductions in State or federal funding. With limited exceptions, the County plans to continue to reduce programs if there are additional State or federal funding reductions.

In prior years the General Fund received advances from internal service funds and non-major governmental funds in the amounts of \$55,184 and \$22,469, respectively, for operations. The County has begun the process of repaying interfund advances as resources are available. Between FY 2010-11 and FY 2014-15, the General Fund repaid a total of \$11.2 million and the FY 2015-16 Adopted Budget includes a \$6 million repayment. At the end of FY 2015-16 the outstanding balance owed will stand at approximately \$44 million.

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

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

The Petition’s causes of action for breach of contract are brought under the following two theories: (1) that UCD had an implied contract with the County – UCD claims that the alleged contract with UCD was manifested by the conduct of the County in its execution of the County’s contract with 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 Petition seeks damages, including attorneys’ fees, in excess of \$125,000.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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NOTE 20 - FUTURE GASB PRONOUNCEMENTS

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*, effective for financial statements for reporting periods beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County has not determined the effect, if any, on the financial statements.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The County has not determined the effect, if any, on the financial statements.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The County has not determined the effect, if any, on the financial statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The County has not determined the effect, if any, on the financial statements.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The County has not determined the effect, if any, on the financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for financial statements for reporting periods beginning after December 15, 2015. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial

COUNTY OF SACRAMENTO
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statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The County has not determined the effect, if any, on the financial statements.

In December 2015, the GASB issued Statement No. 78, *Pension Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for reporting periods beginning after December 15, 2015. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan, that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The County has not determined the effect, if any, on the financial statements.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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NOTE 21 - RESTATEMENT

A prior period adjustment of \$37,027 was made to decrease governmental activities beginning net position to correct a prior year overstated infrastructure balance for County roadways. A prior period adjustment due to implementing GASB 68, reduced governmental activities by \$1,979,445 and business-type activities by \$55,682. The County did not do a full restatement for GASB 68 as it was deemed not practicable.

The effects of these restatements are summarized as follows:

Restatement to the Government-Wide:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Unit First 5 Commission</u>
Beginning net position, as previously reported	\$ 1,467,174	1,267,895	66,947
Prior Period Adjustments - Pension	(1,979,445)	(55,682)	(1,328)
Prior Period Adjustments - Infrastructure	(37,027)		
Beginning net position, as restated	<u>\$ (549,298)</u>	<u>1,212,213</u>	<u>65,619</u>

Restatement to Fund Financials:

	<u>Airports</u>	<u>Solid Waste</u>	<u>Water Agency</u>	<u>Non-Major Enterprise</u>	<u>Internal Service Funds</u>
Net position, as previously reported	\$ 577,765	151,298	498,371	9,805	(14,943)
Prior period Adjustments - Pension	<u>(24,473)</u>	<u>(14,901)</u>	<u>(8,457)</u>	<u>(308)</u>	<u>(67,951)</u>
Beginning Net position as restated	<u>\$ 553,292</u>	<u>136,397</u>	<u>489,914</u>	<u>9,497</u>	<u>(82,894)</u>

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Pro Forma Basis Restatement to the Government-Wide Financial Statements

The following is the pro-forma effect of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB No. 68*:

Government-Wide Financial Statements

	<u>2014 Previously Presented</u>	<u>Restatement</u>	<u>2014 Restated</u>
Governmental Activities			
Statement of Net Position:			
Net Pension Liability	\$	\$(1,185,537)	\$(1,185,537)
Prepaid Pension Asset	965,772	(965,772)	
Deferred outflows of resources		<u>171,864</u>	171,864
Net Position end of year	1,467,174	<u><u>\$(1,979,445)</u></u>	(512,271)
Business-type Activities			
Statement of Net Position:			
Net Pension Liability	\$	\$ (65,908)	\$ (65,908)
Deferred outflows of resources		<u>10,226</u>	10,226
Net Position end of year	1,267,895	<u><u>\$ (55,682)</u></u>	1,212,213
Component Unit			
First Five Commission			
Statement of Net Position:			
Net Pension Liability	\$	\$ (1,578)	\$ (1,578)
Deferred outflows of resources		<u>250</u>	250
Net Position end of year	66,947	<u><u>\$ (1,328)</u></u>	\$ 65,619

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Pro Forma Basis Restatement to the Fund Financial Statements

Proprietary Funds Financial Statements

	<u>2014 Previously Presented</u>	<u>Restatement</u>	<u>2014 Restated</u>
Airports			
Statement of Net Position:			
Net Pension Liability	\$	\$ (28,825)	\$ (28,825)
Deferred outflows of resources		<u>4,352</u>	4,352
Net position end of year	577,765	<u>\$ (24,473)</u>	553,292
Solid Waste			
Statement of Net Position:			
Net Pension Liability	\$	\$ (17,706)	\$ (17,706)
Deferred outflows of resources		<u>2,805</u>	2,805
Net position end of year	151,298	<u>\$ (14,901)</u>	136,397
Water Agency			
Statement of Net Position:			
Net Pension Liability	\$	\$ (10,048)	\$ (10,048)
Deferred outflows of resources		<u>1,591</u>	1,591
Net position end of year	498,371	<u>\$ (8,457)</u>	489,914
Nonmajor Enterprise - Parking			
Statement of Net Position:			
Net Pension Liability	\$	\$ (365)	\$ (365)
Deferred outflows of resources		<u>57</u>	57
Net position end of year	9,805	<u>\$ (308)</u>	9,497
Internal Service Funds			
Statement of Net Position:			
Net Pension Liability	\$	\$ (80,739)	\$ (80,739)
Deferred outflows of resources		<u>12,788</u>	12,788
Net position end of year	(14,943)	<u>\$ (67,951)</u>	(82,894)

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

During the fiscal year ended June 30, 2015, the County determined that the liability recorded to the Redevelopment Obligation Retirement Private Purpose Trust Fund – Successor Agency, was understated by \$1,178, as of June 30, 2014. As a result of this error, the County increased the unearned revenues, increased the Accounts Receivable, increased the intergovernmental payables, and decreased beginning net position of the Redevelopment Obligation Retirement Private Purpose Trust Fund - Successor Agency.

<u>Redevelopment Obligation Retirement Fund - Successor Agency</u>	
Net position held in trust, as previously reported June 30, 2014	\$ (43,650)
Adjustment increase Unearned Revenue	(1,227)
Adjustment increase Accounts Receivable	178
Adjustment increase intergovernmental payable	<u>(129)</u>
Net position held in trust, as restated June 30, 2014	<u>\$ (44,828)</u>

NOTE 22 - SUBSEQUENT EVENTS

Teeter Plan

On October 27, 2015, the County issued its 2015 Teeter Note and purchased under the Teeter Plan the delinquent secured property tax receivables at June 30, 2015, in the amount of \$19,522 from the local taxing entities and selected special assessment districts in Sacramento County. The financing of this purchase was accomplished by a five-year legal, secured medium-term note obligation of the County that was purchased by the Treasurer's Pool. The terms of the note include the pooled investment fund rate of interest commencing August 1, 2016. Such payments may be made more frequently, but not more often than quarterly. The note matures August 1, 2020. Note 1 (Property Taxes) and Note 8 further describe the Teeter issues.

Dry Period Financing

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

In 1980, the Board of Supervisors adopted a resolution (80-1434) to permit entities that collected the 1 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 Fiscal Year 2014-15 the County General Fund may utilize up to 85 percent of its anticipated (estimated) revenues during the 'dry period' to meet any obligation incurred. The money is essentially loaned by the Treasurer's County Investment Pool (Treasury Pool), and accordingly, any funds loaned and interest costs incurred must be repaid by the General Fund. Dry period financing in the months of July through September was based on the General Fund's \$2.160 billion in estimated revenues approved in the County's Fiscal Year 2014-15 Preliminary Budget. The County's final Fiscal Year 2014-15 Budget was approved in September 2014 and the dry period financing amount was adjusted to reflect the final General Fund estimated revenues of \$2.201 billion. In addition, on a monthly basis, as revenue is received the dry period financing amount is decreased accordingly.

COUNTY OF SACRAMENTO
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

NOTE 23 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The County of Sacramento elected to be appointed as Redevelopment Agency Successor Agency (RASA) for the redevelopment project areas for the purpose of winding down the affairs of the Agency. The RASA was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The RASA operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. The assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use. The RASA is responsible for preparing and submitting to the State Department of Finance the recognized obligation payment schedule (ROPS) for the enforceable obligations due, and remitting payments for the approved enforceable obligations of the former Redevelopment Agency's redevelopment project areas. Once the ROPS is approved by State Department of Finance, and provided sufficient tax revenues are available, the County Auditor-Controller's Office distributes property taxes to the RASAs from the County's Redevelopment Property Tax Trust Fund (RPTTF) to the RASA 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 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 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 October 21, 2013.

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

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

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

Measurement Date - June 30, 2014

County	2015*
Proportion of the net pension liability	89.865 %
Proportionate share of the net pension liability	692,793
Covered-employee payroll **	731,874
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	94.66 %
Plan fiduciary net position as a percentage of the total pension liability	91.02 %
Carmichael	
Proportion of the net pension liability	0.102 %
Proportionate share of the net pension liability	787
Covered-employee payroll **	1,040
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	75.70 %
Plan fiduciary net position as a percentage of the total pension liability	91.02 %
Mission Oaks	
Proportion of the net pension liability	0.083 %
Proportionate share of the net pension liability	643
Covered-employee payroll **	826
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	77.89 %
Plan fiduciary net position as a percentage of the total pension liability	91.02 %
Sunrise	
Proportion of the net pension liability	0.142 %
Proportionate share of the net pension liability	1,092
Covered-employee payroll **	1,046
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	77.68 %
Plan fiduciary net position as a percentage of the total pension liability	91.02 %

Notes to Schedule:

* Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

** Covered employee payroll incurred for the reporting period from July 1, 2013 through June 30, 2014. Covered employee payroll represents compensation earnable and pensionable compensation.

Benefit changes: All members with membership dates on or after January 1, 2013, enter the new tiers created by the California Public Employees' Pension Reform Act of 2013 (PEPRA).

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

Retirement Plan - Schedule of Contributions

<u>County</u>	<u>2015*</u>
Actuarially determined contribution	\$ 191,907
Contributions in relation to the actuarially determined contribution	<u>(191,907)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered-employee payroll**	\$ 745,978
Contributions as a percentage of covered- employee payroll	25.73 %
<u>Carmichael</u>	
Actuarially determined contribution	\$ 325
Contributions in relation to the actuarially determined contribution	<u>(325)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered-employee payroll**	\$ 1,096
Contributions as a percentage of covered- employee payroll	29.65 %
<u>Mission Oaks</u>	
Actuarially determined contribution	\$ 258
Contributions in relation to the actuarially determined contribution	<u>(258)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered-employee payroll**	\$ 1,083
Contributions as a percentage of covered- employee payroll	23.82 %
<u>Sunrise</u>	
Actuarially determined contribution	\$ 459
Contributions in relation to the actuarially determined contribution	<u>(459)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered-employee payroll**	\$ 1,521
Contributions as a percentage of covered- employee payroll	30.24 %

Notes to Schedule:

* Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

** Covered employee payroll incurred for the reporting period from July 1, 2014 through June 30, 2015. Covered employee payroll represents compensation earnable and pensionable compensation.

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

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/09	\$ 0	\$ 144,804	\$ 144,804	0.0%	\$ 869,898	16.6%
6/30/11	0	100,416	100,416	0.0%	789,347	12.7%
6/30/13	0	115,690	115,690	0.0%	758,142	15.3%

Source: Segal Group, Inc. - "County of Sacramento Actuarial Valuation and Review of Other Post Employment Benefits (OPEB) as of June 30, 2009." Bartel Associates, LLC - "Sacramento County Retiree Healthcare Plan, June 30, 2011, GASB 45 Actuarial Valuation Final Results" and "Sacramento County Retiree Healthcare Plan, June 30, 2013, GASB 45 Actuarial Valuation Final Results." The June 30, 2013, Actuarial Valuation was completed September 26, 2014, and the next valuation is scheduled to be completed in calendar year 2016.

Notes to the Required Supplementary Information:

1. This information is intended to help users assess the SCERS funding status ongoing basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.
2. The information presented relates solely to the County and not to SCERS as a whole.
3. June 30, 2013, is the most current actuarial valuation. In the future, information from the three most recent valuations will be presented, as it becomes available.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets:				
Cash and investments	\$ 215,762	72,993	51,347	340,102
Receivables:				
Billed	5,799		396	6,195
Interest	482	137	88	707
Intergovernmental	4,660			4,660
Due from other funds	175			175
Long-term advances to other funds	9,207			9,207
Loan receivable from Successor Agency		71,085		71,085
Long-term receivables	429	35,761	667	36,857
Total assets	<u>\$ 236,514</u>	<u>179,976</u>	<u>52,498</u>	<u>468,988</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Warrants payable	\$ 2,214		560	2,774
Accrued liabilities	9,655	1,078	1,810	12,543
Intergovernmental payable	7,787		4,871	12,658
Due to other funds	2,797		1	2,798
Unearned revenue	1,680		667	2,347
Other long-term liabilities	1,629			1,629
Total liabilities	<u>25,762</u>	<u>1,078</u>	<u>7,909</u>	<u>34,749</u>
Deferred inflows of resources:				
Unavailable Revenue	<u>11,106</u>	<u>77,114</u>	<u>382</u>	<u>88,602</u>
Fund balances:				
Nonspendable	902			902
Restricted	198,744	101,784	44,207	344,735
Total fund balances	<u>199,646</u>	<u>101,784</u>	<u>44,207</u>	<u>345,637</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances:	<u>\$ 236,514</u>	<u>179,976</u>	<u>52,498</u>	<u>468,988</u>

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ 40,454			40,454
Use of money and property	6,000	504	59	6,563
Licenses and permits	45,632			45,632
Intergovernmental	61,752	17,455	747	79,954
Charges for sales and services	107,237		2,947	110,184
Fines, forfeitures and penalties	49	11,134	3,232	14,415
Pledged tobacco settlement proceeds	12,368			12,368
Miscellaneous	14,732		26,399	41,131
Total revenues	<u>288,224</u>	<u>29,093</u>	<u>33,384</u>	<u>350,701</u>
Expenditures:				
Current:				
General government	53,727			53,727
Public protection	16,672			16,672
Health and sanitation	29,381			29,381
Public ways and facilities	137,046		678	137,724
Recreation and culture	19,357			19,357
Education	1,286			1,286
Capital outlay	10,972		24,782	35,754
Debt service:				
Principal		69,165	77	69,242
Interest and fiscal charges		137,656		137,656
Total expenditures	<u>268,441</u>	<u>206,821</u>	<u>25,537</u>	<u>500,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,783</u>	<u>(177,728)</u>	<u>7,847</u>	<u>(150,098)</u>
Other financing sources (uses):				
Transfers in	5,811	164,798	750	171,359
Transfers out	(28,158)	(11,926)	(8,486)	(48,570)
Issuance of debt		20,996		20,996
Total other financing sources (uses)	<u>(22,347)</u>	<u>173,868</u>	<u>(7,736)</u>	<u>143,785</u>
Net change in fund balances	(2,564)	(3,860)	111	(6,313)
Fund balances - beginning	<u>202,210</u>	<u>105,644</u>	<u>44,096</u>	<u>351,950</u>
Fund balances - ending	<u>\$ 199,646</u>	<u>101,784</u>	<u>44,207</u>	<u>345,637</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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.

Sacramento Public Library Authority - Accounts for County's share of revenue and operating funds to sixteen library branches providing all library services and to the Library JPA for funding construction and maintenance of the county facilities primarily from property taxes.

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

Building Inspection - Accounts for building inspection and code enforcement services to the unincorporated area of the County and is subject to Proposition 218 requirements. Proposition 218 prohibits property related fees from exceeding costs of services provided and the fees from the revenues shall not be used for any purpose other than that for which the fee was imposed.

Public Facilities Fixed Asset Financing Program - Provides funds for payment of debt service to the 1990 COP which establish the Fixed Asset Financing Program and other costs of the program in accordance with the requirements of the financing documents.

Lighting and Landscape Maintenance Districts - As blended component units of the County was formed to provide all street and highway safety lighting services in the unincorporated area of the County (lighting) and to account for revenues and expenditures for the maintenance of the landscaped corridors in medians and natural open spaces in the unincorporated areas funded 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. Proposition 218 prohibits property-related fees from exceeding costs of service provided.

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

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

SPECIAL REVENUE FUNDS

Economic Development - Primary programs revolve around the reuse programs and the Business Environmental Resource Center (BERC) program. The Mather field and McClellan Park reuse programs are self funded with state/federal grants and proceeds generated from sale or lease of former military base assets. The department also engages in more general economic development and job creation programs.

Roadway Fee District - 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 - As a blended component unit of the County reports the activities related to the County securitizing its portion of the nationwide Tobacco Settlement Agreement.

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

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

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

In Home Support Services Authority - Established via Sacramento County Code 2.97 in accord with the state mandate established in WIC 12301.6 which requires assistance to recipients in finding in-home supportive services personnel through the establishment of a registry, investigation of potential personnel, establishes a referral system, provides training for providers and recipients and performs any other functions related to the delivery of in-home supportive services, funded by State Realignment and Federal reimbursements.

Mather Landscape Maintenance CFD - Provides landscape maintenance services for public landscape corridors within the district, funded by direct levy service charges.

Mather PFFP - Used to provide portions of the major public infrastructure roadway facilities for the Mather area, funded by development impact fees.

Gold River Landscape 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.

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COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 1 of 3

	Road	Solid Waste Authority	Library	Transportation Sales Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Assets:						
Cash and investments	\$ 42,717	1,227	355	5,274	6,343	8
Receivables, net of allowance for uncollectibles:						
Billed	2,446	1		473	97	
Interest	86	4	1	9	17	
Intergovernmental	326			1,449		
Due from other funds	175					
Long-term advances to other funds						8,305
Long-term receivables						
Total assets	\$ 45,750	1,232	356	7,205	6,457	8,313
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Warrants payable	\$ 298	8	4	111	34	
Accrued liabilities	2,954	485		1,227		
Intergovernmental payable	12	306		3,900	132	
Due to other funds	2,039		32			
Unearned revenue	1,251					
Other long-term liabilities						
Total liabilities	6,554	799	36	5,238	166	
Deferred inflows of resources:						
Unavailable Revenue	2,328			473		8,305
Fund balances:						
Nonspendable						
Restricted	36,868	433	320	1,494	6,291	8
Total fund balances	36,868	433	320	1,494	6,291	8
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,750	1,232	356	7,205	6,457	8,313

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco
Assets:					
Cash and investments	\$ 2,559	9,573	52,697	24,854	1,247
Receivables, net of allowance for uncollectibles:					
Billed		296		2,262	
Interest	5	16	124	56	3
Intergovernmental					
Due from other funds					
Long-term advances to other funds					
Long-term receivables					
Total assets	\$ 2,564	9,885	52,821	27,172	1,250
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Warrants payable	\$ 26	267	18	223	
Accrued liabilities	178	312	41	773	
Intergovernmental payable		1,164	22	935	12
Due to other funds				480	
Unearned revenue					
Other long-term liabilities				1,629	
Total liabilities	204	1,743	81	4,040	12
Deferred inflows of resources:					
Unavailable Revenue					
Fund balances:					
Nonspendable					
Restricted	2,360	8,142	52,740	23,132	1,238
Total fund balances	2,360	8,142	52,740	23,132	1,238
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,564	9,885	52,821	27,172	1,250

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Assets:						
Cash and investments	\$ 43,368	7,161	493	13,844	4,042	215,762
Receivables, net of allowance for uncollectibles:						
Billed	203	9			12	5,799
Interest	106	19		26	10	482
Intergovernmental		320		2,565		4,660
Due from other funds						175
Long-term advances to other funds	902					9,207
Long-term receivables		429				429
Total assets	\$ 44,579	7,938	493	16,435	4,064	236,514
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Warrants payable	\$ 16	23		408	778	2,214
Accrued liabilities	2,582		76	660	367	9,655
Intergovernmental payable	625			1	678	7,787
Due to other funds	21			225		2,797
Unearned revenue		429				1,680
Other long-term liabilities						1,629
Total liabilities	3,244	452	76	1,294	1,823	25,762
Deferred inflows of resources:						
Unavailable Revenue						11,106
Fund balances:						
Nonspendable	902					902
Restricted	40,433	7,486	417	15,141	2,241	198,744
Total fund balances	41,335	7,486	417	15,141	2,241	199,646
Total liabilities, deferred inflows of resources, and fund balances	\$ 44,579	7,938	493	16,435	4,064	236,514

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 1 of 3

	Road	Solid Waste Authority	Library	Transportation Sales Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Revenues:						
Taxes	\$ 432			23,734		
Use of money and property	182	2			16	
Licenses and permits	1,102	4,688			13,824	
Intergovernmental	44,698			6,454	9	
Charges for sales and services	51,333				208	19,012
Fines, forfeitures and penalties	5	8			10	
Pledged tobacco settlement proceeds						
Miscellaneous	4,302	3	924	124	20	
Total revenues	<u>102,054</u>	<u>4,701</u>	<u>924</u>	<u>30,312</u>	<u>14,087</u>	<u>19,012</u>
Expenditures:						
Current:						
General government						
Public protection					13,679	
Health and sanitation		4,643				
Public ways and facilities	102,861			31,235		
Recreation and culture						
Education			1,286			
Capital outlay						10,972
Total expenditures	<u>102,861</u>	<u>4,643</u>	<u>1,286</u>	<u>31,235</u>	<u>13,679</u>	<u>10,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(807)</u>	<u>58</u>	<u>(362)</u>	<u>(923)</u>	<u>408</u>	<u>8,040</u>
Other financing sources (uses):						
Transfers in	2,086			3,066		
Transfers out	(2,042)			(837)		(8,032)
Total other financing sources (uses)	<u>44</u>			<u>2,229</u>		<u>(8,032)</u>
Net change in fund balances	(763)	58	(362)	1,306	408	8
Fund balances - beginning	37,631	375	682	188	5,883	
Fund balances - ending	<u>\$ 36,868</u>	<u>433</u>	<u>320</u>	<u>1,494</u>	<u>6,291</u>	<u>8</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 2 of 3

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco
Revenues:					
Taxes	\$ 347	7,899		5,938	
Use of money and property		1,813	159	46	
Licenses and permits			4,152		
Intergovernmental	5	2,510		91	
Charges for sales and services	2,544	5,295	4,742	22,192	
Fines, forfeitures and penalties			1		
Pledged tobacco settlement proceeds					
Miscellaneous	276	1,180	78	1,185	
Total revenues	<u>3,172</u>	<u>18,697</u>	<u>9,132</u>	<u>29,452</u>	
Expenditures:					
Current:					
General government	3,400			36,200	395
Public protection					
Health and sanitation			5,643		
Public ways and facilities					
Recreation and culture		19,331			
Education					
Capital outlay					
Total expenditures	<u>3,400</u>	<u>19,331</u>	<u>5,643</u>	<u>36,200</u>	<u>395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228)</u>	<u>(634)</u>	<u>3,489</u>	<u>(6,748)</u>	<u>(395)</u>
Other financing sources (uses):					
Transfers in		40			
Transfers out				(1,135)	
Total other financing sources (uses)		<u>40</u>		<u>(1,135)</u>	
Net change in fund balances	(228)	(594)	3,489	(7,883)	(395)
Fund balances - beginning	2,588	8,736	49,251	31,015	1,633
Fund balances - ending	<u>\$ 2,360</u>	<u>8,142</u>	<u>52,740</u>	<u>23,132</u>	<u>1,238</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 3 of 3

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Revenues:						
Taxes	\$				2,104	40,454
Use of money and property	3,683		1	20	78	6,000
Licenses and permits	39	4,933		15,856	1,038	45,632
Intergovernmental	6,062	426		27	1,470	61,752
Charges for sales and services	922			729	260	107,237
Fines, forfeitures and penalties					25	49
Pledged tobacco settlement proceeds			12,368			12,368
Miscellaneous	4,306	118		2,186	30	14,732
Total revenues	<u>15,012</u>	<u>5,477</u>	<u>12,369</u>	<u>18,818</u>	<u>5,005</u>	<u>288,224</u>
Expenditures:						
Current:						
General government	13,282				450	53,727
Public protection					2,993	16,672
Health and sanitation			155	17,443	1,497	29,381
Public ways and facilities		2,077			873	137,046
Recreation and culture					26	19,357
Education						1,286
Capital outlay						10,972
Total expenditures	<u>13,282</u>	<u>2,077</u>	<u>155</u>	<u>17,443</u>	<u>5,839</u>	<u>268,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,730</u>	<u>3,400</u>	<u>12,214</u>	<u>1,375</u>	<u>(834)</u>	<u>19,783</u>
Other financing sources (uses):						
Transfers in		619				5,811
Transfers out	(134)	(2,706)	(12,368)	(904)		(28,158)
Total other financing sources (uses)	<u>(134)</u>	<u>(2,087)</u>	<u>(12,368)</u>	<u>(904)</u>		<u>(22,347)</u>
Net change in fund balances	1,596	1,313	(154)	471	(834)	(2,564)
Fund balances - beginning	39,739	6,173	571	14,670	3,075	202,210
Fund balances - ending	<u>\$ 41,335</u>	<u>7,486</u>	<u>417</u>	<u>15,141</u>	<u>2,241</u>	<u>199,646</u>

**COUNTY OF SACRAMENTO
ROAD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes	\$ 753	753	432	(321)
Use of money and property	378	308	182	(126)
Licenses and permits	1,206	1,206	1,102	(104)
Intergovernmental	53,779	55,454	44,698	(10,756)
Charges for sales and services	52,897	52,313	51,333	(980)
Fines, forfeitures and penalties	3	3	5	2
Miscellaneous	1,704	3,410	4,302	892
Total revenues	<u>110,720</u>	<u>113,447</u>	<u>102,054</u>	<u>(11,393)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>122,175</u>	<u>132,434</u>	<u>102,861</u>	<u>29,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,455)</u>	<u>(18,987)</u>	<u>(807)</u>	<u>18,180</u>
Other financing sources (uses):				
Transfers in	2,086	2,086	2,086	
Transfers out	(2,042)	(2,042)	(2,042)	
Total financing sources (uses)	<u>44</u>	<u>44</u>	<u>44</u>	
Net change in fund balances	<u>\$ (11,411)</u>	<u>(18,943)</u>	<u>(763)</u>	<u>18,180</u>

**COUNTY OF SACRAMENTO
SOLID WASTE AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 8	8	2	(6)
Licenses and permits	4,250	4,250	4,688	438
Fines, forfeitures and penalties	5	5	8	3
Miscellaneous	<u> </u>	<u> </u>	<u>3</u>	<u>3</u>
Total revenues	<u>4,263</u>	<u>4,263</u>	<u>4,701</u>	<u>438</u>
Expenditures:				
Current:				
Health and sanitation	<u>4,263</u>	<u>4,689</u>	<u>4,643</u>	<u>46</u>
Excess (deficiency) of revenues under expenditures	<u> </u>	<u>(426)</u>	<u>58</u>	<u>484</u>
Net change in fund balances	<u>\$ </u>	<u>(426)</u>	<u>58</u>	<u>484</u>

**COUNTY OF SACRAMENTO
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 1	1		(1)
Miscellaneous	<u>924</u>	<u>924</u>	<u>924</u>	
Total revenues	<u>925</u>	<u>925</u>	<u>924</u>	<u>(1)</u>
Expenditures:				
Current:				
Education	<u>1,446</u>	<u>1,606</u>	<u>1,286</u>	<u>320</u>
Deficiency of revenues under expenditures	<u>(521)</u>	<u>(681)</u>	<u>(362)</u>	<u>319</u>
Net change in fund balances	<u>\$ (521)</u>	<u>(681)</u>	<u>(362)</u>	<u>319</u>

**COUNTY OF SACRAMENTO
TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 20,378	24,881	23,734	(1,147)
Use of money and property	15	5		(5)
Intergovernmental	13,581	22,965	6,454	(16,511)
Miscellaneous			124	124
	<u>33,974</u>	<u>47,851</u>	<u>30,312</u>	<u>(17,539)</u>
Total revenues				
Expenditures:				
Current:				
Public ways and facilities	<u>36,318</u>	<u>49,799</u>	<u>31,235</u>	<u>18,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,344)</u>	<u>(1,948)</u>	<u>(923)</u>	<u>1,025</u>
Other financing uses:				
Transfers in	(3,066)	(3,066)	3,066	6,132
Transfers out	<u>(837)</u>	<u>(837)</u>	<u>(837)</u>	
Total other financing uses:	<u>(3,903)</u>	<u>(3,903)</u>	<u>2,229</u>	<u>6,132</u>
Net change in fund balances	<u><u>\$ (6,247)</u></u>	<u><u>(5,851)</u></u>	<u><u>1,306</u></u>	<u><u>7,157</u></u>

**COUNTY OF SACRAMENTO
BUILDING INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 12	12	16	4
Licenses and permits	12,714	12,314	13,824	1,510
Intergovernmental	10	10	9	(1)
Charges for sales and services	101	101	208	107
Fines, forfeitures and penalties			10	10
Miscellaneous	<u>2</u>	<u>2</u>	<u>20</u>	<u>18</u>
Total revenues	<u>12,839</u>	<u>12,439</u>	<u>14,087</u>	<u>1,648</u>
Expenditures:				
Current:				
Public protection:				
Protection and inspection	<u>14,918</u>	<u>15,695</u>	<u>13,679</u>	<u>2,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,079)</u>	<u>(3,256)</u>	<u>408</u>	<u>3,664</u>
Other financing sources:				
Net change in fund balances	<u><u>\$ (2,079)</u></u>	<u><u>(3,256)</u></u>	<u><u>408</u></u>	<u><u>3,664</u></u>

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FIXED ASSET FINANCING PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for sales and services	\$ 19,013	19,013	19,012	(1)
Miscellaneous	<u>27,838</u>	<u>27,838</u>	<u> </u>	<u>(27,838)</u>
Total revenues	<u>46,851</u>	<u>46,851</u>	<u>19,012</u>	<u>(27,839)</u>
Expenditures:				
Capital outlay	<u>38,818</u>	<u>38,718</u>	<u>10,972</u>	<u>27,746</u>
Excess of revenues over expenditures	<u>8,033</u>	<u>8,133</u>	<u>8,040</u>	<u>(93)</u>
Other financing uses:				
Transfers out	<u>(8,032)</u>	<u>(8,032)</u>	<u>(8,032)</u>	<u> </u>
Net change in fund balances	<u>\$ (7,335)</u>	<u>442</u>	<u>8</u>	<u>(93)</u>

**COUNTY OF SACRAMENTO
LIGHTING AND LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 285	285	347	62
Use of money and property	14	3		(3)
Intergovernmental	4	4	5	1
Charges for sales and services	2,629	2,530	2,544	14
Miscellaneous	883	827	276	(551)
Total revenues	<u>3,815</u>	<u>3,649</u>	<u>3,172</u>	<u>(477)</u>
Expenditures:				
General government	<u>4,022</u>	<u>4,043</u>	<u>3,400</u>	<u>643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(207)</u>	<u>(394)</u>	<u>(228)</u>	<u>166</u>
Net change in fund balances	<u><u>\$ (207)</u></u>	<u><u>(394)</u></u>	<u><u>(228)</u></u>	<u><u>166</u></u>

COUNTY OF SACRAMENTO
PARK DISTRICTS AND PARK SERVICE AREAS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 7,300	7,552	7,899	347
Use of money and property	1,818	1,815	1,813	(2)
Intergovernmental	3,707	2,804	2,510	(294)
Charges for sales and services	5,525	5,022	5,295	273
Miscellaneous	<u>1,127</u>	<u>1,804</u>	<u>1,180</u>	<u>(624)</u>
Total revenues	<u>19,477</u>	<u>18,997</u>	<u>18,697</u>	<u>(300)</u>
Expenditures:				
Current:				
Recreation and culture	<u>21,108</u>	<u>24,201</u>	<u>19,331</u>	<u>4,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,631)</u>	<u>(5,204)</u>	<u>(634)</u>	<u>4,570</u>
Other financing sources (uses):				
Transfers in	<u>40</u>	<u>40</u>	<u>40</u>	<u> </u>
Total other financing sources(uses)	<u>40</u>	<u>40</u>	<u>40</u>	<u> </u>
Net change in fund balances	<u><u>\$ (1,591)</u></u>	<u><u>(5,164)</u></u>	<u><u>(594)</u></u>	<u><u>4,570</u></u>

**COUNTY OF SACRAMENTO
WATER AGENCIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 123	123	159	36
Licenses and permits	2,081	2,081	4,152	2,071
Charges for sales and services	9,210	9,210	4,742	(4,468)
Fines, forfeitures and penalties			1	1
Miscellaneous	<u>359</u>	<u>359</u>	<u>78</u>	<u>(281)</u>
Total revenues	<u>11,773</u>	<u>11,773</u>	<u>9,132</u>	<u>(2,641)</u>
Expenditures:				
Current:				
Health and sanitation	<u>25,658</u>	<u>21,045</u>	<u>5,643</u>	<u>15,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,885)</u>	<u>(9,272)</u>	<u>3,489</u>	<u>12,761</u>
Other financing sources (uses):				
Net change in fund balances	<u><u>\$ (13,885)</u></u>	<u><u>(9,272)</u></u>	<u><u>3,489</u></u>	<u><u>12,761</u></u>

**COUNTY OF SACRAMENTO
STORMWATER UTILITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 5,294	5,294	5,938	644
Use of money and property	40	40	46	6
Intergovernmental	627	627	91	(536)
Charges for sales and services	23,238	22,710	22,192	(518)
Miscellaneous	<u>2,062</u>	<u>2,062</u>	<u>1,185</u>	<u>(877)</u>
Total revenues	<u>31,261</u>	<u>30,733</u>	<u>29,452</u>	<u>(1,281)</u>
Expenditures:				
Current:				
General government	<u>36,690</u>	<u>45,088</u>	<u>36,200</u>	<u>8,888</u>
Deficiency of revenues under expenditures	<u>(5,429)</u>	<u>(14,355)</u>	<u>(6,748)</u>	<u>7,607</u>
Other financing sources (uses):				
Transfers out	<u>(1,135)</u>	<u>(1,135)</u>	<u>(1,135)</u>	
Total other financing sources (uses)	<u>(1,135)</u>	<u>(1,135)</u>	<u>(1,135)</u>	
Net change in fund balances	<u><u>\$ (6,564)</u></u>	<u><u>(15,490)</u></u>	<u><u>(7,883)</u></u>	<u><u>7,607</u></u>

**COUNTY OF SACRAMENTO
 TOBACCO SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Expenditures:				
Current:				
General government				
Finance	\$ 1,583	1,632	395	1,237
Deficiency of revenues under expenditures	<u>(1,583)</u>	<u>(1,632)</u>	<u>(395)</u>	<u>1,237</u>
Net change in fund balances	<u>\$ (1,583)</u>	<u>(1,632)</u>	<u>(395)</u>	<u>1,237</u>

**COUNTY OF SACRAMENTO
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 3,512	3,512	3,683	171
Licenses and permits	39	39	39	
Intergovernmental	11,148	22,340	6,062	(16,278)
Charges for sales and services	1,513	1,513	922	(591)
Miscellaneous	<u>11,614</u>	<u>12,872</u>	<u>4,306</u>	<u>(8,566)</u>
Total revenues	<u>27,826</u>	<u>40,276</u>	<u>15,012</u>	<u>(25,264)</u>
Expenditures:				
Current:				
General government	<u>37,595</u>	<u>51,107</u>	<u>13,282</u>	<u>37,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,769)</u>	<u>(10,831)</u>	<u>1,730</u>	<u>(12,561)</u>
Other financing uses:				
Transfers out	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	
Total other financing uses	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	
Net change in fund balances	<u><u>\$ (9,903)</u></u>	<u><u>(10,965)</u></u>	<u><u>1,596</u></u>	<u><u>12,561</u></u>

**COUNTY OF SACRAMENTO
ROADWAY FEE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 9	7		(7)
Licenses and permits	1,785	2,045	4,933	2,888
Intergovernmental	4,340	4,527	426	(4,101)
Miscellaneous	<u>78</u>	<u>78</u>	<u>118</u>	<u>40</u>
Total revenues	<u>6,212</u>	<u>6,657</u>	<u>5,477</u>	<u>(1,180)</u>
Expenditures:				
Current:				
Public ways and facilities	<u>8,699</u>	<u>9,008</u>	<u>2,077</u>	<u>6,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,487)</u>	<u>(2,351)</u>	<u>3,400</u>	<u>5,751</u>
Other financing sources:				
Transfers in	619	619	619	
Transfers out	<u>2,706</u>	<u>2,706</u>	<u>(2,706)</u>	<u>(5,412)</u>
Total other financing sources	<u>3,325</u>	<u>3,325</u>	<u>(2,087)</u>	<u>(5,412)</u>
Net change in fund balances	<u>\$ 838</u>	<u>974</u>	<u>1,313</u>	<u>339</u>

**COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		1	1
Pledged tobacco settlement proceeds	<u>12,368</u>	<u>12,368</u>	<u>12,368</u>	<u> </u>
 Total revenues	 <u>12,368</u>	 <u>12,368</u>	 <u>12,369</u>	 <u>1</u>
 Expenditures:				
Current:				
Health and sanitation	<u>155</u>	<u>155</u>	<u>155</u>	<u> </u>
 Excess of revenues over expenditures	 <u>12,213</u>	 <u>12,213</u>	 <u>12,214</u>	 <u>1</u>
 Other financing uses:				
Transfers out	<u>(12,368)</u>	<u>(12,368)</u>	<u>(12,368)</u>	<u> </u>
 Net change in fund balances	 <u><u>\$ (155)</u></u>	 <u><u>(155)</u></u>	 <u><u>(154)</u></u>	 <u><u>1</u></u>

**COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		20	20
Licenses and permits	14,331	14,331	15,856	1,525
Intergovernmental	2,166	2,166	27	(2,139)
Charges for sales and services	601	601	729	128
Miscellaneous	<u>1,950</u>	<u>1,950</u>	<u>2,186</u>	<u>236</u>
Total revenues	<u>19,048</u>	<u>19,048</u>	<u>18,818</u>	<u>(230)</u>
Expenditures:				
Current:				
Health and sanitation	<u>19,272</u>	<u>19,272</u>	<u>17,443</u>	<u>1,829</u>
Excess of revenues over expenditures	<u>(224)</u>	<u>(224)</u>	<u>1,375</u>	<u>1,599</u>
Other financing uses:				
Transfers out	<u>(904)</u>	<u>(904)</u>	<u>(904)</u>	
Net change in fund balances	<u><u>\$ (1,128)</u></u>	<u><u>(1,128)</u></u>	<u><u>471</u></u>	<u><u>1,599</u></u>

**COUNTY OF SACRAMENTO
OTHER SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 1,930	1,930	2,104	174
Use of money and property	101	101	78	(23)
Licenses and permits	3,763	3,763	1,038	(2,725)
Intergovernmental	1,576	1,576	1,470	(106)
Charges for sales and services	758	754	260	(494)
Fines, forfeitures and penalties	25	23	25	2
Miscellaneous			30	30
	<u>8,153</u>	<u>8,147</u>	<u>5,005</u>	<u>(3,142)</u>
Total revenues				
Expenditures:				
Current:				
General government	326	703	450	253
Public protection	5,724	5,801	2,993	2,808
Health and sanitation	1,690	1,690	1,497	193
Public ways and facilities	1,538	1,942	873	1,069
Recreation and culture	29	29	26	3
	<u>9,307</u>	<u>10,165</u>	<u>5,839</u>	<u>4,326</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(1,154)</u>	<u>(2,018)</u>	<u>(834)</u>	<u>1,184</u>
Net change in fund balances	<u>\$ (1,154)</u>	<u>(2,018)</u>	<u>(834)</u>	<u>1,184</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

**COUNTY OF SACRAMENTO
DEBT SERVICE FUNDS**

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

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

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
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 1 of 2

	Public Facilities Financing Corporation						
	Juvenile Courthouse	1997 Public Facilities Refunding	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 COP Refunding
Assets:							
Cash and investments	\$ 2,286	7,291	3,134	1,059	3,801	3,353	11,643
Interest	6	7	6	3	3	5	18
Loan receivable from Successor Agency							
Long-term receivables							
Total assets	<u>\$ 2,292</u>	<u>7,298</u>	<u>3,140</u>	<u>1,062</u>	<u>3,804</u>	<u>3,358</u>	<u>11,661</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:							
Liabilities:							
Accrued liabilities	\$						
Total liabilities							
Deferred inflow of resources:							
Unavailable Revenue							
Total deferred inflow of resources							
Fund balances:							
Restricted	<u>2,292</u>	<u>7,298</u>	<u>3,140</u>	<u>1,062</u>	<u>3,804</u>	<u>3,358</u>	<u>11,661</u>
Total fund balances	<u>2,292</u>	<u>7,298</u>	<u>3,140</u>	<u>1,062</u>	<u>3,804</u>	<u>3,358</u>	<u>11,661</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 2,292</u>	<u>7,298</u>	<u>3,140</u>	<u>1,062</u>	<u>3,804</u>	<u>3,358</u>	<u>11,661</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Assets:					
Cash and investments	\$ 3,209	4,843	21,528	10,846	72,993
Interest	88	1			137
Loan receivable from Successor Agency				71,085	71,085
Long-term receivables		29,732		6,029	35,761
Total assets	<u>\$ 3,297</u>	<u>34,576</u>	<u>21,528</u>	<u>87,960</u>	<u>179,976</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:					
Liabilities:					
Accrued liabilities	\$ 1,078				1,078
Total liabilities	<u>1,078</u>				<u>1,078</u>
Deferred inflow of resources:					
Unavailable Revenue				77,114	77,114
Total deferred inflow of resources				<u>77,114</u>	<u>77,114</u>
Fund balances:					
Restricted	<u>2,219</u>	<u>34,576</u>	<u>21,528</u>	<u>10,846</u>	<u>101,784</u>
Total fund balances	<u>2,219</u>	<u>34,576</u>	<u>21,528</u>	<u>10,846</u>	<u>101,784</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 3,297</u>	<u>34,576</u>	<u>21,528</u>	<u>87,960</u>	<u>179,976</u>

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Page 1 of 2

Public-Facilities Financing Corporations

	Juvenile Courthouse	1997 Public Facilities Refunding	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	2010 COP Refunding
Revenues:							
Use of money and property	\$ 6	370	6	3	5	3	27
Intergovernmental		15					
Fines, forfeitures and penalties							
Total revenues	<u>6</u>	<u>385</u>	<u>6</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>27</u>
Expenditures:							
Debt service:							
Principal	865	3,330	2,870	385	6,350	950	9,595
Interest and fiscal charges	1,361	3,002	174	600	1,626	2,065	4,988
Total expenditures	<u>2,226</u>	<u>6,332</u>	<u>3,044</u>	<u>985</u>	<u>7,976</u>	<u>3,015</u>	<u>14,583</u>
Deficiency of revenues under expenditures	<u>(2,220)</u>	<u>(5,947)</u>	<u>(3,038)</u>	<u>(982)</u>	<u>(7,971)</u>	<u>(3,012)</u>	<u>(14,556)</u>
Other financing sources (uses):							
Transfers in	2,240	6,330	3,049	987	8,541	3,028	14,381
Transfers out		(375)	(200)				
Issuance of debt							
Total other financing sources (uses)	<u>2,240</u>	<u>5,955</u>	<u>2,849</u>	<u>987</u>	<u>8,541</u>	<u>3,028</u>	<u>14,381</u>
Net change in fund balances	<u>20</u>	<u>8</u>	<u>(189)</u>	<u>5</u>	<u>570</u>	<u>16</u>	<u>(175)</u>
Fund balances - beginning	<u>2,272</u>	<u>7,290</u>	<u>3,329</u>	<u>1,057</u>	<u>3,234</u>	<u>3,342</u>	<u>11,836</u>
Fund balances - ending	<u>\$ 2,292</u>	<u>7,298</u>	<u>3,140</u>	<u>1,062</u>	<u>3,804</u>	<u>3,358</u>	<u>11,661</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 2 of 2

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Revenues:					
Use of money and property	\$ 82	1	1		504
Intergovernmental	11,102			6,338	17,455
Fines, forfeitures and penalties		11,134			11,134
Total revenues	<u>11,184</u>	<u>11,135</u>	<u>1</u>	<u>6,338</u>	<u>29,093</u>
Expenditures:					
Debt service:					
Principal	16,374	25,696	800	1,950	69,165
Interest and fiscal charges	107,699	125	11,590	4,426	137,656
Total expenditures	<u>124,073</u>	<u>25,821</u>	<u>12,390</u>	<u>6,376</u>	<u>206,821</u>
Deficiency of revenues under expenditures	<u>(112,889)</u>	<u>(14,686)</u>	<u>(12,389)</u>	<u>(38)</u>	<u>(177,728)</u>
Other financing sources (uses):					
Transfers in	113,874		12,368		164,798
Transfers out		(11,351)			(11,926)
Issuance of debt		20,996			20,996
Total other financing sources (uses)	<u>113,874</u>	<u>9,645</u>	<u>12,368</u>		<u>173,868</u>
Net change in fund balances	<u>985</u>	<u>(5,041)</u>	<u>(21)</u>	<u>(38)</u>	<u>(3,860)</u>
Fund balances - beginning	1,234	39,617	21,549	10,884	105,644
Fund balances - ending	<u>\$ 2,219</u>	<u>34,576</u>	<u>21,528</u>	<u>10,846</u>	<u>101,784</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
JUVENILE COURTHOUSE DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$		6	6
Expenditures:				
Debt service:				
Principal	865	865	865	
Interest and fiscal charges	<u>1,412</u>	<u>1,429</u>	<u>1,361</u>	<u>68</u>
Total expenditures	<u>2,277</u>	<u>2,294</u>	<u>2,226</u>	<u>68</u>
Deficiency of revenues under expenditures	<u>(2,277)</u>	<u>(2,294)</u>	<u>(2,220)</u>	<u>74</u>
Other financing sources:				
Transfers in	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>	
Net change in fund balances	<u>\$ (37)</u>	<u>(54)</u>	<u>20</u>	<u>74</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1997 PUBLIC FACILITIES REFUNDING DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		370	370
Intergovernmental	<u>15</u>	<u>15</u>	<u>15</u>	
Total revenues	<u>15</u>	<u>15</u>	<u>385</u>	<u>370</u>
 Expenditures:				
Debt service:				
Principal	3,330	3,330	3,330	
Interest and fiscal charges	<u>3,052</u>	<u>3,060</u>	<u>3,002</u>	58
Total expenditures	<u>6,382</u>	<u>6,390</u>	<u>6,332</u>	58
Deficiency of revenues under expenditures	<u>(6,367)</u>	<u>(6,375)</u>	<u>(5,947)</u>	428
 Other financing sources:				
Transfers in	6,330	6,330	6,330	
Transfers out	<u>(375)</u>	<u>(375)</u>	<u>(375)</u>	
Total other financing sources:	<u>5,955</u>	<u>5,955</u>	<u>5,955</u>	
Net change in fund balances	<u>\$ (412)</u>	<u>(420)</u>	<u>8</u>	<u>428</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1997 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 14	14	6	(8)
Expenditures:				
Debt service:				
Principal	2,870	2,870	2,870	
Interest and fiscal charges	228	292	174	118
Total expenditures	<u>3,098</u>	<u>3,162</u>	<u>3,044</u>	<u>118</u>
Deficiency of revenues under expenditures	<u>(3,084)</u>	<u>(3,148)</u>	<u>(3,038)</u>	<u>110</u>
Other financing sources:				
Transfers in	3,049	3,049	3,049	
Transfers out	(200)	(200)	(200)	
Total other financing sources:	<u>2,849</u>	<u>2,849</u>	<u>2,849</u>	
Net change in fund balances	<u>\$ (235)</u>	<u>(299)</u>	<u>(189)</u>	<u>110</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2003 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		3	3
Expenditures:				
Debt service:				
Principal	385	385	385	
Interest and fiscal charges	<u>678</u>	<u>692</u>	<u>600</u>	<u>92</u>
Total expenditures	<u>1,063</u>	<u>1,077</u>	<u>985</u>	<u>92</u>
Deficiency of revenues under expenditures	<u>(1,063)</u>	<u>(1,077)</u>	<u>(982)</u>	<u>95</u>
Other financing sources:				
Transfers in	<u>987</u>	<u>987</u>	<u>987</u>	
Net change in fund balances	<u>\$ (76)</u>	<u>(90)</u>	<u>5</u>	<u>95</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2006 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		5	5
Expenditures:				
Debt service:				
Principal	6,825	6,825	6,350	475
Interest and fiscal charges	<u>2,074</u>	<u>2,091</u>	<u>1,626</u>	<u>465</u>
Total expenditures	<u>8,899</u>	<u>8,916</u>	<u>7,976</u>	<u>940</u>
Deficiency of revenues under expenditures	<u>(8,899)</u>	<u>(8,916)</u>	<u>(7,971)</u>	<u>945</u>
Other financing sources:				
Transfers in	<u>8,541</u>	<u>8,541</u>	<u>8,541</u>	
Net change in fund balances	<u>\$ (358)</u>	<u>(375)</u>	<u>570</u>	<u>945</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2007 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		3	3
Expenditures:				
Debt service:				
Principal	950	950	950	
Interest and fiscal charges	<u>2,404</u>	<u>2,415</u>	<u>2,065</u>	<u>350</u>
Total expenditures	<u>3,354</u>	<u>3,365</u>	<u>3,015</u>	<u>350</u>
Deficiency of revenues under expenditures	<u>(3,354)</u>	<u>(3,365)</u>	<u>(3,012)</u>	<u>353</u>
Other financing sources:				
Transfers in	<u>3,028</u>	<u>3,028</u>	<u>3,028</u>	
Net change in fund balances	<u>\$ (326)</u>	<u>(337)</u>	<u>16</u>	<u>353</u>

**COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
2010 COP REFUNDING
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		27	27
Total revenues			27	27
Expenditures:				
Principal	9,595	9,595	9,595	
Interest and fiscal charges	5,092	5,305	4,988	317
Total expenditures	14,687	14,900	14,583	317
Deficiency of revenues under expenditures	(14,687)	(14,900)	(14,556)	344
Other financing sources:				
Transfers in	14,381	14,381	14,381	
Net change in fund balances	\$ (306)	(519)	(175)	344

**COUNTY OF SACRAMENTO
PENSION OBLIGATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		82	82
Intergovernmental	<u>11,102</u>	<u>11,102</u>	<u>11,102</u>	
Total revenues	<u>11,102</u>	<u>11,102</u>	<u>11,184</u>	<u>82</u>
Expenditures:				
Debt service:				
Principal	16,374	16,374	16,374	
Interest and fiscal charges	<u>110,062</u>	<u>110,953</u>	<u>107,699</u>	<u>3,254</u>
Total expenditures	<u>126,436</u>	<u>127,327</u>	<u>124,073</u>	<u>3,254</u>
Deficiency of revenues under expenditures	<u>(115,334)</u>	<u>(116,225)</u>	<u>(112,889)</u>	<u>3,336</u>
Other financing sources (uses):				
Transfers in	<u>113,874</u>	<u>113,874</u>	<u>113,874</u>	
Total other financing sources (uses)	<u>113,874</u>	<u>113,874</u>	<u>113,874</u>	
Net change in fund balances	<u>\$ (1,460)</u>	<u>(2,351)</u>	<u>985</u>	<u>3,336</u>

**COUNTY OF SACRAMENTO
TEETER PLAN DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$		1	1
Fines, forfeitures and penalties	11,134	11,134	11,134	
Miscellaneous	<u>12,841</u>	<u>6,893</u>	<u> </u>	<u>(6,893)</u>
Total revenues	<u>23,975</u>	<u>18,027</u>	<u>11,135</u>	<u>(6,892)</u>
Expenditures:				
Debt service:				
Principal	35,948	30,830	25,696	5,134
Interest and fiscal charges	<u>(2,327)</u>	<u>2,027</u>	<u>125</u>	<u>1,902</u>
Total expenditures	<u>33,621</u>	<u>32,857</u>	<u>25,821</u>	<u>7,036</u>
Deficiency of revenues under expenditures	<u>(9,646)</u>	<u>(14,830)</u>	<u>(14,686)</u>	<u>144</u>
Other financing sources (uses):				
Transfers out	(11,351)	(11,351)	(11,351)	
Issuance of debt	<u>20,996</u>	<u>20,996</u>	<u>20,996</u>	<u> </u>
Total other financing sources (uses)	<u>9,645</u>	<u>9,645</u>	<u>9,645</u>	<u> </u>
Net change in fund balances	<u>\$ (1)</u>	<u>(5,185)</u>	<u>(5,041)</u>	<u>144</u>

**COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	\$ 2	2	1	(1)
Expenditures:				
Debt service:				
Principal	800	800	800	
Interest and fiscal charges	<u>11,590</u>	<u>11,590</u>	<u>11,590</u>	
Total expenditures	<u>12,390</u>	<u>12,390</u>	<u>12,390</u>	
Deficiency of revenues under expenditures	<u>(12,388)</u>	<u>(12,388)</u>	<u>(12,389)</u>	<u>(1)</u>
Other financing sources:				
Transfers in	<u>12,368</u>	<u>12,368</u>	<u>12,368</u>	
Net change in fund balances	<u>\$ (20)</u>	<u>(20)</u>	<u>(21)</u>	<u>(1)</u>

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 6,338	6,338	6,338	_____
Total revenues	<u>6,338</u>	<u>6,338</u>	<u>6,338</u>	_____
Expenditures:				
Debt service:				
Principal	1,950	1,950	1,950	
Interest and fiscal charges	<u>4,426</u>	<u>4,426</u>	<u>4,426</u>	_____
Total expenditures	<u>6,376</u>	<u>6,376</u>	<u>6,376</u>	_____
Excess of revenues over expenditures	<u>(38)</u>	<u>(38)</u>	<u>(38)</u>	_____
Net change in fund balances	<u>\$ (38)</u>	<u>(38)</u>	<u>(38)</u>	_____

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL PROJECT FUNDS

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

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

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

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

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna Community Facilities District	Laguna Creek Ranch/Elliott Ranch Community Facilities District No. One and Two
Assets:							
Cash and investments	\$ 239	3,554	5,801	191	64	1,146	6,015
Receivables, net of allowance for uncollectibles:							
Billed							
Interest	1	9	(1)		1	3	1
Long-term receivables							
Total assets	<u>\$ 240</u>	<u>3,563</u>	<u>5,800</u>	<u>191</u>	<u>65</u>	<u>1,149</u>	<u>6,016</u>
Liabilities and fund balances:							
Liabilities:							
Warrants payable						372	
Accrued liabilities							
Intergovernmental payable	54	3,396				1	1
Due to other funds							
Unearned revenue							
Total liabilities	<u>54</u>	<u>3,396</u>				<u>373</u>	<u>1</u>
Deferred inflow of resources:							
Unavailable Revenue							
Fund balances:							
Reserved for:							
Restricted	186	167	5,800	191	65	776	6,015
Total fund balances	<u>186</u>	<u>167</u>	<u>5,800</u>	<u>191</u>	<u>65</u>	<u>776</u>	<u>6,015</u>
Total liabilities and fund balances	<u>\$ 240</u>	<u>3,563</u>	<u>5,800</u>	<u>191</u>	<u>65</u>	<u>1,149</u>	<u>6,016</u>

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)**

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Public Facilities Financing

	<u>Accumulated Capital Outlay</u>	<u>Community Fee Districts</u>	<u>1997 Public Facilities</u>	<u>2007 Public Facilities</u>	<u>Tobacco Litigation Settlement</u>	<u>McClellan CFD</u>
Assets:						
Cash and investments	\$ 11,347	16,468	382	24	2,695	257
Receivables, net of allowance for uncollectibles:						
Billed		396				
Interest	28	38	2			1
Long-term receivables		667				
Total assets	\$ 11,375	17,569	384	24	2,695	258
Liabilities and fund balances:						
Liabilities:						
Warrants payable	\$ 187					
Accrued liabilities	1,667	143				
Intergovernmental payable	100	1,180				
Due to other funds	1					
Unearned revenue		667				
Total liabilities	1,955	1,990				
Deferred inflow of resources:						
Unavailable Revenue		382				
Fund balances:						
Reserved for:						
Restricted	9,420	15,197	384	24	2,695	258
Total fund balances	9,420	15,197	384	24	2,695	258
Total liabilities and fund balances	\$ 11,375	17,569	384	24	2,695	258

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(amounts expressed in thousands)**

Page 3 of 3

	Public Facilities Financing				
	Sacramento County Landscape Maintenance CFD	Metro Air Park Service Tax	North Vineyard SSP CFD	County Parks CFD - No. 2006-1	Total
Assets:					
Cash and investments	\$ 711	636	1,676	141	51,347
Receivables, net of allowance for uncollectibles:					
Billed					396
Interest	2	2	1		88
Long-term receivables					667
Total assets	\$ 713	638	1,677	141	52,498
Liabilities and fund balances:					
Liabilities:					
Warrants payable	\$ 1				560
Accrued liabilities					1,810
Intergovernmental payable				139	4,871
Due to other funds					1
Unearned revenue					667
Total liabilities	1			139	7,909
Deferred inflow of resources:					
Unavailable Revenue					382
Fund balances:					
Reserved for:					
Restricted	712	638	1,677	2	44,207
Total fund balances	712	638	1,677	2	44,207
Total liabilities and fund balances	\$ 713	638	1,677	141	52,498

**COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Page 1 of 3

	Assessment Districts		Mello-Roos Community Facilities Act of 1982				
	Improvement Bond Act of 1911	Improvement Bond Act of 1915	Metro Air Park CFD	Laguna Stonelake CFD	Park Meadows CFD	Laguna Community Facilities District	Laguna Creek Ranch/Elliott Ranch Community Facilities District No. One and Two
Revenues:							
Use of money and property				3			1
Intergovernmental							
Charges for sales and services							
Fines, forfeitures and penalties							
Miscellaneous	67			124	60		469
Total revenues	<u>67</u>		<u>3</u>	<u>124</u>	<u>60</u>		<u>470</u>
Expenditures:							
Public ways and facilities						400	278
Capital outlay	67	157	335	107	57		
Debt Service:							
Principal							
Total expenditures	<u>67</u>	<u>157</u>	<u>335</u>	<u>107</u>	<u>57</u>	<u>400</u>	<u>278</u>
Excess (deficiency) of revenues over (under) expenditures		(157)	(332)	17	3	(400)	192
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)							
Net change in fund balances		(157)	(332)	17	3	(400)	192
Fund balances - beginning	186	324	6,132	174	62	1,176	5,823
Fund balances - ending	<u>\$ 186</u>	<u>167</u>	<u>5,800</u>	<u>191</u>	<u>65</u>	<u>776</u>	<u>6,015</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 2 of 3

	<u>Public Facilities Financing</u>					
	<u>Accumulated Capital Outlay</u>	<u>Community Fee Districts</u>	<u>1997 Public Facilities</u>	<u>2007 Public Facilities</u>	<u>Tobacco Litigation Settlement</u>	<u>McClellan CFD</u>
Revenues:						
Use of money and property	\$ 27	20	1	3	3	
Intergovernmental	281	466				
Charges for sales and services	13	2,714				
Fines, forfeitures and penalties	3,232					
Miscellaneous	24,388	1,050				74
Total revenues	<u>27,941</u>	<u>4,250</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>74</u>
Expenditures:						
Public ways and facilities						
Capital outlay	19,804	2,000	160		1,713	121
Debt Service:						
Principal	77					
Total expenditures	<u>19,881</u>	<u>2,000</u>	<u>160</u>		<u>1,713</u>	<u>121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,060</u>	<u>2,250</u>	<u>(159)</u>	<u>3</u>	<u>(1,710)</u>	<u>(47)</u>
Other financing sources (uses):						
Transfers in	750					
Transfers out	(8,486)					
Total other financing sources (uses)	<u>(7,736)</u>					
Net change in fund balances	324	2,250	(159)	3	(1,710)	(47)
Fund balances - beginning	9,096	12,947	543	21	4,405	305
Fund balances - ending	<u>\$ 9,420</u>	<u>15,197</u>	<u>384</u>	<u>24</u>	<u>2,695</u>	<u>258</u>

COUNTY OF SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

Page 3 of 3

	<u>Public Facilities Financing</u>				
	Sacramento County Landscape Maintenance CFD	Metro Air Park Service Tax	North Vineyard SSP CFD	County Parks CFD - No. 2006-1	Total
Revenues:					
Use of money and property			1		59
Intergovernmental					747
Charges for sales and services	110	110			2,947
Fines, forfeitures and penalties					3,232
Miscellaneous			167		26,399
Total revenues	<u>110</u>	<u>110</u>	<u>168</u>		<u>33,384</u>
Expenditures:					
Public ways and facilities					678
Capital outlay	84	112	64	1	24,782
Debt Service:					
Principal					77
Total expenditures	<u>84</u>	<u>112</u>	<u>64</u>	<u>1</u>	<u>25,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26</u>	<u>(2)</u>	<u>104</u>	<u>(1)</u>	<u>7,847</u>
Other financing sources (uses):					
Transfers in					750
Transfers out					(8,486)
Total other financing sources (uses)					<u>(7,736)</u>
Net change in fund balances	26	(2)	104	(1)	111
Fund balances - beginning	686	640	1,573	3	44,096
Fund balances - ending	<u>\$ 712</u>	<u>638</u>	<u>1,677</u>	<u>2</u>	<u>44,207</u>

**COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1911 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Miscellaneous	\$ 100	221	67	(154)
Total revenues	<u>100</u>	<u>221</u>	<u>67</u>	<u>(154)</u>
Expenditures:				
Capital outlay	<u>100</u>	<u>221</u>	<u>67</u>	<u>154</u>
Net change in fund balances	<u>\$</u>	<u></u>	<u></u>	<u></u>

**COUNTY OF SACRAMENTO
ASSESSMENT DISTRICTS - IMPROVEMENT
BOND ACT OF 1915 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 20			
Miscellaneous	<u>382</u>	<u>618</u>	<u> </u>	<u>(618)</u>
Total revenues	<u>402</u>	<u>618</u>	<u> </u>	<u>(618)</u>
 Expenditures:				
Capital outlay	<u>918</u>	<u>902</u>	<u>157</u>	<u>745</u>
 Net change in fund balances	<u>\$ (516)</u>	<u>(284)</u>	<u>(157)</u>	<u>127</u>

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
METRO AIR PARK COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 3	3	3	
Miscellaneous	<u>395</u>	<u>350</u>	<u>3</u>	<u>(350)</u>
Total revenues	<u>398</u>	<u>353</u>	<u>3</u>	<u>(350)</u>
 Expenditures:				
Capital outlay	<u>6,900</u>	<u>6,895</u>	<u>335</u>	<u>6,560</u>
 Net change in fund balances	<u>\$ (6,502)</u>	<u>(6,542)</u>	<u>(332)</u>	<u>6,210</u>

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA STONELAKE COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 1	1		(1)
Miscellaneous	<u>125</u>	<u>125</u>	<u>124</u>	<u>(1)</u>
Total revenues	<u>126</u>	<u>126</u>	<u>124</u>	<u>(2)</u>
Expenditures:				
Capital outlay	<u>295</u>	<u>300</u>	<u>107</u>	<u>193</u>
Net change in fund balances	<u>\$ (169)</u>	<u>(174)</u>	<u>17</u>	<u>191</u>

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
PARK MEADOWS COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 1	1		(1)
Miscellaneous	<u>60</u>	<u>64</u>	<u>60</u>	<u>(4)</u>
Total revenues	<u>61</u>	<u>65</u>	<u>60</u>	<u>(5)</u>
 Expenditures:				
Capital outlay	<u>114</u>	<u>127</u>	<u>57</u>	<u>70</u>
 Net change in fund balances	<u>\$ (53)</u>	<u>(62)</u>	<u>3</u>	<u>65</u>

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Expenditures:				
Public ways and facilities	\$ 1,174	\$ 1,176	\$ 400	\$ 776
Net change in fund balances	<u>\$ (1,174)</u>	<u>(1,176)</u>	<u>(400)</u>	<u>776</u>

**COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA CREEK RANCH/ELLIOTT RANCH COMMUNITY FACILITIES
DISTRICT NUMBER ONE AND TWO CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 2	2	1	(1)
Miscellaneous	<u>460</u>	<u>460</u>	<u>469</u>	<u>9</u>
Total revenues	<u>462</u>	<u>462</u>	<u>470</u>	<u>8</u>
Expenditures:				
Public ways and facilities	<u>3,199</u>	<u>3,220</u>	<u>278</u>	<u>2,942</u>
Net change in fund balances	<u>\$ (2,737)</u>	<u>(2,758)</u>	<u>192</u>	<u>2,950</u>

COUNTY OF SACRAMENTO
ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 3	3	27	24
Intergovernmental	892	1,763	281	(1,482)
Charges for sales and services			13	13
Fines, forfeitures and penalties	3,300	3,300	3,232	(68)
Miscellaneous	<u>27,577</u>	<u>30,176</u>	<u>24,388</u>	<u>(5,788)</u>
Total revenues	<u>31,772</u>	<u>35,242</u>	<u>27,941</u>	<u>(7,301)</u>
Expenditures:				
Capital outlay	28,611	36,181	19,804	16,377
Debt Service:				
Principal	<u>77</u>	<u>77</u>	<u>77</u>	
Excess of revenues over expenditures	<u>3,084</u>	<u>(1,016)</u>	<u>8,060</u>	<u>9,076</u>
Other financing sources (uses):				
Transfers in	750	750	750	
Transfers out	<u>(8,486)</u>	<u>(8,486)</u>	<u>(8,486)</u>	
Total other financing sources (uses)	<u>(7,736)</u>	<u>(7,736)</u>	<u>(7,736)</u>	
Net change in fund balances	<u><u>\$ (4,652)</u></u>	<u><u>(8,752)</u></u>	<u><u>324</u></u>	<u><u>9,076</u></u>

**COUNTY OF SACRAMENTO
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 13	13	20	7
Intergovernmental			466	466
Charges for sales and services	1,815	1,840	2,714	874
Miscellaneous			1,050	1,050
Total revenues	<u>1,828</u>	<u>1,853</u>	<u>4,250</u>	<u>2,397</u>
Expenditures:				
Capital outlay	<u>11,359</u>	<u>13,634</u>	<u>2,000</u>	<u>11,634</u>
Net change in fund balances	<u>\$ (9,531)</u>	<u>(11,781)</u>	<u>2,250</u>	<u>14,031</u>

COUNTY OF SACRAMENTO
1997 PUBLIC FACILITIES FINANCING CORPORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$		1	1
Total revenues			<u>1</u>	<u>1</u>
Expenditures:				
Capital outlay	<u>242</u>	<u>543</u>	<u>160</u>	<u>383</u>
Net change in fund balances	<u>\$ (242)</u>	<u>(543)</u>	<u>(159)</u>	<u>384</u>

COUNTY OF SACRAMENTO
2007 PUBLIC FACILITIES FINANCING CORPORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$		3	3
Total revenues			<u>3</u>	<u>3</u>
Expenditures:				
Capital outlay	19	21		21
Deficiency of revenues under expenditures	<u>(19)</u>	<u>(21)</u>	<u>3</u>	<u>24</u>
Net change in fund balances	<u>\$ (19)</u>	<u>(21)</u>	<u>3</u>	<u>24</u>

**COUNTY OF SACRAMENTO
 TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative) <u>(Negative)</u>
Revenues:				
Use of money and property	\$ <u> </u>	<u> </u>	<u> 3</u>	<u> 3</u>
Expenditures:				
Capital outlay	<u> 3,326</u>	<u> 4,405</u>	<u> 1,713</u>	<u> 2,692</u>
Net change in fund balances	<u> \$ (3,326)</u>	<u> (4,405)</u>	<u> (1,710)</u>	<u> 2,695</u>

**COUNTY OF SACRAMENTO
MCCLELLAN CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative) <u>(Negative)</u>
Revenues:				
Use of money and property	\$ 1	1		(1)
Miscellaneous	<u>170</u>	<u>90</u>	<u>74</u>	<u>(16)</u>
Total revenues	<u>171</u>	<u>91</u>	<u>74</u>	<u>(17)</u>
 Expenditures:				
Capital outlay	<u>478</u>	<u>396</u>	<u>121</u>	<u>275</u>
 Net change in fund balances	<u>\$ (307)</u>	<u>(305)</u>	<u>(47)</u>	<u>258</u>

COUNTY OF SACRAMENTO
SACRAMENTO COUNTY LANDSCAPE MAINTENANCE CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 1	1	1	
Charges for sales and services	<u>128</u>	<u>128</u>	<u>109</u>	<u>(19)</u>
Total revenues	<u>129</u>	<u>129</u>	<u>110</u>	<u>(19)</u>
 Expenditures:				
Capital outlay	<u>147</u>	<u>187</u>	<u>84</u>	<u>103</u>
 Net change in fund balances	<u>\$ (18)</u>	<u>(58)</u>	<u>26</u>	<u>84</u>

**COUNTY OF SACRAMENTO
METRO AIR PARK SERVICE TAX CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$		1	1
Charges for sales and services	<u>110</u>	<u>110</u>	<u>109</u>	<u>(1)</u>
Total revenues	<u>110</u>	<u>110</u>	<u>110</u>	
Expenditures:				
Capital outlay	<u>749</u>	<u>750</u>	<u>112</u>	<u>638</u>
Other financing uses:				
Net change in fund balances	<u>\$ (639)</u>	<u>(640)</u>	<u>(2)</u>	<u>638</u>

**COUNTY OF SACRAMENTO
 NORTH VINEYARD SSP CFD CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ 1	1	1	
Miscellaneous	82	168	167	(1)
Total revenues	83	169	168	(1)
Expenditures:				
Capital outlay	1,731	1,741	64	1,677
Net change in fund balances	\$ (1,648)	(1,572)	104	1,676

COMPREHENSIVE ANNUAL FINANCIAL REPORT



NONMAJOR ENTERPRISE FUNDS SECTION

NON-MAJOR ENTERPRISE FUNDS

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

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

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	\$ 4,911	47	4,958
Receivables, net of allowance for uncollectibles:			
Intergovernmental		1,594	1,594
Interest	11	2	13
Total current assets	<u>4,922</u>	<u>1,643</u>	<u>6,565</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	1,299		1,299
Buildings & improvements, infrastructure, equipment and intangibles, net	1,383	986	2,369
Total capital assets	<u>2,682</u>	<u>986</u>	<u>3,668</u>
Total noncurrent assets	<u>2,682</u>	<u>986</u>	<u>3,668</u>
Total assets	<u>7,604</u>	<u>2,629</u>	<u>10,233</u>
Deferred outflows of resources:			
Deferred outflow amount related to pension	46		46
Total assets and deferred outflows of resources	<u>7,650</u>	<u>2,629</u>	<u>10,279</u>
Liabilities:			
Current liabilities:			
Warrants payable	5		5
Accrued liabilities	32	119	151
Intergovernmental payable	11		11
Due to other funds	4	175	179
Current portion of long-term debt obligations	4		4
Total current liabilities	<u>56</u>	<u>294</u>	<u>350</u>
Noncurrent liabilities:			
Long-term debt obligations	47		47
Net pension liability	160		160
Total noncurrent liabilities	<u>207</u>		<u>207</u>
Total liabilities	<u>263</u>	<u>294</u>	<u>557</u>

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Deferred inflows of resources:			
Deferred inflow amount related to pension	172		172
Total liabilities and deferred inflows	435	294	729
Net position:			
Net investment in capital assets	2,682	986	3,668
Restricted for:			
Transportation		923	923
Unrestricted	4,533	426	4,959
Total net position	\$ 7,215	\$ 2,335	\$ 9,550

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	\$ 2,914	228	3,142
Other	88		88
Total operating revenues	<u>3,002</u>	<u>228</u>	<u>3,230</u>
Operating expenses:			
Salaries and benefits	359		359
Services and supplies	1,753	342	2,095
Depreciation and amortization	303	204	507
Other	48	1,658	1,706
Total operating expenses	<u>2,463</u>	<u>2,204</u>	<u>4,667</u>
Operating income (loss)	<u>539</u>	<u>(1,976)</u>	<u>(1,437)</u>
Nonoperating revenues (expenses):			
Intergovernmental		836	836
Sales / use tax		687	687
Total nonoperating revenues		<u>1,523</u>	<u>1,523</u>
Income before transfers	539	(453)	86
Transfers out	(33)		(33)
Change in net position	506	(453)	53
Net position, beginning of year, as restated	6,709	2,788	9,497
Net position, end of year	<u>\$ 7,215</u>	<u>2,335</u>	<u>9,550</u>

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE
COMBINING STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,914	228	3,142
Payments to suppliers	(1,739)	(1,909)	(3,648)
Payments to employees	(375)		(375)
Payments for interfund services used	(2)		(2)
Payments for other operating activities	39		39
Net cash provided by (used for) operating activities	<u>837</u>	<u>(1,681)</u>	<u>(844)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue		993	993
Transfers from other funds	(33)		(33)
Net cash provided by (used for) noncapital financing activities	<u>(33)</u>	<u>993</u>	<u>960</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets		(564)	(564)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received / (paid) on cash and investments	(8)	(2)	(10)
Net cash provided by investing activities	<u>(8)</u>	<u>(2)</u>	<u>(10)</u>
Net increase in cash and cash equivalents	796	(1,254)	(458)
Cash and cash equivalents, beginning of year	4,115	1,301	5,416
Cash and cash equivalents, end of year	<u>\$ 4,911</u>	<u>47</u>	<u>4,958</u>

**COUNTY OF SACRAMENTO
NON-MAJOR ENTERPRISE
COMBINING STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	<u>Parking Enterprise</u>	<u>County Transit</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 539	(1,976)	(1,437)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and Amortization	303	204	507
Non cash reduction in salaries and benefits GASB 68	(21)		(21)
Changes in assets and liabilities:			
Receivables:			
Warrants payable	1	(87)	(86)
Accrued liabilities	13	178	191
Due to other funds	(2)		(2)
Compensated absences	(1)		(1)
Other post employment benefits	5		5
Total adjustments	<u>298</u>	<u>295</u>	<u>593</u>
Net cash provided by (used for) operating activities	<u>\$ 837</u>	<u>(1,681)</u>	<u>(844)</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

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

Department of Technology - Accounts for central telecommunication and data processing support to County departments.

**"COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015**

Page 1 of 2

	General Services	Self Insurance			Regional Communications	Department of Technology	Total
		Liability/ Property	Worker's Compensation	Other			
Assets:							
Current assets:							
Cash and investments	\$ 80,321	2,646	19,040	218	6,416	11,942	120,583
Receivables, net of allowance for uncollectibles:							
Billed	161						161
Interest					16		16
Intergovernmental		1,506	1,333	72			2,911
Due from other funds	1	14,181	25,619	1,766			41,567
Prepaid items		98				222	320
Inventories	1,825						1,825
Total current assets	<u>82,308</u>	<u>18,431</u>	<u>45,992</u>	<u>2,056</u>	<u>6,432</u>	<u>12,164</u>	<u>167,383</u>
Noncurrent assets:							
Long-term advances to other funds			41,752				41,752
Long-term receivables			87				87
Capital assets:							
Buildings & improvements, infrastructure, equipment and intangibles, net	23,938		3		12,507	6,206	42,654
Total capital assets	<u>23,938</u>		<u>3</u>		<u>12,507</u>	<u>6,206</u>	<u>42,654</u>
Total noncurrent assets	<u>23,938</u>		<u>41,842</u>		<u>12,507</u>	<u>6,206</u>	<u>84,493</u>
Total assets	<u>106,246</u>	<u>18,431</u>	<u>87,834</u>	<u>2,056</u>	<u>18,939</u>	<u>18,370</u>	<u>251,876</u>
Deferred outflows of resources:							
Deferred outflow related to pension	7,080				160	6,115	13,355
Total assets and deferred outflows of resources	<u>113,326</u>	<u>18,431</u>	<u>87,834</u>	<u>2,056</u>	<u>19,099</u>	<u>24,485</u>	<u>265,231</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015**

Page 1 of 2

	Self Insurance			Regional Communications	Department of Technology	Total
	General Services	Liability/ Property	Worker's Compensation			
Liabilities and fund balances:						
Current liabilities:						
Warrants payable	3,590	716	384	7	447	5,144
Accrued liabilities	9,343	981	30	157	2,996	13,517
Intergovernmental payable	547				10	557
Due to other funds	2,525			23	379	2,927
Current portion of insurance claims payable		10,294	22,624	212		33,130
Current portion of long-term debt obligations	267				391	658
Unearned revenue			87	4,690	528	5,305
Total current liabilities	16,272	11,991	23,125	4,877	4,751	61,238
Noncurrent liabilities:						
Insurance claims payable		23,258	154,087			177,345
Long-term debt obligations	6,819			109	6,812	13,740
Long-term advances from other funds	8,305					8,305
Net pension liability	18,533			430	16,487	35,450
Total noncurrent liabilities	33,657	23,258	154,087	539	23,299	234,840
Total liabilities	49,929	35,249	177,212	5,416	28,050	296,078
Deferred inflows of resources:						
Deferred inflow related to pension	19,878			461	17,684	38,023
Total liabilities and deferred inflows of resources	69,807	35,249	177,212	5,877	45,734	334,101
Net position:						
Net investment in capital assets	23,938		3	12,507	6,206	42,654
Unrestricted	19,581	(16,818)	(89,381)	715	(27,455)	(111,524)
Total net position	\$ 43,519	\$ (16,818)	\$ (89,378)	\$ 1,834	\$ (21,249)	\$ (68,870)

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	General Services	Self Insurance			Regional Communications	Department of Technology	Total
		Liability/ Property	Worker's Compensation	Other			
Operating revenues:							
Charges for sales and services	\$ 149,752	16,275	27,245	1,838	3,725	73,527	272,362
Other	622	1,433	293		915	76	3,339
Total operating revenues	<u>150,374</u>	<u>17,708</u>	<u>27,538</u>	<u>1,838</u>	<u>4,640</u>	<u>73,603</u>	<u>275,701</u>
Operating expenses:							
Salaries and benefits	49,062				1,121	39,688	89,871
Services and supplies	77,840			165	1,144	19,892	99,041
Cost of sales and services	3,111						3,111
Depreciation and amortization	6,857		2		1,699	1,924	10,482
Self-insurance		15,653	29,855	1,008			46,516
Other	724	27	153	9			913
Total operating expenses	<u>137,594</u>	<u>15,680</u>	<u>30,010</u>	<u>1,182</u>	<u>3,964</u>	<u>61,504</u>	<u>249,934</u>
Operating income (loss)	<u>12,780</u>	<u>2,028</u>	<u>(2,472)</u>	<u>656</u>	<u>676</u>	<u>12,099</u>	<u>25,767</u>
Nonoperating revenues (expenses):							
Use of money and property					16		16
Interest expense	(675)	(5)	(40)		(147)	(25)	(892)
Other	1,698				(407)	(208)	1,083
Total nonoperating revenues (expenses)	<u>1,023</u>	<u>(5)</u>	<u>(40)</u>		<u>(538)</u>	<u>(233)</u>	<u>207</u>
Income before transfers	13,803	2,023	(2,512)	656	138	11,866	25,974
Transfers out	(4,756)				(78)	(7,116)	(11,950)
Change in net position	9,047	2,023	(2,512)	656	60	4,750	14,024
Net position, beginning of year	34,472	(18,841)	(86,866)	1,178	13,162	(25,999)	(82,894)
Net position, end of year	<u>\$ 43,519</u>	<u>(16,818)</u>	<u>(89,378)</u>	<u>1,834</u>	<u>13,222</u>	<u>(21,249)</u>	<u>(68,870)</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Self Insurance					Total	
	General Services	Liability/Property	Worker's Compensation	Other	Regional Communications		Department of Technology
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 575	1,433			5,038	73,797	80,843
Receipts from interfund services provided	171,714	16,581	29,522	1,417			219,234
Payments to suppliers	(79,242)	(15,950)	(18,959)	(1,037)	(370)	(15,670)	(131,228)
Payments to employees	(52,750)	(1,350)	(3,236)	(126)	(1,190)	(42,564)	(101,216)
Payments / (refunds) for other operating activities	(724)					74	(650)
Payments for interfund services used	(21,833)	(89)	(515)	(36)	(827)	(4,717)	(28,017)
Net cash flows provided by (used for) operating activities	<u>17,740</u>	<u>625</u>	<u>6,812</u>	<u>218</u>	<u>2,651</u>	<u>10,920</u>	<u>38,966</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Receipt on advance from other funds	3,349				7		3,356
Payment on advance from other funds	(3,707)				(407)		(4,114)
Transfers to other funds	(4,756)				(78)	(7,116)	(11,950)
Interest paid on advances from other funds	(675)					(233)	(908)
Non-operating expense		(5)					(5)
Net cash provided by (used for) noncapital financing activities	<u>(5,789)</u>	<u>(5)</u>			<u>(478)</u>	<u>(7,349)</u>	<u>(13,621)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(8,605)				(323)	(3,096)	(12,024)
Interest paid on capital debt			(40)		(147)		(187)
Proceeds from the sale of capital assets	2,385					71	2,456
Net cash used for capital and related financing activities	<u>(6,220)</u>		<u>(40)</u>		<u>(470)</u>	<u>(3,025)</u>	<u>(9,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received / (paid) on cash and investments	58						58
Net increase (decrease) in cash and cash equivalents	<u>5,789</u>	<u>620</u>	<u>6,772</u>	<u>218</u>	<u>1,703</u>	<u>546</u>	<u>15,648</u>
Cash and cash equivalents, beginning of year	74,532	2,026	12,268		4,713	11,396	104,935
Cash and cash equivalents, end of year	<u>\$ 80,321</u>	<u>2,646</u>	<u>19,040</u>	<u>218</u>	<u>6,416</u>	<u>11,942</u>	<u>120,583</u>

**COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Self Insurance					Department of Technology	Total
	General Services	Liability/Property	Worker's Compensation	Other	Regional Communications		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating income (loss)	\$ 12,780	2,028	(2,472)	656	676	12,099	25,767
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:							
Depreciation and amortization	6,857		2		1,699	1,924	10,482
Non cash reduction in salaries and benefits GASB 68	(4,193)				(93)	(3,546)	(7,832)
Changes in assets and liabilities:							
Billed	(46)		2,130				2,084
Due from other funds	(1)	1,921	(48)	10			1,882
Prepaid expenses		73				74	147
Inventories	781						781
Warrants payable	(902)	329	(8)		(32)	176	(437)
Accrued liabilities	1,828	(206)	27	10	(19)	(1,137)	503
Intergovernmental payable	2	(1,506)					(1,504)
Due to other funds	129	13		(431)		75	(214)
Deferred revenues		(123)	(98)		397	195	371
Compensated absences	141				17	787	945
Other post employment benefits	364				6	273	643
Insurance claims payable		(1,904)	7,279	(27)			5,348
Total adjustments	4,960	(1,403)	9,284	(438)	1,975	(1,179)	13,199
Net cash provided by (used for) operating activities	<u>\$ 17,740</u>	<u>625</u>	<u>6,812</u>	<u>218</u>	<u>2,651</u>	<u>10,920</u>	<u>38,966</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT



AGENCY FUNDS

AGENCY FUNDS

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

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

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

**COUNTY OF SACRAMENTO
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2015
 (amounts expressed in thousands)**

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	\$ 81,783	15,976	98,493	196,252
Receivables, net of allowance for uncollectibles:				
Billed	785		8,186	8,971
Interest	221	497	4,809	5,527
Total assets	<u>\$ 82,789</u>	<u>16,473</u>	<u>111,488</u>	<u>210,750</u>
Liabilities:				
Warrants payable	\$ 2,942	6,385	4,798	14,125
Accrued liabilities	486		3,260	3,746
Intergovernmental payable	79,361	10,088	103,430	192,879
Total liabilities	<u>\$ 82,789</u>	<u>16,473</u>	<u>111,488</u>	<u>210,750</u>

**COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

Page 1 of 3

	<u>Balance</u> June 30, 2014	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> June 30, 2015
Law Enforcement				
Assets:				
Cash and investments	\$ 76,670	5,113		81,783
Receivables, net of allowance for uncollectibles:				
Billed		785		785
Interest	9	212		221
Due from other funds	892		892	0
Total assets	<u>\$ 77,571</u>	<u>6,110</u>	<u>892</u>	<u>82,789</u>
Liabilities:				
Warrants payable	\$ 306	2,636		2,942
Accrued liabilities	8,910		8,424	486
Intergovernmental payable	68,355	11,006		79,361
Total liabilities	<u>\$ 77,571</u>	<u>13,642</u>	<u>266</u>	<u>82,789</u>

	<u>Balance</u> June 30, 2014	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> June 30, 2015
Unapportioned Tax Collection				
Assets:				
Cash and investments	\$ 20,475		4,499	15,976
Receivables, net of allowance for uncollectibles:				
Interest	228	269		497
Total assets	<u>\$ 20,703</u>	<u>269</u>	<u>4,499</u>	<u>16,473</u>
Liabilities:				
Warrants payable	\$ 6,296	89		6,385
Intergovernmental payable	14,407		4,319	10,088
Total liabilities	<u>\$ 20,703</u>	<u>89</u>	<u>4,319</u>	<u>16,473</u>

**COUNTY OF SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

Page 2 of 3

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Other Agency				
Assets:				
Cash and investments	\$ 86,204	12,289		98,493
Receivables, net of allowance for uncollectibles:				
Billed	765	7,421		8,186
Interest	651	4,158		4,809
Intergovernmental	400		400	0
Due from other funds	720		720	0
Total assets	<u>\$ 88,740</u>	<u>23,868</u>	<u>1,120</u>	<u>111,488</u>
Liabilities:				
Warrants payable	\$ 3,885	913		4,798
Accrued liabilities	3,076	184		3,260
Intergovernmental payable	81,107	22,323		103,430
Due to other funds	672		672	0
Total liabilities	<u>\$ 88,740</u>	<u>23,420</u>	<u>672</u>	<u>111,488</u>

**COUNTY OF SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015
 (amounts expressed in thousands)**

Page 3 of 3

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Totals				
Assets:				
Cash and investments	\$ 183,349	17,402	4,499	196,252
Receivables, net of allowance for uncollectibles:				
Billed	765	8,206		8,971
Interest	888	4,639		5,527
Intergovernmental	400		400	
Due from other funds	1,612		1,612	
Total assets	<u>\$ 187,014</u>	<u>30,247</u>	<u>6,511</u>	<u>210,750</u>
Liabilities:				
Warrants payable	\$ 10,487	3,638		14,125
Accrued liabilities	11,986	184	8,424	3,746
Intergovernmental payable	163,869	33,329	4,319	192,879
Due to other funds	672		672	
Total liabilities	<u>\$ 187,014</u>	<u>37,151</u>	<u>13,415</u>	<u>210,750</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



TRUST FUNDS

TRUST FUNDS

INVESTMENT

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

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

PRIVATE PURPOSE

Redevelopment Obligation Trust Fund (RORF) – Accounts for the assets, liabilities, and activities of the County of Sacramento Redevelopment Successor Agency (Successor Agency).

**COUNTY OF SACRAMENTO
TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)**

	Investment Trust			Private Purpose Trust Fund
	Treasurer's Pool	Non-Pooled Investments	Total	Redevelopment Obligation Retirement Fund - Successor Agency
Assets:				
Cash and investments	\$ 2,011,525	373,730	2,385,255	27,547
Billed				180
Intergovernmental				3,026
Interest				102
Prepaid items				7,922
Total assets	<u>2,011,525</u>	<u>373,730</u>	<u>2,385,255</u>	<u>38,777</u>
Liabilities:				
Unearned revenue				2,613
Accrued liabilities				581
Intergovernmental payable				1,406
Loan due to County Public Financing Authority				72,035
Other long-term liabilities				6,852
Total liabilities				<u>83,487</u>
Net position (deficit) held in trust	<u>\$ 2,011,525</u>	<u>373,730</u>	<u>2,385,255</u>	<u>(44,710)</u>

**COUNTY OF SACRAMENTO
TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)**

	Investment Trust			Private Purpose Trust Fund
	Treasurer's Pool	Non-Pooled Investments	Total	Redevelopment Obligation Retirement Fund - Successor Agency
Additions:				
Property taxes	\$			6,085
Contributions on pooled investments	6,218,171	2,282,715	8,500,886	
Use of money and property	30,507	13,626	44,133	10
Miscellaneous				16
Total additions	<u>6,248,678</u>	<u>2,296,341</u>	<u>8,545,019</u>	<u>6,111</u>
Deductions:				
Distributions from pooled investments	6,010,134	2,143,481	8,153,615	
Services and supplies				1,712
Interest expense				4,281
Total deductions	<u>6,010,134</u>	<u>2,143,481</u>	<u>8,153,615</u>	<u>5,993</u>
Changes in net position	<u>238,544</u>	<u>152,860</u>	<u>391,404</u>	<u>118</u>
Net position held in trust, beginning of year	<u>1,772,981</u>	<u>220,870</u>	<u>1,993,851</u>	<u>(44,828)</u>
Net position held in trust, end of year	<u>\$ 2,011,525</u>	<u>373,728</u>	<u>2,385,255</u>	<u>(44,710)</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



**STATISTICAL
SECTION**

STATISTICAL SECTION

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

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

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

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

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

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

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

**COUNTY OF SACRAMENTO
NET POSITION BY COMPONENT
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Governmental activities										
Net investment in capital assets	1,304,641	1,335,121	1,296,783	1,428,639	1,374,306	1,378,390	1,407,750	1,373,547	1,389,288	1,362,707
Restricted	408,290	425,187	507,138	478,468	437,559	390,498	429,831	305,772	284,613	179,628
Unrestricted	13,152	(44,775)	(105,778)	(387,629)	(316,689)	*(363,502)	(301,596)	(222,334)	(206,727)	(1,945,922)
Total governmental activities net position	<u>1,726,083</u>	<u>1,715,533</u>	<u>1,698,143</u>	<u>1,519,478</u>	<u>1,495,176</u>	<u>1,405,386</u>	<u>1,535,985</u>	<u>1,456,985</u>	<u>1,467,174</u>	<u>(403,587)</u>
Business-type activities										
Net investment in capital assets	461,723	512,575	514,042	577,905	719,665	790,799	873,060	924,632	902,340	893,262
Restricted	115,208	138,764	214,334	218,839	216,266	182,288	140,552	119,827	113,277	117,472
Unrestricted	258,055	264,560	274,165	239,805	156,994	*183,320	215,094	241,164	252,278	223,719
Total business-type activities net position	<u>834,986</u>	<u>915,899</u>	<u>1,002,541</u>	<u>1,036,549</u>	<u>1,092,925</u>	<u>1,156,407</u>	<u>1,228,706</u>	<u>1,285,623</u>	<u>1,267,895</u>	<u>1,234,453</u>
Primary government										
Net investment in capital assets	1,766,364	1,847,696	1,810,825	2,006,544	2,093,971	2,169,189	2,280,810	2,298,179	2,291,628	2,255,969
Restricted	523,498	563,951	721,472	697,307	653,825	572,786	570,383	425,599	397,890	297,100
Unrestricted	271,207	219,785	168,387	(147,824)	(159,695)	*(180,182)	(86,502)	18,830	45,551	(1,722,203)
Total primary government net position	<u>2,561,069</u>	<u>2,631,432</u>	<u>2,700,684</u>	<u>2,556,027</u>	<u>2,588,101</u>	<u>2,561,793</u>	<u>2,764,691</u>	<u>2,742,608</u>	<u>2,735,069</u>	<u>830,866</u>

* Restated 2009-10

Note: 1) 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
CHANGE IN NET POSITION
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

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	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Expenses										
Governmental activities:										
General government	\$ 208,862	217,194	201,712	185,963	177,963	191,427	171,667	183,480	165,556	169,604
Public assistance	731,099	736,120	681,682	704,416	668,368	674,543	611,073	608,245	629,196	639,831
Public protection	617,770	727,876	705,953	744,072	650,198	673,751	630,142	711,957	760,358	725,108
Health and sanitation	467,682	537,677	671,812	724,666	595,816	528,449	555,490	566,548	574,814	502,535
Public ways and facilities	160,495	139,424	199,748	123,999	115,073	122,752	111,965	104,898	152,956	152,186
Recreation and culture	32,678	37,522	42,246	41,194	37,139	35,990	88,913	37,871	37,150	34,771
Education	13,156	14,806	22,621	24,161	21,053	3,578	1,858	2,548	1,353	1,820
Interest and fiscal charges	96,182	108,249	151,148	138,824	141,529	140,419	124,537	116,565	122,597	125,603
Total governmental activities	<u>2,327,924</u>	<u>2,518,868</u>	<u>2,676,922</u>	<u>2,687,295</u>	<u>2,407,139</u>	<u>2,370,909</u>	<u>2,295,645</u>	<u>2,332,112</u>	<u>2,443,980</u>	<u>2,351,458</u>
Business-type activities:										
Airport	104,486	113,018	125,793	131,888	130,724	128,941	167,303	204,930	199,264	188,132
Solid Waste	62,395	61,106	60,149	66,991	62,567	59,433	63,131	62,178	59,117	59,774
Water Agency	37,313	40,200	45,992	29,277	24,575	28,174	47,799	55,632	55,586	55,923
Parking Enterprise	2,606	2,630	2,904	12,459	3,247	1,914	2,037	1,819	1,725	2,463
County Transit	1,888	2,179	1,954	1,955	1,677	1,597	2,040	1,408	1,696	2,204
Total business-type activities	<u>208,688</u>	<u>219,133</u>	<u>236,792</u>	<u>242,570</u>	<u>222,790</u>	<u>220,059</u>	<u>282,310</u>	<u>325,967</u>	<u>317,388</u>	<u>308,496</u>
Total primary government	<u>\$ 2,536,612</u>	<u>2,738,001</u>	<u>2,913,714</u>	<u>2,929,865</u>	<u>2,629,929</u>	<u>2,590,968</u>	<u>2,577,955</u>	<u>2,658,079</u>	<u>2,761,368</u>	<u>2,659,954</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 142,140	134,274	90,743	89,134	100,877	112,818	116,246	130,972	118,633	169,287
Public assistance	4,705	10,621	11,340	9,156	8,464	8,858	11,744	9,862	6,541	
Public protection	140,842	145,372	126,058	122,229	110,244	122,315	118,963	114,114	124,049	106,089
Health and sanitation	25,471	41,289	43,888	51,561	38,692	28,783	40,380	44,123	36,151	35,503
Public ways and facilities	81,903	82,266	76,590	53,711	31,912	31,660	27,227	15,441	79,336	57,397
Recreation and culture	13,373	14,694	15,065	17,312	12,735	14,435	13,181	13,249	12,915	12,808
Education	72	256	273	298	177	448	875	536	146	
Operating grants and contributions	1,096,348	1,104,969	1,223,424	1,177,843	1,128,887	1,168,916	1,153,418	1,162,723	1,225,662	1,223,283
Capital grants and contributions	31,523	41,993	95,231	34,808	38,434	24,658	22,257	38,570	40,793	18,210
Total governmental activities	<u>\$ 1,536,377</u>	<u>1,575,734</u>	<u>1,682,612</u>	<u>1,556,052</u>	<u>1,470,422</u>	<u>1,512,891</u>	<u>1,504,291</u>	<u>1,529,590</u>	<u>1,644,226</u>	<u>1,622,577</u>

**COUNTY OF SACRAMENTO
CHANGE IN NET POSITION
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

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	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Business-type activities:										
Charges for services:										
Airport	\$ 104,566	107,997	115,050	123,192	132,727	121,516	146,328	162,222	160,647	177,244
Solid Waste	66,877	64,676	65,302	67,018	65,907	67,970	71,101	72,148	70,469	69,636
Water Agency	60,283	54,894	47,800	43,954	46,847	54,999	57,989	64,844	65,460	63,649
Parking Enterprise	2,921	3,047	3,265	4,989	3,185	3,195	3,143	2,995	2,995	3,001
County Transit	257	556	204	183	158	164	178	252	220	227
Operating grants and contributions	26,246	29,451	29,540	25,031	22,943	21,764	25,855	23,694	20,001	878
Capital grants and contributions	16,272	21,895	28,635	12,290	10,211	16,133	15,872	56,887	11,891	19,119
Total business-type activities	<u>277,422</u>	<u>282,516</u>	<u>289,796</u>	<u>276,657</u>	<u>281,978</u>	<u>285,741</u>	<u>320,466</u>	<u>383,042</u>	<u>331,683</u>	<u>333,754</u>
Total primary government	<u>\$ 1,813,799</u>	<u>1,858,250</u>	<u>1,972,408</u>	<u>1,832,709</u>	<u>1,752,400</u>	<u>1,798,632</u>	<u>1,824,757</u>	<u>1,912,632</u>	<u>1,975,909</u>	<u>1,956,331</u>
Net (expense)/revenue										
Governmental activities	\$ (791,547)	(943,134)	(994,310)	(1,131,243)	(936,717)	(858,018)	(791,354)	(802,522)	(799,754)	(728,881)
Business-type activities	68,734	63,383	53,004	34,087	59,188	65,682	38,156	57,075	14,295	25,258
Total primary government net expense	<u>\$ (722,813)</u>	<u>(879,751)</u>	<u>(941,306)</u>	<u>(1,097,156)</u>	<u>(877,529)</u>	<u>(792,336)</u>	<u>(753,198)</u>	<u>(745,447)</u>	<u>(785,459)</u>	<u>(703,623)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 415,320	447,032	474,947	475,629	437,634	383,651	379,289	370,925	398,364	425,477
Sales/Use	79,862	80,267	82,472	69,225	58,357	59,614	63,774	70,857	73,686	74,171
Transient occupancy	6,623	6,823	6,964	5,311	4,467	3,483	3,383	3,878	3,860	4,534
Unrestricted investment earnings	67,522	75,053	72,706	49,804	15,016	1,250	(648)	13,199	13,348	13,857
Grants and contrib. not restricted to specific programs	224,467	199,811	230,103	215,915	197,855	230,748	237,046	239,894	234,422	287,041
Pledged tobacco settlement proceeds	12,082	12,795	6,716	14,862	12,393	12,365	12,609	19,004	12,493	12,368
Miscellaneous	85,701	109,194	92,127	105,545	105,003	120,593	90,168	80,293	78,304	51,966
Transfers	(638)	1,609	1,988	7,514	8,502	4,972	(6)	4,848	4,981	5,178
Extraordinary item - AB 99 obligation						(48,448)	48,448			
Total general revenues and transfers	<u>\$ 890,939</u>	<u>932,584</u>	<u>968,023</u>	<u>943,805</u>	<u>839,227</u>	<u>768,228</u>	<u>834,063</u>	<u>802,898</u>	<u>819,458</u>	<u>874,592</u>

**COUNTY OF SACRAMENTO
CHANGE IN NET POSITION
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

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	Fiscal Year									
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Business-type activities:										
Sales/Use tax	\$ 614	951	573	483	573	554	356	927	581	687
Unrestricted investment earnings	13,215	18,188	31,890	6,778	2,617	1,018	2,701			
Grants and contrib. not restricted to specific programs								3,878	1,973	1,473
Transfers	638	(1,609)	(1,988)	(7,514)	(6,002)	(4,972)	6	(4,848)	(4,981)	(5,178)
Special item - Abatement of regulatory fees						1,200	350	(417)		
Extraordinary - Litigation Settlements							30,730			
Total general revenues and transfers	<u>14,467</u>	<u>17,530</u>	<u>30,475</u>	<u>(253)</u>	<u>(2,812)</u>	<u>(2,200)</u>	<u>34,143</u>	<u>(460)</u>	<u>(2,427)</u>	<u>(3,018)</u>
Total primary government	<u>\$ 905,406</u>	<u>950,114</u>	<u>998,498</u>	<u>943,552</u>	<u>836,415</u>	<u>766,028</u>	<u>868,206</u>	<u>802,438</u>	<u>817,031</u>	<u>871,574</u>
Change in Net Position										
Governmental activities	\$ 99,392	(10,550)	(26,287)	(187,438)	(97,490)	(89,790)	42,709	376	19,704	145,711
Business-type activities	83,201	80,913	83,479	33,834	56,376	63,482	72,299	56,615	11,868	22,240
Total primary government	<u>\$ 182,593</u>	<u>70,363</u>	<u>57,192</u>	<u>(153,604)</u>	<u>(41,114)</u>	<u>(26,308)</u>	<u>115,008</u>	<u>56,991</u>	<u>31,572</u>	<u>167,951</u>

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General fund										
Reserved	\$ 47,478	48,850	59,322	60,921	135,835					*
Unreserved	205,520	149,845	97,711	(41,533)	(49,289)					*
Nonspendable						15,435	14,967	14,618	32,640	30,837
Restricted						151,287	193,620	201,876	205,789	232,455
Assigned								1,212		
Unassigned						(30,835)	(3,382)	(1)	(38,992)	(13,462)
Total general fund	<u>\$ 252,998</u>	<u>198,695</u>	<u>157,033</u>	<u>19,388</u>	<u>86,546</u>	<u>135,887</u>	<u>205,205</u>	<u>217,705</u>	<u>199,437</u>	<u>249,830</u>
All other governmental funds										
Reserved	\$ 308,644	330,439	379,897	352,822	277,547					*
Unreserved, reported in:										*
Special revenue funds	277,814	250,264	265,854	219,591	259,518					
Capital project funds	(2,507)	4,104	3,428	(5,627)	767					
Special revenue funds										
Nonspendable						1,836	16,069	15,703	10,467	902
Restricted						239,441	271,784	172,741	191,743	198,744
Debt Service funds										
Nonspendable										
Restricted						126,878	121,162	111,917	105,644	101,784
Capital projects funds										
Nonspendable						4,292	4,292	4,292		
Restricted						71,069	49,484	41,414	44,096	44,207
Unassigned						(1,974)	(2,013)	(2,066)		
Total all other governmental funds	<u>\$ 583,951</u>	<u>584,807</u>	<u>649,179</u>	<u>566,786</u>	<u>537,832</u>	<u>441,542</u>	<u>460,778</u>	<u>344,001</u>	<u>351,950</u>	<u>345,637</u>

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

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

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Revenues										
Taxes	\$ 501,805	534,122	564,383	550,165	503,091	452,478	446,446	445,659	475,910	504,182
Use of money and property	66,851	74,172	72,908	49,108	14,753	12,057	13,033	13,135	13,347	13,843
Licenses and permits	50,125	46,035	49,259	41,762	37,285	40,187	39,183	46,254	50,032	56,766
Intergovernmental	1,370,473	1,374,776	1,431,493	1,419,783	1,366,831	1,432,358	1,408,860	1,444,711	1,524,291	1,546,630
Charges for services	181,786	181,628	179,710	197,378	182,714	184,038	177,714	174,666	249,034	244,887
Fines, forfeitures, and penalties	41,014	46,177	52,853	33,427	34,716	49,756	43,551	39,054	43,723	43,041
Contributions and donations			62,050							
Pledged tobacco settlement proceeds	12,138	12,705	13,525	14,862	12,393	12,365	12,609	19,004	12,493	12,368
Miscellaneous	85,701	109,194	101,025	105,545	105,003	120,593	90,168	80,294	77,392	86,346
Total revenues	2,309,893	2,378,809	2,527,206	2,412,030	2,256,786	2,303,832	2,231,564	2,262,777	2,446,222	2,508,063
Expenditures										
General government	177,477	177,952	175,593	171,945	143,739	151,978	133,720	141,867	142,581	151,271
Public assistance	730,185	731,883	673,098	689,891	653,640	666,033	597,066	597,598	621,588	656,873
Public protection	627,594	687,371	666,706	683,099	597,467	633,933	633,761	660,322	718,386	753,721
Health and sanitation	417,330	501,490	644,595	681,774	559,019	513,468	535,088	553,781	564,824	522,894
Public ways and facilities	96,068	102,617	108,974	102,254	115,672	102,705	85,118	108,663	151,269	137,724
Recreation and culture	36,133	41,972	49,871	42,185	34,693	33,896	33,881	34,553	34,650	35,368
Education	17,051	20,082	22,416	23,013	20,229	2,988	1,179	1,040	1,025	1,604
Capital outlay	110,519	100,052	128,542	109,098	77,061	47,840	53,059	32,316	40,629	35,754
Debt service:										
Principal	41,053	53,880	83,964	129,232	81,356	85,295	70,736	79,956	72,695	69,242
Bond issuance cost	4,043		9,949	335	1,217		4,579		867	
Advanced refunding escrow	15,659									
Interest and fiscal charges	51,336	72,229	87,098	89,150	109,087	125,166	114,172	123,615	125,196	137,656
Total expenditures	2,324,448	2,489,528	2,650,806	2,721,976	2,393,180	2,363,302	2,262,359	2,333,711	2,473,710	2,502,107
Deficiency of revenue under expenditures	\$ (14,555)	(110,719)	(123,600)	(309,946)	(136,394)	(59,470)	(30,795)	(70,934)	(27,488)	5,956

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)

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	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Other financing sources (uses)										
Transfers in	\$ 194,272	116,773	184,870	174,740	180,332	173,174	206,201	193,346	187,577	184,765
Transfers out	(188,214)	(103,130)	(171,783)	(156,475)	(155,924)	(158,246)	(171,550)	(175,433)	(156,053)	(167,637)
Capital leases obligations	837	4,105	8,413			29				
Issuance of debt	47,500	39,524	160,241	80,006	64,470	46,012	295,026	28,374	135,060	20,996
Payments to participating governments			(43,855)							
Tobacco settlement proceeds										
Refunding of debt issued	270,036		359,165	49,760	123,950					
Discount on debt issued	338		1,440		1,770					
Discount on debt issued	(4,680)		(2,144)				(467)		(2,180)	
Purchase of delinquent property tax										
Swap, termination payment				(23,019)	(10,180)		(76,549)			
Swap, premium short term				2,950						
Swap, premium long term				20,069						
Payments to refunded bond escrowage	(182,672)		(350,037)	(49,225)	(103,008)		(181,760)		(108,850)	
Total other financing sources (uses)	<u>137,417</u>	<u>57,272</u>	<u>146,310</u>	<u>98,806</u>	<u>101,410</u>	<u>60,969</u>	<u>70,901</u>	<u>46,287</u>	<u>55,554</u>	<u>38,124</u>
Extraordinary Item										
AB 99 obligation						(48,448)	48,448			
Net change in fund balances	<u>\$ 122,862</u>	<u>(53,447)</u>	<u>22,710</u>	<u>(211,140)</u>	<u>(34,984)</u>	<u>(46,949)</u>	<u>88,554</u>	<u>(24,647)</u>	<u>28,066</u>	<u>44,080</u>
Debt service as a percentage of noncapital expenditures	4.24 %	5.39 %	6.86 %	8.45 %	8.38 %	9.22 %	8.44 %	9.07 %	9.38 %	9.16 %

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COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 2005-06 THROUGH 2014-15
(full accrual basis)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales/Use Tax</u>	<u>Transient Tax</u>	<u>Total</u>
2005-06	\$ 415,320	79,862	6,623	501,805
2006-07	447,032	80,267	6,823	534,122
2007-08	474,947	82,472	6,964	564,383
2008-09	475,629	69,225	5,311	550,165
2009-10	437,634	58,357	4,467	500,458
2010-11	383,651	59,614	3,483	446,748
2011-12	379,289	63,774	3,383	446,446
2012-13	370,925	70,856	3,878	445,659
2013-14	398,364	73,686	3,860	475,910
2014-15	425,477	74,171	4,534	504,182

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Secured (1)</u>	<u>Unsecured (2)</u>	<u>Unitary (3)</u>	<u>Exemptions - Welfare-Other (4)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate (5)</u>
2005-06	\$ 105,593,291	4,479,276	1,542,700	(3,313,984)	108,301,283	1.000
2006-07	121,280,525	4,805,476	1,538,907	(3,498,437)	124,126,471	1.000
2007-08	132,394,422	5,297,882	1,658,758	(4,009,995)	135,341,067	1.000
2008-09	135,778,966	5,892,766	1,608,908	(4,593,170)	138,687,470	1.000
2009-10	126,690,744	5,920,172	1,530,903	(5,202,526)	128,939,293	1.000
2010-11	124,053,914	5,553,385	1,465,920	(5,056,921)	126,016,298	1.000
2011-12	120,462,252	5,496,501	1,458,358	(5,495,233)	121,921,878	1.000
2012-13	117,056,785	5,519,515	1,413,297	(5,425,738)	118,563,859	1.000
2013-14	122,121,295	5,902,161	1,419,015	(5,518,271)	123,924,200	1.000
2014-15	129,769,815	6,429,967	1,444,609	(5,925,469)	131,718,922	1.000

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

Source: Equalized Rolls Valuation reports

**COUNTY OF SACRAMENTO
AVERAGE PROPERTY TAX RATES - ALL
DIRECT AND OVERLAPPING GOVERNMENTS
FISCAL YEARS 2005-06 THROUGH 2014-15
(rate per \$100 of assessed value)**

Fiscal Year	Basic Tax Rate	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Countywide (A)	Cities (B)	Special District (C)	
2005-06	1.000	0.0048	0.0055	0.0411	1.0514
2006-07	1.000	0.0046	N/A	0.0447	1.0493
2007-08	1.000	0.0041	N/A	0.0322	1.0363
2008-09	1.000	0.0043	N/A	0.0380	1.0423
2009-10	1.000	0.0042	N/A	0.0390	1.0432
2010-11	1.000	0.0041	N/A	0.0374	1.0415
2011-12	1.000	0.0047	N/A	0.0471	1.0518
2012-13	1.000	0.0049	N/A	0.0479	1.0528
2013-14	1.000	0.0035	N/A	0.0559	1.0594
2014-15	1.000	0.0019	N/A	0.0497	1.0516

- (A) In June 1978 California voter approved Proposition 13, which restricted property taxes to a County-wide rate of 1% per \$100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1% is based on the County's AB 8 Apportionment factors.
- (B) Rate represents a weighted average of six incorporated cities (after inclusion of the City of Elk Grove which incorporated in 2000-2001) within the County for the fiscal years ending 2000-2001 through 2002-2003. Rate represents a weighted average of seven incorporated cities (after inclusion of the City of Rancho Cordova which incorporated in 2003-2004) within the County for the fiscal years ending 2003-2004 and thereafter.
- (C) Rate represents a weighted average of the various special districts with general obligation bond rates.
- (D) Rate represents a weighted average of the various school districts with general obligation bond rates.
- FY 07-08: Average rate = Requirements / District's Valuation within the Bond Debt boundaries.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2015 AND JUNE 30, 2006
(amounts expressed in thousands)**

	<u>JUNE 30, 2015</u>				<u>JUNE 30, 2006</u>			
	Tax Levy (b)	Rank	Percentage of Total Tax Levy	%	Tax Levy (b)	Rank	Percentage of Total Tax Levy	%
<u>Taxpayer (a)</u>								
Pacific Gas & Electric Co.	\$ 7,292	1	0.63	%	\$ 3,413	3	0.38	%
AT&T Communications (a)	7,247	2	0.62					
Intel Corporation	6,005	3	0.52		5,648	1	0.63	
Hines	5,837	4	0.50					
MP Holdings	5,395	5	0.47					
Cummings Trust	4,724	6	0.41					
Walmart	4,435	7	0.38					
Westcore Delta, LLC	4,371	8	0.38					
Donahue Schriber Realty Group	3,898	9	0.34					
Surewest	2,978	10	0.26		2,298	8	0.26	
Elliot Homes, Inc.					3,348	4	0.37	
Aerojet General Corporation					2,944	5	0.33	
Oates Marvin, et al					2,160	10	0.24	
SBC Pac Bell					4,174	2	0.46	
Lennar Renaissance, Inc.					2,904	6	0.32	
Cingular					2,576	7	0.29	
Rosetta Resources, Inc.					2,157	9	0.24	

Note: (a) SBC Communications merged with AT&T Communications in November of 2005.
(b) Note the change in column header from prior year's "taxable assessed value" to Tax Levy.

Source: Sacramento County Department of Finance

**COUNTY OF SACRAMENTO
COUNTY WIDE 1 PERCENT - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

Fiscal Year	(1)	(2)		Collections in Subsequent Years	Total Collections to Date	
	Taxes Levied	Collections Within the Fiscal Year Amount	Percent of Levy		Amount	Percentage of Levy
2005-06	\$1,033,339	1,009,552	97.70	23,787	1,033,339	100
2006-07	1,191,030	1,146,704	96.28	44,326	1,191,030	100
2007-08	1,284,322	1,224,126	95.31	60,196	1,284,322	100
2008-09	1,294,025	1,245,112	96.22	48,913	1,294,025	100
2009-10	1,190,013	1,156,791	97.21	33,222	1,190,013	100
2010-11	1,165,904	1,139,699	97.75	26,205	1,165,904	100
2011-12	1,127,451	1,108,086	98.28	19,365	1,127,451	100
2012-13	1,094,235	1,079,299	98.63	14,936	1,094,235	100
2013-14	1,160,120	1,146,609	98.84	13,511	1,160,120	100
2014-15	1,233,891	1,224,411	98.99	12,480	1,233,891	100

(1) 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.

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

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	Other Debt				
2005-06	\$ 322,605	20,647	954,722	307,690	3,122	3,875	260,370	50,645	30,510	1,995	1,956,181	3.87 %	1,428	
2006-07	308,760	32,302	944,964	308,915	6,895	3,965	624,855	49,235	28,735	1,705	2,310,331	4.41 %	1,673	
2007-08	340,480	51,335	960,926	356,428	13,933	3,615	914,925	89,430	26,900	653	2,758,625	5.09 %	1,979	
2008-09	325,175	49,800	944,638	345,142	11,186	5,090	910,455	87,940	25,005	10,615	2,715,046	5.06 %	1,927	
2009-10	340,285	56,419	931,453	342,722	9,972	7,178	1,097,430	363,330	23,205	10,316	3,182,310	5.82 %	2,238	
2010-11	323,510	50,961	916,168	340,957	8,711	6,105	1,210,285	351,745	21,180	9,455	3,239,077	5.63 %	2,256	
2011-12	306,535	50,897	1,266,834	353,572	7,824	2,435	1,194,285	339,880	19,085	9,458	3,550,805	5.85 %	2,451	
2012-13	288,705	43,583	1,238,566	347,040	6,910	3,680	1,174,980	328,505	16,910	7,809	3,456,688	5.54 %	2,363	
2013-14	273,746	34,432	1,201,018	342,686	4,891	3,559	1,165,846	314,516	15,401	6,269	3,362,364	5.16 %	2,269	
2014-15	249,206	29,732	1,159,636	342,871	4,123	3,522	1,147,042	302,011	13,746	4,847	3,256,736	N/A	N/A	

Note:

- 1) The County of Sacramento has not had any General Obligation Bonds since 2002
- 2) See the "Demographic and Economic Statistics" table for population figures.

N/A = Not available

**COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Assessed Value of Property	108,301,283	124,126,471	135,341,067	138,687,470	128,939,293	126,016,298	121,921,878	118,563,859	123,924,201	131,718,922
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	\$ 1,353,766	1,551,581	1,691,763	1,733,593	1,611,741	1,575,204	1,524,023	1,482,048	1,549,053	1,646,487
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>1,353,766</u>	<u>1,551,581</u>	<u>1,691,763</u>	<u>1,733,593</u>	<u>1,611,741</u>	<u>1,575,204</u>	<u>1,524,023</u>	<u>1,482,048</u>	<u>1,549,053</u>	<u>1,646,487</u>
Total net debt applicable to the limit as a percentage of the limit	100	100	100	100	100	100	100	100	100	100

- Note:
- (1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.
 - (2) The legal debt margin is the County's available borrowing authority under State finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source: County's internal documents and financial statements

**COUNTY OF SACRAMENTO
PLEDGED-REVENUE COVERAGE
FISCAL YEARS 2005-06 THROUGH 2014-15
(amounts expressed in thousands)**

Fiscal Year	Airport Revenue Bond Coverage						Parking Authority Revenue Bond Coverage		
	Gross Revenue (a)	Less: Operating Expenses (b)	Net Revenue	Debt Service Requirements (c)		Coverage	Gross Revenue	Less: Operating Expenses (b)	Net Revenue
2005-2006	\$ 111,467	72,669	38,798	5,365	9,356	2.64	2,630	2,021	609
2006-2007	116,610	78,637	37,973	3,125	9,333	3.05	2,864	2,085	779
2007-2008	118,940	87,770	31,170	6,765	8,742	2.01	3,041	2,331	710
2008-2009	134,667	84,890	49,777	7,850	8,122	3.12	2,990	9,753	(6,763)
2009-2010	132,007	83,385	48,622	8,155	9,052	2.83	3,062	2,604	458
2010-2011	128,180	83,884	44,296	8,395	8,892	2.56	3,148	1,444	1,704
2011-2012	146,057	95,730	50,327	11,395	24,586	1.40	3,051	1,867	1,184
2012-2013	162,935	94,118	68,817	11,940	40,187	1.32	2,948	1,739	1,209
2013-2014	160,589	88,122	72,467	9,720	39,708	1.47	2,954	1,381	1,573
2014-2015	158,928	82,412	76,516	14,220	39,345	1.43	3,001	2,180	821

Fiscal Year	Water Agency (d)					
	Gross Revenue	Less: Operating Expenses (b)	Net Revenue	Debt Service Requirements (c)		Coverage
2005-2006	\$ 45,037	15,881	29,156	925	2,166	9.43
2006-2007	39,661	17,457	22,204	945	1,195	10.38
2007-2008	42,778	17,451	25,327	965	3,263	5.99
2008-2009	41,836	18,142	23,694	990	9,434	2.27
2009-2010	45,435	16,505	28,930	6,975	17,393	1.19
2010-2011	53,789	17,436	36,353	7,290	17,133	1.49
2011-2012	56,491	19,415	37,076	7,605	16,801	1.52
2012-2013	63,664	22,425	41,239	7,910	16,620	1.68
2013-2014	63,743	22,201	41,542	8,240	15,365	1.76
2014-2015	63,798	23,090	40,708	8,650	15,803	1.66

Note: Solid Waste Enterprise Fund does not have Revenue bonds

- (a) Per bond resolution, Revenues include all Airport revenues and exclude certain interest earnings and restricted revenues.
- (b) Total operating expenses exclusive of depreciation and amortization.
- (c) Includes principal and interest of Revenue bonds only. Does not include General obligation bonds or Certificates of participation.
- (d) Water Agency Revenue bonds were issued June 12, 2003.

Source: County's internal financial documents

**COUNTY OF SACRAMENTO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2005-06 THROUGH 2014-15
 (amounts expressed in thousands except per capita amount)**

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ¹	School Enrollment	Unemployment Rate
2005-06	1,361	\$ 47,878,798	35,184	239	5.0 %
2006-07	1,370	50,550,671	36,910	238	4.8 %
2007-08	1,381	52,398,021	37,938	238	5.4 %
2008-09	1,394	54,201,689	38,870	238	7.2 %
2009-10	1,409	53,647,258	38,085	238	11.3 %
2010-11	1,422	54,673,384	38,453	238	12.7 %
2011-12	1,436	57,564,251	40,098	237	12.1 %
2012-13	1,449	60,721,694	41,913	238	* 10.5 %
2013-14	1,463	62,440,643	42,676	240	8.8 %
2014-15	1,482	65,126,187	43,944	241	7.3 %

¹ Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2014 available as of March 2015.

* Unemployment rate reflects the March 2014 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
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2015 AND 2006**

Employer	June 30, 2015			June 30, 2006		
	Employees (b)	Rank	Percentage of Total County Employment	Employees (c)	Rank	Percentage of Total County Employment
UC Davis Health System	9,905	1	1.57 %			
Sutter / California Health Services	7,352	2	1.16	11,284	2	1.79 %
Dignity / Mercy Healthcare	6,212	3	0.98			
Intel Corporation	6,000	4	0.95	6,500	5	1.03
Kaiser Permanente	5,421	5	0.86	11,729	1	1.86
Raley's Inc. / Bel Air	3,289	6	0.52	8,203	3	1.30
Apple Inc.	2,500	7	0.40			
VSP Global	2,382	8	0.38			
Health Net of California Inc.	2,299	9	0.36			
Wells Fargo & Co.	2,190	10	0.35			
University of California, Davis (UCD)				8,000	4	1.27
Hewlett - Packard				4,500	8	0.71
Wal-Mart				3,300	10	0.52
Target Corporation				3,693	9	0.58
SBC Communications (a)				5,753	6	0.91
CHW / Mercy Health Care				5,229	7	0.83
Total	47,550		7.53 %	68,191		10.80 %

Note:

(a) SBC Communications merged with AT&T Communication in November of 2005.

(b) Source: Sacramento Business Journal Annual Book of Lists Current Year

(c) Source: Prior year County CAFR.

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**COUNTY OF SACRAMENTO
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
 FISCAL YEARS 2005-06 THROUGH 2014-15**

Function	Full-Time Equivalent Employees as of June 30th									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General Government	901	924	1,004	954	907	945	916	890	1,076	894
Public Assistance	3,059	3,115	2,648	2,487	2,339	2,210	2,156	2,132	2,165	2,179
Public Protection	5,011	5,161	4,543	4,292	3,683	3,548	3,574	3,571	3,591	3,806
Health & Sanitation	1,729	1,760	3,150	3,063	2,661	2,089	2,018	2,032	1,952	1,952
Recreation and Culture	212	214	212	181	162	129	120	106	137	138
Education	2	3	3	3	2	3	2	2	1	1
Public Ways and Facilities										271
Total	10,914	11,177	11,560	10,980	9,754	8,924	8,786	8,733	8,922	9,241

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2005-06 THROUGH 2014-15**

Page 1 of 2

Function	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General Government										
Assessor:										
Number of Parcels Assessed	467,629	495,090	507,471	510,494	506,063	503,108	502,709	502,527	501,887	503,717
Gross Total of Secured Roll*****	105,593,291	120,869,403	132,409,139	134,737,596	125,707,295	123,216,166	119,315,245	115,975,517	120,409,431	128,067,747
Gross Total of Unsecured Roll*****	4,479,276	4,805,562	5,297,882	5,892,766	5,920,223	5,553,385	5,496,500	5,519,515	5,902,161	6,430,072
Clerk recorders:										
Number of recorded documents	607,272	488,272	402,951	395,528	377,728	385,599	396,098	433,820	326,097	355,598
Public Assistance										
Human assistance total caseload	100,585	117,576	122,804	135,044	156,811	158,439	177,402	189,591	216,504	293,840
Percent served of children in poverty	92	95	95	95	96	98	91	86	81	66
Senior nutrition, meals served	441,772	592,904	624,290	616,127	478,197	-	-	N/A	N/A	N/A
Housing Services provided	12,211	12,032	13,011	12,708	12,794	12,299	9,369	2,378	2,457	2,203
Employee Non-Exempt Recipients CalWORKs	50	33	29	31	30	29	21	41	36	47
Public Protection										
District Attorney:										
Filed Felonies	11,371	11,837	11,179	10,374	8,589	8,897	8,496	8,815	9,342	8,496
Filed misdemeanors	20,397	21,197	21,347	19,781	17,353	16,399	13,888	14,095	13,539	14,553
Filed Probation Violations					1,355	1,864	1,042	1,153	1,940	1,785
Probation:										
Cases supervised	12,379	12,755	12,101	14,826	15,988	14,810	24,989	24,776	28,402	27,939
Institutional care for minors (days)	191,884	194,939	180,399	165,451	114,764	82,004	65,194	68,597	69,399	69,696
Juvenile referrals processed	13,240	12,041	11,128	12,383	11,816	10,188	8,769	8,836	8,105	6,605
Prepared adult sentencing reports	9,052	9,420	9,110	8,955	9,658	6,308	7,249	6,380	6,209	-
Public Defender:										
Felony Unit Jury Trials	143	160	168	136	139	135	130	161	147	159
Sheriff:										
Emergency calls for service:										
Priority 0	60	58	48	149	66	-	0	0	0	0
Priority 1	44,996	34,177	30,841	7,851	3,698	3,535	3,891	3,985	3,785	4,095
Emergency response time (minutes):										
Priority 0	9	9	7	13	14	-	0	0	0	0
Priority 1	15	16	9	11	11	10	14	12	12	13
Processed and booked adult offenders	23,477	22,493	24,364	21,483	20,242	19,064	20,601	19,443	19,991	20,292
Physical arrests	26,029	20,745	26,209	23,181	23,237	21,903	25,414	23,143	23,856	23,733
Total miles patrolled by Sheriffs****	872	813	813	813	813	813	813	813	813	813

* Due to budget reductions, the Warren E. Thornton Youth Center (WETYC) and the Sacramento County Boys Ranch (SCBR) were closed as of July 1, 2009 and July 1, 2010, respectively.

** The implementation of Presentence Investigation Report Waivers likely accounts for the reduction in number of prepared Adult Court reports. ^ Revised

*** A new report was created that more accurately captures cases under Probation's Field jurisdiction. It includes the Post Release Community Supervision (PRCS) offender population that Probation is now responsible for under Assembly Bill 109 (Statutes of 2011).

****May 31, 2011, revised total miles patrolled for fiscal years 2006-07 forward due to loss of contracts with Citrus Heights and Elk Grove.

***** Amounts expressed in thousands

***** Due to restructuring, we now have capacity to report on data and critical workload that we have previously been unable to capture and quantify.

**COUNTY OF SACRAMENTO
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2005-06 THROUGH 2014-15**

Page 2 of 2

Function	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Health and sanitation										
Patient Treatments at Public Health Clinics	153,297	153,407	163,847	145,203	96,184	76,004	80,568	61,015	48,229	20,751
Training:										
Programs in compliance (by inspection)	100	100	100	100	100	100		**	27%	95%
Public ways and facilities										
Number of Traffic Signs Resent and Replaced	10,690	10,230	13,321	14,433	14,146	16,147	16,751	12,728	12,952	14,909
Square Feet of Graffiti Removed or Abated	269,242	233,641	304,370	349,312	341,749	201,315	76,132	96,848	136,989	185,195
Recreation and culture										
Number of Visitors/Participants at Effie Yeaw Nature Center (EYNC)	78,822	88,449	85,882	87,440	84,449		***	***	***	***
Number of Individuals Who Use Parks Golf Services	190,317	190,827	196,470	188,357	181,550	174,000	170,076	162,937	164,579	163,722
Education										
Library:										
Total Circulation****						8,021,448	7,648,145	7,329,585	7,113,116	7,339,735
Print Materials Loaned	4,525,031	4,580,021	4,841,670	5,505,198	6,338,259		****	****	****	****
Audio Visual Media Loaned	670,296	777,078	1,036,647	1,861,290	1,391,325		****	****	****	****
Library cards issued	58,068	62,767	80,562	85,308	80,429	74,224	78,088	62,194	64,686	66,835
Total Library Cards in Use	485,411	465,187	506,440	561,070	637,160	635,895	651,370	710,008	665,840	656,423
Library Visits	2,761,395	2,907,427	3,049,098	2,866,175	4,362,116	4,391,093	4,053,689	4,062,724	4,144,307	4,183,751
Airport										
Number of Commercial Airlines	15	16	16	15	14	11	11	11	11	11
Number of Flights	61,685	67,525	63,875	56,543	56,766	49,379	49,316	47,826	46,734	46,621
Number of Enplaned Passengers	5,150,229	5,307,289	5,294,737	4,704,858	4,549,909	4,479,741	4,480,003	4,419,545	4,376,237	4,628,597
Solid Waste										
Percent of Diversion/Recycled Waste	58%	58%	62%	64%	70%	71%	71%	73%	73%	74%
Tons Disposed	706,134	678,776	667,899	559,865	471,488	513,649	558,752	607,075	596,972	623,824
Water Agency										
Water Supply:										
Number of Water Connections	45,261	*46,558	*47,760	*48,438	*49,069	*49,580	*50,138	*50,813	51,652	52,400
Water Delivered (acre feet)	34,422	41,764	39,867	40,605	39,428	38,781	42,594	43,178	41,045	35,112
Storm Water Utilities										
Drainage:										
Mainline and Lateral Pipes Cleaned (miles)	101.0	98.0	121.0	67.3	60.3	56.7	72.2	73.3	82.0	65.5
Parking Enterprise										
Daily Public Parking (count)	371,292	385,869	383,052	284,359	168,490	145,429	131,945	126,568	131,163	136,440
Monthly Parking Passes issued to County Employees (count)	16,440	16,740	17,491	20,484	18,456	17,736	17,280	17,304	17,580	17,652
Outside Agency Usage	9,923	7,496	7,509	9,398	11,251	12,350	11,775	11,703	10,021	8,995

*These numbers were revised after a program error was discovered by Consolidated Utility Billing and Service and a subsequent recount performed.

**Non-mandated inspections suspended due to budget/staff reductions. Program rebuilding measures underway.

***Beginning FY 2010-11, EYNC is no longer operated by the County, therefore this information is not available.

****Books loaned and audio visual media loaned statistics are combined in FY 2010-11.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2005-06 THROUGH 2014-15**

Page 1 of 2

Function	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Public Protection										
Sheriff:										
Administrations buildings	1	1	1	1	1	1	1	1	1	1
Aircrafts										
Operational	3	4	5	4	5	4	5	5	5	5
Non-Operational	2	1		1		1		0	0	0
Fixed Wing										
Sheriff	2	2	2	2	1	1	1	1	1	0
CAL-MMET	2	2	2	2	2	2	2	2	2	2
Community service centers	14	10	10	10	10	5	5	5	5	6
Jail and detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol Units	391	348	362	370	305	315	315	328	358	328
Stations	7	5	5	5	3	3	3	3	3	3
Health and Sanitation										
Clinics	3	3	3	3	3	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	2,171	2,203	2,203	2,209	2,208	2,208	2,208	2,198	2,202	2,202
Traffic signals	415	422	432	450	450	449	451	451	459	461
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	15,000	15,000	15,000	15,150	15,150	15,150	15,150	15,187	15,187	15,189
Education										
Number of Libraries	9	9	9	9	11	11	11	11	11	11

Note: 1) Building includes those that are capitalized but excludes real property that is leased.

Source: County of Sacramento Department Records

**COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2005-06 THROUGH 2014-15**

Page 2 of 2

Function	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Airport										
Airports	4	4	4	4	4	4	4	4	4	4
Licensed Vehicles:										
Cars and Light Trucks	112	120	148	149	148	147	151	154	159	141
Busses	44	35	41	47	33	33	32	32	32	31
Solid Waste										
Number of Collection Trucks	179	148	130	152	149	139	100	105	109	108
Number of Landfills	3	3	3	3	3	3	3	3	3	3
Water Agency										
Water Supply:										
Water Mains (miles)	651	659	718	743	753	761	766	776	785	797
Storage Capacity (thousands of gallons)	31,400	34,400	39,400	39,400	39,400	39,400	39,400	61,900	61,900	61,900
Drainage:										
Drainage Inlets	44,631	47,281	47,335	47,717	44,131	44,356	44,555	39,439	37,669	38,841
Drainage Manholes	25,226	26,219	26,336	26,699	25,004	25,147	25,378	23,489	22,793	23,544
Drainage Pipes (miles)	1,379	1,421	1,446	1,443	1,338	1,342	1,345	1,333	1,276	1,359
Parking Enterprise										
Structures	2	2	2	2	2	2	2	2	2	2

Note: 1) Building includes those that are capitalized but excludes real property that is leased.

Source: County of Sacramento Department Records

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



BOND DISCLOSURES

COUNTY OF SACRAMENTO

DEPARTMENT OF AIRPORTS

SOLID WASTE ENTERPRISE FUND

WATER AGENCY ENTERPRISE FUND

**COUNTY OF SACRAMENTO
ANNUAL CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2015**

This is the County of Sacramento Annual Continuing Disclosure filing as of December 30, 2015, in compliance with the County's Continuing Disclosure Agreements. The information herein speaks only as of this date and is subject to change without notice, and shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

This Section contains four separate Annual Continuing Disclosure filings for the following:

1. Certificates of Participation; Pension Obligation Bonds; River City Regional Stadium Financing Authority Lease Revenue Bonds; Sacramento Regional Arts Facilities Financing Authority Certificates of Participation
2. Airport Revenue Bonds
3. Solid Waste System Revenue Certificates of Participation
4. Water Financing Authority Revenue Bonds

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

REQUIRED TABLES

**Sacramento County Investment Pool
(Quarter Ending on September 30, 2015)**

Average Daily Balance	\$2,598,528,055
Period-End Balance	\$2,544,019,912
Yield	0.468%
Weighted Average Maturity	304 Days
Duration in Years	0.819 Years
Historical Cost	\$2,535,980,614
Market Value	\$2,541,076,358
Percent of Market to Cost	100.20%

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

REQUIRED TABLES

**General Fund Adopted Budget⁽¹⁾
(amounts expressed in thousands)**

	FY 2012-13	FY 2013-14	FY 2014-15 ⁽²⁾	FY 2015-16
APPROPRIATIONS				
Reserve Increase/(Decrease)	\$ 1,582		5,500	9,350
General Government	55,830	54,937	64,685	63,006
Public Protection	716,844	774,718	803,561	835,679
Public Ways and Facilities				
Health and Sanitation	591,033	618,851	627,343	675,754
Public Assistance	606,543	660,483	679,077	718,595
Education, Cultural and Recreation	15,173	23,818	18,716	20,702
Contingencies	1,531	4,013	2,712	2,000
TOTAL APPROPRIATIONS	<u>\$ 1,988,536</u>	<u>2,136,820</u>	<u>2,201,594</u>	<u>2,325,086</u>
AVAILABLE FUNDS				
Beginning Appropriated Fund Balance/Carryover	\$ 18,248	31,043	43,922	33,896
Interfund Transfers				
Equity Transfer In	2,478	986	609	459
Reserve Cancellation	1,356	4,517	695	6,675
Taxes	421,898	438,019	476,591	509,089
Licenses and Permits	9,773	10,865	11,273	11,598
Fines, Forfeitures and Penalties	29,212	34,179	31,477	27,035
Use of Money and Property	362	369	2,084	2,407
Aid from Other Government Agencies (state and federal)	1,345,112	1,431,326	1,457,578	1,552,395
Charges for Current Services	113,873	143,603	140,367	139,037
Other Revenues	46,224	41,913	36,998	42,495
TOTAL AVAILABLE FUNDS	<u>\$ 1,988,536</u>	<u>2,136,820</u>	<u>2,201,594</u>	<u>2,325,086</u>

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

⁽²⁾ FY 2014-15 General Government and Education, Cultural and Recreation amounts have been corrected as appropriations for Education were included in General Government.

**COUNTY OF SACRAMENTO
HISTORY OF GROSSED ASSESSED VALUATIONS**

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Total Gross Assessed Valuation</u>	<u>Secured/Unsecured Roll Growth</u>	
2006-07	\$ 125,674,965	14.95	%
2007-08	137,707,021	9.57	
2008-09	140,630,362	2.12	
2009-10	131,627,518	(6.40)	
2010-11	128,769,551	(2.17)	
2011-12	124,811,747	(3.07)	
2012-13	121,495,032	(2.66)	
2013-14	126,311,592	3.96	
2014-15	134,497,818	6.48	
2015-16	140,691,284	4.60	

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

<u>Fiscal Year</u>	<u>Secured Tax Levies</u>	<u>Current Levy Delinquent June 30</u>	<u>Percent Current Levy Delinquent June 30</u>	<u>Total Collections June 30⁽¹⁾</u>	<u>Total Collection Current Levy</u>
2006-07	\$ 1,173,704	\$ 44,601	3.80 %	1,129,103	96.20 %
2007-08	1,266,825	60,194	4.75	1,206,631	95.25
2008-09	1,277,763	48,906	3.83	1,228,857	96.17
2009-10	1,174,519	33,222	2.83	1,141,297	97.17
2010-11	1,151,004	26,205	2.28	1,124,799	97.72
2011-12	1,112,482	19,365	1.74	1,093,117	98.26
2012-13	1,079,750	14,936	1.38	1,064,814	98.62
2013-14	1,145,549	13,511	1.18	1,132,038	98.82
2014-15	1,219,035	12,480	1.02	1,206,555	98.98

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

COUNTY OF SACRAMENTO
Largest Secured Taxpayers FY 2015-16
(includes levies for bond debt service and special assessments)

Taxpayer	Amount
Pacific Gas & Electric	\$ 8,518,684
AT&T Communications	7,178,222
Intel Corporation	6,571,964
MP Holdings	6,161,808
WalMart	4,879,500
Cummings Trust	4,666,126
Hines	4,550,814
Westcore Delta LLC	4,476,250
Donahue Schriber Realty Group	4,034,482
Buzz Oates, et al	3,409,227
Total (represents 3.22% secured tax roll levy):	<u><u>\$ 54,447,077</u></u>

COUNTY OF SACRAMENTO
Total General Fund Revenues, Expenditures and Changes in Fund Balance FY 2010-11 through FY 2014-15
(amounts expressed in thousands)

	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Beginning Fund Balance (as restated beginning FY 2010-11 and FY 2012-13)	\$ 86,546	135,887	205,205	179,315	199,437
Revenues					
Taxes	413,219	410,322	411,626	438,057	463,728
Licenses and permits	11,273	8,403	10,734	12,421	11,134
Fines, forfeitures and penalties	22,973	24,211	20,345	29,290	28,626
Use of money/property	4,447	4,914	5,650	6,814	7,280
Intergovernmental	1,309,517	1,312,373	1,301,943	1,421,669	1,466,676
Charges for sales and services	124,415	118,740	118,067	137,240	134,703
Miscellaneous	77,952	44,960	47,584	35,113	45,215
Total Revenues	<u>1,963,796</u>	<u>1,923,923</u>	<u>1,915,949</u>	<u>2,080,604</u>	<u>2,157,362</u>
Transfers in	29,756	39,380	29,588	16,012	13,406
Total Revenues and Transfers	<u>1,993,552</u>	<u>1,963,303</u>	<u>1,945,537</u>	<u>2,096,616</u>	<u>2,170,768</u>
Expenditures					
General government	85,674	81,044	84,423	91,145	97,544
Public protection	621,281	621,718	647,348	704,191	737,049
Health and sanitation	463,511	484,086	525,886	536,943	493,513
Public assistance	666,032	597,066	597,598	621,588	656,873
Public ways and facilities					
Education	325	298	306	275	318
Recreation and culture	18,167	17,637	17,174	18,500	16,011
Total Expenditures	<u>1,854,990</u>	<u>1,801,849</u>	<u>1,872,735</u>	<u>1,972,642</u>	<u>2,001,308</u>
Transfers out	89,221	92,136	98,692	103,852	119,067
Total Expenditures and Transfers	<u>1,944,211</u>	<u>1,893,985</u>	<u>1,971,427</u>	<u>2,076,494</u>	<u>2,120,375</u>
Net change in fund balance	<u>49,341</u>	<u>69,318</u>	<u>(25,890)</u>	<u>20,122</u>	<u>50,393</u>
Ending Fund Balance (as restated FY 2012-13)	<u>\$ 135,887</u>	<u>205,205</u>	<u>179,315</u>	<u>199,437</u>	<u>249,830</u>

COUNTY OF SACRAMENTO

Lease Obligations

As of July 1, 2015

Series	Project(s)	Amount Issued	Principal Amount Outstanding	Final Maturity	County Liability
1997 Certificates of Participation; dated 01/01/97	Rio Cosumnes Correctional Center; Bank of America Building	\$ 58,020,000	\$ 0	2015	100%
1997 Refunding Certificates of Participation (1994 Public Facilities Project); dated 01/01/98	Coroner/Crime Lab and Data Center	88,360,000	61,285,000	2027	100%
2003 Certificates of Participation; dated 05/07/03	Boys Ranch; Mather Golf Course; Thornton Youth Center	15,230,000	11,670,000	2034	100%
2003 Certificates of Participation; dated 06/19/03	Juvenile Courthouse	36,150,000	28,560,000	2034	100%
2006 Certificates of Participation; dated 05/11/06	Fleet Maintenance Facility; Voters Registration Facility	40,860,000	22,600,000	2035	100%
2007 Certificates of Participation; dated 08/16/07	Animal Care Facility; Youth Detention Facility Expansion	46,260,000	41,155,000	2038	100%
1999 River City Regional Stadium Financing Authority, Taxable Lease Revenue Bonds	River Cats Stadium	39,990,000	30,625,000	2029	66% (if ticket receipts insufficient)
2002 Sacramento Regional Arts Facilities Financing Authority Certificates of Participation	Theatre Facilities	16,580,000	12,470,000	2032	50% (if ticket receipts insufficient)
2010 Refunding Certificates of Participation; dated 03/12/10	Main Detention Facility; Parking Garage; Cherry Island Golf Course	126,105,000	80,360,000	2030	100%

Earthquake Insurance

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

**COUNTY OF SACRAMENTO
Pension Obligation Bonds**

As of July 1, 2015

(reflects redemption on July 10, 2014 of the Series 2004C-3 Bonds with proceeds of the Series 2013 Refunding Bonds)

Series	Purpose	Amount Issued	Principal Amount Outstanding	Final Maturity	Anticipated General Fund Payment Percent
County of Sacramento Taxable Pension Obligation Bonds, Series 1995A ⁽¹⁾⁽²⁾	Fund Pension System	\$ 404,060,208	\$ 205,648,933	2022	75%
County of Sacramento Taxable Pension Obligation Bonds, Series 2003B ⁽²⁾	Partially Refund Series 1995A	97,441,330	126,081,788	2024	75%
County of Sacramento Taxable Pension Funding Bonds, Refunding Series 2008	Refund Series 2004C-1	359,165,000	343,240,000	2030	75%
County of Sacramento Taxable Pension Bonds, Series 2011A	Refund Series 1995B,C	183,365,000	177,685,000	2023	75%
County of Sacramento Taxable Pension Bonds, Series 2011B	Refund Series 2009	73,875,000	73,875,000	2024	75%
County of Sacramento Taxable Pension Bonds, Series 2013	Refund Series 2004C-3	111,960,000	111,960,000	2025	75%

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

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

COUNTY OF SACRAMENTO

Other County General Fund Obligations

Outstanding loans between the County General Fund and the County Treasury Pool are detailed below. The Teeter Plan Loans are also loans between the County and the County's Pooled Investment Fund for a maximum of five years. The interest rate charged is variable and reset quarterly. There are no pre-payment penalties, thereby providing the County with the flexibility to opt-in at a later date into an alternative form of Teeter Plan financing.

As of June 30, 2015
(amounts expressed in thousands)

Description	Original Loan Amount	Principal Amount Outstanding	Final Maturity
Sacramento County (Teeter Plan)	\$ 46,012	\$ 2,504	08/01/2015
Sacramento County (Teeter Plan)	36,698	3,537	08/01/2016
Sacramento County (Teeter Plan)	28,374	4,956	08/01/2017
Sacramento County (Teeter Plan)	23,100	6,755	08/01/2018
Sacramento County (Teeter Plan)	20,996	11,981	08/01/2019

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Certificates of Participation Only
(includes principal and interest)
As of July 1, 2015

Period Ending June 30	Series 1997 Refunding COPs	Series 1997 COPs	Series 2003 Pub Fac Proj COPs	Series 2003 Juv Court COPs	Series 2006 Pub Fac Proj COPs	Series 2007 Animal Care/YDF 12 Bed Exp COPs	Series 2010 Refunding COPs	County's Portion of Series 1999 Lease Revenue Bonds ⁽¹⁾	County's Portion of Series 2002 Regional Arts COPs ⁽²⁾	FY Total
2016	\$ 6,318,150		956,895	2,216,375	2,408,713	2,999,288	12,912,825	2,368,184	525,724	30,706,154
2017	6,318,338		960,700	2,214,675	2,410,687	2,998,613	13,035,675	2,365,352	525,969	30,830,009
2018	6,320,213		958,270	2,216,475	2,405,975	3,001,113	13,186,075	2,364,062	525,554	30,977,737
2019	6,318,419		959,780	2,211,775	2,413,925	3,001,038	9,340,775	2,360,578	524,459	27,130,749
2020	6,317,600		959,980	2,215,075	1,585,075	3,002,788	9,157,675	2,357,828	525,108	26,121,129
2021	6,317,281		958,830	2,215,700	1,580,425	3,001,538	5,659,950	2,352,074	522,479	22,608,277
2022	6,316,988		966,780	2,213,575	1,584,425	2,997,288	5,257,625	2,349,444	523,916	22,210,041
2023	6,316,244		957,860	2,213,575	1,581,625	3,004,663	5,260,875	2,345,929	521,988	22,202,759
2024	6,319,456		958,250	2,215,450	1,582,250	2,998,538	5,258,125	2,340,991	521,500	22,194,560
2025	6,316,150		960,250	2,214,281	1,585,160	3,003,788	5,260,175	2,337,289	522,313	22,199,406
2026	6,315,850		960,750	2,215,419	1,581,000	3,000,163	5,257,825	2,334,014	522,250	22,187,271
2027	6,317,844		959,750	2,214,006	1,580,000	2,997,663	5,259,262	2,327,158	521,313	22,176,996
2028	6,316,538		957,250	2,214,938	1,582,750	3,000,913	5,262,475	2,322,579	519,500	22,176,943
2029			963,250	2,213,106	1,582,750	2,999,663	5,261,600	2,316,000	519,250	15,855,619
2030			957,250	2,212,000	1,580,000	2,998,788	5,261,063	2,309,811	518,000	15,836,912
2031			959,750	2,215,750	1,584,500	2,998,038			518,188	8,276,226
2032			955,250	2,215,000	1,580,750	3,002,038			517,250	8,270,288
2033			959,000	2,214,625	1,584,000	3,000,538			517,625	8,275,788
2034			955,500	2,214,375	1,583,750	3,003,288				7,756,913
2035				2,214,000	735,000	3,000,038				5,949,038
2036						3,005,413				3,005,413
2037						2,999,163				2,999,163
2038						3,004,706				3,004,706
Total	\$ 82,129,071		18,225,345	44,290,175	34,112,760	69,019,067	110,632,000	35,151,293	9,392,386	402,952,097

⁽¹⁾ County required to pay only 66.667% of total lease payments, and only if ticket receipts insufficient. The County has never been required to make any debt service payments.

⁽²⁾ County required to pay only 50.0% of total lease payments, and only if ticket receipts insufficient. The County has never been required to make any debt service payments.

COUNTY OF SACRAMENTO
County of Sacramento Aggregate Debt Service
Current Outstanding Debt-Pension Obligation Bonds and Certificates of Participation
(includes principal and interest)
As of July 1, 2015

Period Ending June 30	Series 1995A POBs	Series 2003B Refunding POBs	Series 2008 Refunding POBs ⁽¹⁾	Series 2011A Refunding POBs	Series 2011B Refunding POBs	Series 2013 Refunding POBs ⁽²⁾	FY POBs Total	FY COPs Total	FY POBs & COPs Combined
2016	\$ 64,637,312	7,644,393	27,192,422	10,754,257	4,894,219	8,117,100	123,239,703	30,706,154	153,945,857
2017	67,942,312	7,644,393	29,222,224	10,754,257	4,894,219	8,117,100	128,574,505	30,830,009	159,404,514
2018	71,397,312	7,644,393	31,188,695	10,754,257	4,894,219	8,117,100	133,995,976	30,977,737	164,973,713
2019	41,506,816	7,644,393	30,898,766	42,373,416	4,894,219	8,117,100	135,434,710	27,130,749	162,565,459
2020	47,356,920	7,644,393	33,312,489	38,210,396	4,894,219	8,117,100	139,535,517	26,121,129	165,656,646
2021	53,371,768	7,644,393	33,813,999	35,792,492	4,894,219	8,117,100	143,633,971	22,608,277	166,242,248
2022	59,573,008	7,644,393	35,700,648	31,803,530	4,894,219	8,117,100	147,732,898	22,210,041	169,942,939
2023		99,427,255	36,533,905	3,740,292	4,894,219	8,117,100	152,712,771	22,202,759	174,915,530
2024		40,035,058	38,281,039	60,130,146	4,894,219	8,117,100	151,457,562	22,194,560	173,652,122
2025			39,239,366		76,322,107	34,437,113	149,998,586	22,199,406	172,197,992
2026			41,211,936			87,718,562	128,930,498	22,187,271	151,117,769
2027			43,011,983				43,011,983	22,176,996	65,188,979
2028			44,238,161				44,238,161	22,176,943	66,415,104
2029			46,212,341				46,212,341	15,855,619	62,067,960
2030			47,915,587				47,915,587	15,836,912	63,752,499
2031			48,879,209				48,879,209	8,276,226	57,155,435
2032								8,270,288	8,270,288
2033								8,275,788	8,275,788
2034								7,756,913	7,756,913
2035								5,949,038	5,949,038
2036								3,005,413	3,005,413
2037								2,999,163	2,999,163
2038								3,004,706	3,004,706
Total	<u>\$ 405,785,448</u>	<u>192,973,064</u>	<u>606,852,770</u>	<u>244,313,043</u>	<u>120,370,078</u>	<u>195,209,575</u>	<u>1,765,503,978</u>	<u>402,952,097</u>	<u>2,168,456,075</u>

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

⁽²⁾ Issuance of the Series 2013 Refunding Bonds resulted in the redemption 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 \$161,525,000; 1-mo LIBOR+145 BPS \$179,315,000
Bond Amount Outstanding as of July 1, 2015	\$343,240,000
Insurer	FSA
Swap Counterparty	Merrill Lynch
Swap Notional \$ as of November 12, 2015	\$328,475,000
Payment Terms	County pays 5.901%; Counterparty pays 100% 1-mo LIBOR
Est. Valuation (11/12/15) (includes accrued interest)	Negative (\$112,721,015)
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 and the County of Sacramento Airport System Subordinate and PFC/Grant Revenue Bonds, Series 2008 and 2009 (collectively, the “Certificate”) the Sacramento County Department of Airports is including this section to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5)(the Rule).

Beginning with the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2007-2008, and each CAFR thereafter, the Bond Disclosure Section provides the required information consistent with Sections 4 of the Certificate. The CAFR is filed with each National and State Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

The following items are required by the Certificate to be included in the Annual Report:

- (A) The audited financial statements of the Department of Airports for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. Refer to the Financial Section, pages 33 - 39 of this report.
- (B) An annual updating, to reflect results of the most recently completed fiscal year, of the following tables:
 - 1. Historical Enplaned Passengers – Exhibit 1
 - 2. Historical Aircraft Landed Weight – Exhibit 2
 - 3. Airlines’ Market Shares of Enplaned Passengers – Exhibit 3
 - 4. Statement of Revenues, Expenses and Changes in Net Position – Exhibit 4
 - 5. Airline and Nonairline Revenues – Exhibit 5
 - 6. Summary of Historical Revenues, Expenses and Debt Service Coverage – Exhibit 6

REPORTING OF SIGNIFICANT EVENTS

No significant events, as identified in Section 5 of the Certificate, have occurred for any of the outstanding bonds issued by the Department of Airports, and there is no knowledge on the part of the County of any impending significant 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	2006	2007	2008	2009	2010 ²	2011 ²	2012 ²	2013 ²	2014 ²	2015
Major and other airlines ¹	4,897,981	5,075,849	4,741,650	4,468,169	4,319,759	4,223,908	4,203,561	4,117,949	4,061,686	4,306,807
Regional airlines	252,248	231,440	553,087	236,689	230,150	255,833	276,442	301,596	314,551	321,790
Total	5,150,229	5,307,289	5,294,737	4,704,858	4,549,909	4,479,741	4,480,003	4,419,545	4,376,237	4,628,597
Percent change from prior year	3.29 %	3.05 %	(0.24)%	(11.14)%	(3.29)%	(1.54)%	0.01 %	(1.35)%	(0.98)%	5.77 %

Source: Department of Airports statistics reports.

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

² Fiscal year 2010-2014 figures have been revised.

COUNTY OF SACRAMENTO
Historical Aircraft Landed Weight - Last 10 Years
Fiscal Year Ended June 30
Exhibit 2

(in 1,000 lb. units)

	2006	2007	2008	2009 ²	2010 ²	2011 ²	2012 ²	2013 ²	2014	2015
Passenger airlines										
Major and other airlines ¹	6,185,453	6,489,593	6,293,924	5,743,444	5,449,118	5,077,482	5,047,200	4,799,438	4,693,297	4,782,686
Regional airlines	288,094	304,247	456,937	329,445	476,023	285,754	245,872	334,097	353,852	350,506
Subtotal	<u>6,473,547</u>	<u>6,793,840</u>	<u>6,750,861</u>	<u>6,072,889</u>	<u>5,925,141</u>	<u>5,363,236</u>	<u>5,293,072</u>	<u>5,133,535</u>	<u>5,047,149</u>	<u>5,133,192</u>
All cargo airlines	728,999	949,579	982,234	800,830	610,385	581,195	613,981	646,113	964,965	651,887
Total	<u>7,202,546</u>	<u>7,743,419</u>	<u>7,733,095</u>	<u>6,873,719</u>	<u>6,535,526</u>	<u>5,944,431</u>	<u>5,907,053</u>	<u>5,779,648</u>	<u>6,012,114</u>	<u>5,785,079</u>
Percent change from prior year	2.00 %	7.50 %	(0.10)%	(11.10)%	(4.90)%	(9.04)%	(0.63)%	(2.16)%	4.02 %	(3.78)%

Source: Department of Airports statistics reports.

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

² Fiscal year 2009-2013 figures have been revised.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 5 Years
Fiscal Year Ended June 30
Exhibit 3

Percentage of Total Enplanements	2011 ³	2012 ³	2013	2014	2015
Major Airlines ¹					
Southwest airlines	51.80 %	50.10 %	52.10 %	52.60 %	53.10 %
United Airlines	6.50	6.80	8.30	8.40	7.60
Delta Air Lines ²	6.70	6.40	6.20	6.50	6.30
Alaska Airlines	5.40	5.70	5.30	5.30	6.20
US Airways	5.10	5.20	5.40	5.50	5.80
American Airlines	4.50	5.30	5.50	5.50	5.30
Jet Blue Airlines	2.50	3.50	3.20	3.00	2.90
Horizon Airlines	2.90	2.70	2.70	2.60	2.30
Hawaiian Airlines	1.90	2.00	2.00	1.90	1.80
Frontier Airlines	3.00	2.80	1.50		
Aeromexico		0.60	0.70	0.80	1.00
Volaris Airlines			0.30	0.60	0.80
Republic Airlines				0.10	
Continental Airlines	3.80	2.70			
Mexicana Airlines	0.10				
Regional Airlines					
Skywest	5.70	6.10	6.80	7.20	6.10
Mesa/Delta Connection	0.10				0.80
Express Jet		0.10			
Subtotal	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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 Fiscal year 2011-2012 figures have been revised.

COUNTY OF SACRAMENTO
Airlines' Market Shares of Enplaned Passengers - Last 5 Years
Fiscal Year Ended June 30
Exhibit 3

	2011 ³	2012 ³	2013	2014	2015
Ranking					
Major Airlines ¹					
Southwest Airlines	1	1	1	1	1
United Airlines	3	2	2	2	2
Delta Air Lines ²	2	3	4	4	3
Alaska Airlines	5	5	7	7	4
US Airways	6	7	6	6	6
American Airlines	7	6	5	5	7
Jet Blue Airlines	11	8	8	8	8
Horizon Airlines	10	10	9	9	9
Hawaiian Airlines	12	12	10	10	10
Frontier Airlines	9	9	11		
Aeromexico		13	12	11	11
Volaris Airlines			13	12	12
Seaport					13
Virgin America			14		
Republic Airlines			15		
Continental Airlines	8	11			
Mexicana Airlines	14				
Regional Airlines					
Skywest	4	4	3	3	5
Mesa/Delta Connection	13				12
Express Jet		14			

Source: Department of Airports statistics reports.

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

² Delta number includes Northwest beginning 2011.

³ Fiscal year 2011-2012 figures have been revised.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating revenue:										
Concessions	\$ 60,367,151	64,892,106	66,416,283	68,600,549	63,442,108	63,341,578	66,002,772	68,752,509	69,451,723	73,880,574
Building rents	16,087,912	16,644,929	17,152,979	35,384,002	35,885,350	30,697,623	47,204,495	61,114,151	61,119,198	61,887,092
Airfield charges	17,779,295	15,680,196	22,352,752	10,710,482	26,044,373	20,931,781	23,395,617	21,849,813	25,299,370	19,102,672
Ground leases	4,403,407	4,723,344	3,641,980	2,314,441	2,749,183	1,987,622	1,874,055	1,900,740	1,927,849	1,910,052
Sale of fuel	1,339,214	652,942	808,229	580,904	532,032	653,673	755,877	809,600	854,030	664,423
Airport services	900,536	1,015,551	911,360	1,100,127	898,153	920,930	4,136,078	4,819,705	331,277	798,098
Other	102,681	39,528	101,491	299,511	165,604	85,366	379,768	146,116	13,902	196,451
Total operating revenue	<u>100,980,196</u>	<u>103,648,596</u>	<u>111,385,074</u>	<u>118,990,016</u>	<u>129,716,803</u>	<u>118,618,573</u>	<u>143,748,662</u>	<u>159,392,634</u>	<u>158,997,349</u>	<u>158,439,362</u>
Operating expense:										
Salaries and benefits	28,897,193	30,274,323	32,174,897	33,640,076	33,084,803	35,989,114	37,081,912	36,149,138	30,302,735	27,021,772
Services and supplies	41,462,233	46,452,761	54,266,378	49,870,807	48,995,957	46,369,353	58,008,301	57,088,926	54,044,934	51,885,789
Cost of goods sold	1,081,550	573,187	665,627	497,815	431,389	542,657	628,838	641,268	648,940	509,938
Depreciation	20,162,706	21,062,790	23,707,907	25,750,395	26,928,736	29,750,690	43,847,407	51,673,862	54,204,762	53,531,817
Other	670,162	769,760	837,710	881,876	872,816	983,348	10,630	238,992	413,110	229,703
Total operating expense	<u>92,273,844</u>	<u>99,132,821</u>	<u>111,652,519</u>	<u>110,640,969</u>	<u>110,313,701</u>	<u>113,635,162</u>	<u>139,577,088</u>	<u>145,792,186</u>	<u>139,614,481</u>	<u>133,179,019</u>
Operating income (loss):	<u>8,706,352</u>	<u>4,515,775</u>	<u>(267,445)</u>	<u>8,349,047</u>	<u>19,403,102</u>	<u>4,983,411</u>	<u>4,171,574</u>	<u>13,600,448</u>	<u>19,382,868</u>	<u>25,260,343</u>
Nonoperating revenue (expense):										
Interest income	6,623,389	7,915,789	7,519,233	6,155,861	1,886,860	411,537	915,635	1,836,288	813,327	(54,853)
Passenger facility charges revenue	24,511,950	27,182,405	26,653,518	21,489,873	19,618,136	18,348,304	18,022,076	17,604,328	17,160,771	18,514,213
Intergovernmental revenue	849,340	686,586	1,620,376	978,992	954,695	622,320	1,637,600	1,578,104	838,145	467,561
Gain (loss) on disposal of assets	993	84,711	(17,151)	64,262	(65,452)	10,020	(77,140)	44,886	(62,967)	141,167
Other nonoperating revenue (expense)	223,468	82,107	(40,754)	157,388	237,958	1,291,437	42,425	176,702	(32,690)	208,536
Amortization of bond issuance cost ¹	(175,358)	(271,965)	(257,068)	(563,240)	(700,471)	(744,688)	(750,981)	(703,026)	(405,146)	(405,146)
Interest expense	(10,536,254)	(12,057,704)	(12,651,944)	(18,203,544)	(17,105,647)	(15,473,662)	(26,906,214)	(59,286,319)	(58,323,780)	(57,381,887)
Net nonoperating revenue (expense)	<u>\$ 21,497,528</u>	<u>23,621,929</u>	<u>22,826,210</u>	<u>10,079,592</u>	<u>4,826,079</u>	<u>4,465,268</u>	<u>(7,116,599)</u>	<u>(38,749,037)</u>	<u>(40,012,340)</u>	<u>(38,510,409)</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Income (loss) before capital contributions and transfers	30,203,880	28,137,704	22,558,765	18,428,639	24,229,181	9,448,679	(2,945,025)	(25,148,589)	(20,629,472)	(13,250,066)
Capital contributions	10,889,564	12,663,761	13,932,530	6,935,457	7,361,129	14,556,307	14,392,953	54,969,536	9,421,605	11,456,573
Transfer out ²									(2,711,985)	(2,765,151)
Changes in net position	41,093,444	40,801,465	36,491,295	25,364,096	31,590,310	24,004,986	11,447,928	29,820,947	(13,919,852)	(4,558,644)
Total net position, beginning of year ³	<u>358,326,355</u>	<u>399,419,799</u>	<u>440,221,864</u>	<u>476,713,159</u>	<u>502,077,255</u>	<u>533,667,565</u>	<u>557,672,551</u>	<u>569,120,479</u>	<u>591,684,369</u>	<u>553,291,895</u>
Total net position, end of year	<u>\$ 399,419,799</u>	<u>440,221,264</u>	<u>476,713,159</u>	<u>502,077,255</u>	<u>533,667,565</u>	<u>557,672,551</u>	<u>569,120,479</u>	<u>598,941,426</u>	<u>577,764,517</u>	<u>548,733,251</u>

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

² Transfer Out - Pension Obligation Bond allocated to the Department of Airports in FY 2014 and 2015.

³ The beginning net position for FY 2015 has been restated to reflect the implementation of GASB Statement No. 68.

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

	2011	2012	2013	2014	2015
Airline Revenue					
Terminal building rents and fees	\$ 21,244,966	\$ 35,095,244	49,713,163	49,256,400	49,107,465
Aircraft parking fees	1,425,065	2,257,476	2,868,612	3,219,785	3,380,337
Loading bridge fees	2,722,022	3,965,014	2,300,004	2,330,794	2,600,865
Landing fees	20,811,439	23,248,445	21,723,306	25,144,577	18,921,694
Airport services		3,194,457	3,838,646	-	
Total Airline revenue	<u>\$ 46,203,492</u>	<u>\$ 67,760,636</u>	<u>80,443,731</u>	<u>79,951,556</u>	<u>74,010,361</u>
Less cargo revenues	\$ 2,102,643	\$ 2,514,665	2,597,221	2,976,264	2,282,552
Passenger airline operating revenues	<u>\$ 44,100,849</u>	<u>\$ 65,245,971</u>	<u>77,846,510</u>	<u>76,975,292</u>	<u>71,727,809</u>
Enplaned passengers	4,479,741	4,480,003	4,419,545	4,376,237	4,628,597
Cost per Enplaned Passenger (CPE)	\$ 9.84	\$ 14.56	17.61	17.59	15.50
Nonairline Revenue					
Airfield area					
Commercial fees	\$ 14,191	\$ 16,305	23,290	43,918	28,498
Other landing fees	16,047	36,569	9,071	20,586	20,420
Fuel sales	860,226	960,938	1,007,915	1,058,430	902,546
Subtotal	<u>\$ 890,464</u>	<u>\$ 1,013,812</u>	<u>1,040,276</u>	<u>1,122,934</u>	<u>951,464</u>
Terminal building					
Food/beverage	\$ 2,945,087	\$ 3,096,650	3,399,419	3,633,335	3,645,630
Merchandise	1,855,985	2,184,732	2,037,097	1,827,309	2,010,780
Advertising	649,874	674,849	795,077	885,923	861,913
Telephones	140,684	134,068	290,575	448,777	450,062
Vending	219,704	360,901	350,401	380,335	397,273
Other terminal rents	665,297	1,049,515	1,325,656	1,285,975	1,396,835
Subtotal	<u>\$ 6,476,631</u>	<u>\$ 7,500,715</u>	<u>8,198,225</u>	<u>8,461,654</u>	<u>8,762,493</u>
Parking	\$ 44,966,016	\$ 46,739,420	48,106,292	48,411,994	52,530,925

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

	2011	2012	2013	2014	2015
Other areas					
Autorentals	\$ 8,932,954	\$ 9,391,070	10,113,145	10,232,136	10,361,106
Autorental shuttle bus fees	3,069,151	2,854,311	3,081,002	2,969,309	2,913,934
Taxi/shuttle bus fees	555,707	559,758	565,921	647,788	693,316
Tiedown and hangars	692,817	702,383	715,789	720,101	718,237
FBO rentals	112,310	94,616	96,960	103,826	91,461
Aviation ground leases	1,781,069	1,668,994	1,702,425	1,723,450	1,671,929
Other rentals/miscellaneous	3,921,362	4,124,089	4,179,735	4,284,393	4,683,211
Subtotal	<u>\$ 19,065,370</u>	<u>\$ 19,395,221</u>	<u>20,454,977</u>	<u>20,681,003</u>	<u>21,133,194</u>
Other revenue					
Service fees	\$ 920,930	\$ 941,621	981,059	331,277	798,098
Miscellaneous revenue ¹	9,529,216	2,077,263	1,922,882	842,386	928,924
Subtotal	<u>\$ 10,450,146</u>	<u>\$ 3,018,884</u>	<u>2,903,941</u>	<u>1,173,663</u>	<u>1,727,022</u>
Total Non Airline Revenue	\$ 81,848,627	\$ 77,668,052	80,703,711	79,851,248	85,105,098
Interest income ²	127,715	628,467	1,787,484	786,576	(187,198)
Total Non Airline Revenue	<u><u>\$ 81,976,342</u></u>	<u><u>\$ 78,296,519</u></u>	<u><u>82,491,195</u></u>	<u><u>80,637,824</u></u>	<u><u>84,917,900</u></u>

Source: Department of Airports audited financial statements;

¹As permitted under the Bond Indenture, FY2011 amount includes transfer from the Capital Improvement Fund to offset settlement of FY 2010 airline rates and charges.

²As defined in the Bond Indenture.

COUNTY OF SACRAMENTO
Summary of Historical Revenue, Expenses and Debt Service Coverage - Last 7 Years
Fiscal Years Ended June 30
Exhibit 6

	2009	2010 ²	2011 ²	2012 ²	2013 ²	2014	2015
Rate Covenant - per Section 6.04 (b)(i)							
Revenues ¹	\$ 134,667,273	\$ 132,007,161	128,179,835	146,057,155	162,934,925	160,589,380	158,928,261
Operating expenses ²	(84,890,322)	(83,384,965)	(83,884,472)	(95,729,680)	(94,118,325)	(88,121,704)	(82,412,353)
Net revenues	49,776,951	48,622,196	44,295,363	50,327,475	68,816,600	72,467,676	76,515,908
Transfer (limited to 25%)	3,992,960	4,301,661	4,321,838	8,995,140	13,031,769	12,357,018	13,391,226
Net revenues + Transfer	\$ 53,769,911	\$ 52,923,857	48,617,201	59,322,615	81,848,369	84,824,694	89,907,134
Accrued debt service on senior obligations ³	\$ 15,971,841	\$ 17,206,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902
Debt service coverage (>1.25)	3.37	3.08	2.81	1.65	1.57	1.72	1.68
Rate Covenant - per Section 6.04 (b)(ii)							
Net revenues	\$ 49,776,951	\$ 48,622,196	44,295,363	50,327,475	68,816,600	72,467,676	76,515,908
Transfer (limited to 10%)	1,597,184	1,720,665	1,728,735	3,598,056	5,212,707	4,942,807	5,356,490
	\$ 51,374,135	\$ 50,342,861	46,024,098	53,925,531	74,029,307	77,410,483	81,872,398
Accrued debt service on senior obligations	\$ 15,971,841	\$ 17,206,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902
Debt service on subordinate obligations ⁴	6,939,856	30,130,833	31,129,931	30,112,081	30,159,794	30,211,816	30,271,621
Less: Available PFC Revenues	(6,939,856)	(20,448,833)	(22,005,931)	(21,941,081)	(21,939,794)	(21,940,816)	(21,942,737)
Less: Available Grant Revenues	(9,682,000)	(9,682,000)	(9,124,000)	(8,171,000)	(8,220,000)	(8,271,000)	(8,328,884)
Accrued debt service on sr. & sub. obligations	\$ 15,971,841	\$ 17,206,645	17,287,350	35,980,560	52,127,074	49,428,071	53,564,902
Debt Service Coverage (>1.10)	3.22	2.93	2.66	1.50	1.42	1.57	1.53

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

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

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

³ The Accrued Debt Service includes the principal payment due on July 1, 2015, 2014, 2013, 2012, 2011, 2010, and 2009, respectively.

⁴ Per the Fourth Supplemental Indenture, PFC and LOI Subordinate Revenue Bonds are payable from and secured by pledged Available PFC Revenues, Available Grant Revenues and Net Revenues, subordinate and junior to the lien on Senior Revenue Bonds.

COUNTY OF SACRAMENTO
Solid Waste Enterprise Fund
For the Year Ended June 30, 2015
Annual Report

INTRODUCTION

This section is provided in accordance with the requirements of the “Continuing Disclosure Certificates” for the “2005 Refunding Revenue Certificates of Participation (Solid Waste Facilities),” (the “Certificates”). The material provided under the Certificates is intended to meet the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). The information provided herein applies to the 2005 Refunding Solid Waste Facilities Certificates of Participation.

This Comprehensive Annual Financial Report (CAFR) will provide the information required by the Certificate Reports. The CAFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

The current ratings for the bonds are Moody’s A2 and Standard and Poor’s AA.

ANNUAL REPORT REQUIREMENTS

The following five (5) sections describe the information required by the Certificates in the Annual Report and the Fund’s compliance therewith:

1. The audited financial statements for the prior fiscal year, prepared in accordance with accounting principles generally accepted in the U.S. as promulgated to apply to governmental entities by the Governmental Accounting Standards Board.

Compliance: The audited financial statements prepared in accordance with accounting principles generally accepted in the U.S. are included in the Financial Section of this report, pages 33 - 39.

2. Status:

Compliance: The following describes the status:

2005 Refunding Revenue Certificates of Participation (Solid Waste Systems)

On July 19, 2005, Sacramento County Department of Solid Waste issued the 2005 Refunding Revenue Certificates of Participation, with interest rates ranging from 3.0 percent to 5.0 percent. Proceeds from these were used to (i) establish irrevocable escrow funds to refund in full the \$15,865,000 of the 1997 Public Facilities Project (Solid Waste Facilities); \$8,800,000 of the 1998 Public Facilities Project (Gas to Energy Facilities); and \$4,795,000 of the 2002 Public Facilities Project (Solid Waste Facilities); (ii) pay the costs of bond insurance premium; (iii) purchase a Reserve Fund Surety Bond in the amount of the reserve fund requirement.

COUNTY OF SACRAMENTO
Solid Waste Enterprise Fund
For the Year Ended June 30, 2015
Annual Report

As a result, the 1997 Public Facilities Project (Solid Waste Facilities), the 1998 Public Facilities Project (Gas to Energy Facilities) and the 2002 Public Facilities Project (Solid Waste Facilities) were considered to be defeased and the liability for those bonds was removed from the Sacramento County Department of Solid Waste financial statements and the County of Sacramento Comprehensive Annual Financial Report. The advance refunding resulted in reducing the annual debt service payments by \$1,172,472 to obtain an economic gain (difference between the present value of the debt service payments on the refunded debt and refunding debt) of \$77,011. At June 30, 2015, \$2,420,000 of the 1997 bonds were legally defeased and remain outstanding.

3. The number of single family residences receiving Fund collection and disposal services and the current basic monthly service charge for such services.

Compliance:

Number of single family residences receiving County collection and disposal services	149,950
Current basic monthly service charge (since July 1, 2010)	
38 gallon can	\$ 19.95
60 gallon can	23.55
90 gallon can	30.76

4. The total tonnage of solid waste delivered to the County System (including the tonnage that was delivered by the County and the tonnage that was delivered by other entities) and the current tipping fees for the disposal of solid waste delivered to the County System and the remaining solid waste disposal capacity (in years) of the County System.

Compliance:

Total tonnage of solid waste delivered to the County System:	
Delivered by the County	285,987
Delivered by other entities	337,837
	<u>623,824</u>
Current tipping fees per ton: (since July 1, 2009)	\$ 30.00
Remaining disposal capacity (in years):	58 *

*Revised per the Kiefer Landfill Joint Technical Document; Table 3

COUNTY OF SACRAMENTO
Solid Waste Enterprise Fund
For the Year Ended June 30, 2015
Annual Report

5. Actual Operating Projected Results: A table showing the total operating revenues, total operating expenses and debt service coverage ratio for FY ending June 30, 2014 and FY ending June 30, 2015.

Compliance:

	Actual - FY Ended June 30, 2014	Actual - FY Ended June 30, 2015
Service charges	\$ 43,075,250	43,267,596
Tipping fees	17,985,822	18,986,840
Sale of recyclables	2,153,369	1,861,065
Electricity resales	2,471,801	3,104,858
Contract hauler billings	1,657,600	1,695,081
Other	762,203	720,443
Total operating revenues	<u>68,106,045</u>	<u>69,635,883</u>
Salaries and benefits	23,123,701	22,298,677
Equipment maintenance	7,598,751	7,457,304
Services and supplies	6,415,697	7,577,501
Professional services	4,711,337	4,748,705
Fuel and lubricants	2,987,314	2,803,892
Public works services	1,232,699	1,355,869
Landfill partial final cover	596,972	500,073
Landfill closure and postclosure care	653,252	685,901
Contract hauler payments	1,520,797	1,384,823
Regulatory fees	1,227,795	1,414,367
Insurance/liability	1,002,438	853,508
Utilities	551,438	477,743
Land and buildings maintenance	510,600	827,360
Office expense	140,091	154,276
Total operating expenses *	<u>52,272,882</u>	<u>52,539,999</u>
Net operating revenue	15,833,163	17,095,884
Landfill closure and postclosure not held in trust	314,543	332,876
Unrestricted interest revenue	-	146,219
Deposits into rate stabilization fund		
Operating income available for debt service	<u>\$ 16,147,706</u>	<u>17,574,979</u>
Debt service - 2005 COPS	<u>2,237,236</u>	<u>2,241,151</u>
Aggregate debt service	2,237,236	2,241,151
Debt service coverage ratio	722 %	784 %
Available after debt service	\$ 13,910,470	15,333,828

*Excludes depreciation and amortization expenses.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2013 through 2015**

On April 8, 2003, the Agency entered into a Joint Exercise of Powers Agreement with Sacramento County to form the Sacramento County Water Agency Financing Authority (the Authority) for the purpose of facilitating the financing of acquisition and/or construction of real and personal property in and for the Agency. The Board of Directors of the Agency serves as the Authority's governing board. For financial reporting purposes, the Master Installment Purchase Contract between the Agency and the Authority has been eliminated.

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

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

This Bond Disclosure Section included within the County of Sacramento's Comprehensive Annual Financial Report (CAFR) provides the information required by the Continuing Disclosure Certificate. The CAFR, in turn, will be filed with each National Repository specified in the Rule, and with any other repository that shall be identified in the future.

ANNUAL REPORT

As required by the Certificate, this annual report is incorporated into the CAFR and thus, includes by reference, the audited financial statements of the Agency for the prior fiscal years. Refer to the Financial Section, pages 33 - 39 of this report.

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

- (1) Approximate number of connections to which the Agency delivered water
- (2) Zone 40 Monthly Service Fee generally imposed on customers
- (3) Zone 41 Monthly Service Fee generally imposed on customers
- (4) Zone 40 Impact Fees
- (5) Information contained in "Summary of Projected Operating Results" table on page 25 of the 2003 Bonds Official Statement

REPORTING OF SIGNIFICANT EVENTS

As of July 1, 2009, the original bond insurer for the Sacramento County Water Financing Authority Revenue Bonds Series 2007, Financial Guaranty Insurance Company (FGIC), had this transaction "reinsured" by MBIA Insurance Corporation, which is now National Public Finance Guarantee Corporation, and was rated "Baa1" by Moody's and "A" by Standard and Poor's. On December 19, 2011, Moody's downgraded National Public Finance Guarantee Corporation to "Baa2", and on May 21, 2013, Moody's upgraded the rating back to "Baa1". On March 18, 2014, Standard & Poor's upgraded National Public Finance Guarantee Corporation from "A" to "AA-". At the end of Fiscal Year 2013-14 these ratings had not changed. The Series 2007 Revenue Bonds now carry the Agency's underlying ratings of "Aa3" from Moody's and the bond insurer rating of "AA-" from Standard and Poor's.

The above insurer downgrades were disclosed as material events when the downgrades were announced. No additional significant events, as identified in Section 5 of the Certificates, have occurred during the fiscal year ended June 30, 2015.

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2013 through 2015**

As of June 30, 2015, there is no knowledge on the part of the Board of Directors, officers, or employees of Sacramento County Water Agency of any impending significant event that would require disclosure under the provisions of the Certificate.

ADDITIONAL INFORMATION

The Certificate requires that the following information be updated annually:

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

Fiscal Year:	2010-11	2011-12	2012-13	2013-14	2014-15
Number of connections	\$ 49,580	50,138	50,813	51,652	52,400
Annual Percent Increase	1.0 %	1.1 %	1.3 %	1.7 %	1.4 %

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

Fiscal Year:	2010-11	2011-12	2012-13	2013-14	2014-15
Monthly Rate:	\$ 25.80	25.80	25.80	27.30	28.80

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

Fiscal Year:	2010-11	2011-12	2012-13	2013-14	2014-15
Monthly Rate:	\$ 33.32	36.99	36.99	38.99	39.99

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

Effective Date (Month-Yr)	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 13,166	13,166	13,447	13,965	14,955
Annual increase	0 %	0 %	2 %	4 %	7 %
Commercial Service (per acre)	\$ 8,033	8,033	8,205	8,521	8,521
Annual increase	0 %	0 %	2 %	4 %	0 %
Other Service (per acre)	\$ 1,557	1,557	1,590	1,651	1,651
Annual increase	0 %	0 %	2 %	4 %	0 %

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2013 through 2015**

ADDITIONAL INFORMATION (Continued)

Zone 50 Impact Fees (implemented December 2005)

Effective Date (Month-Yr)	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Development Fee (per EDU) (Domestic, Commercial, Other Service)	\$ 236	236	241	250	257
Annual increase	0 %	0 %	2 %	4 %	3 %
Commercial (per acre)	\$ 3,403	3,403	3,476	3,610	3,713
Annual increase	0 %	0 %	2 %	4 %	3 %
Other Service (per acre)	\$ 3,403	3,403	3,476	3,610	3,713
Annual increase	0 %	0 %	2 %	4 %	3 %

**Annual Report for the Sacramento County
Water Agency Enterprise Fund
For the Fiscal Year Ended June 30, 2013 through 2015**

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

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

	2012-13	2013-14	2014-15
Revenues:			
Operating revenues			
Water service charges	43,524	45,425	44,594
Charges for services	2,276	2,691	1,471
Development fees	16,171	13,571	15,141
Connection fees	396	318	338
Other	1,297	2,760	2,105
Total net operating revenues	<u>63,664</u>	<u>64,765</u>	<u>63,649</u>
Nonoperating revenues			
Total interest income (excludes fair market value adjustments)	1,591	1,263	1,339
Less: interest earnings on reserves	<u>(1,191)</u>	<u>(1,198)</u>	<u>(1,201)</u>
Net interest income	<u>400</u>	<u>65</u>	<u>138</u>
Total nonoperating revenues	<u>400</u>	<u>65</u>	<u>138</u>
Total revenues	64,064	64,830	63,787
Repayment to rate stabilization fund		<u>(1,087)</u>	-
Adjusted annual revenues (1)	<u>64,064</u>	<u>63,743</u>	<u>63,787</u>
Maintenance & operating expenses (excludes depreciation and includes non-bond related interest expense)	<u>23,061</u>	<u>23,333</u>	<u>24,272</u>
Net revenues	41,003	40,410	39,515
Impact fee credits	<u>(7,118)</u>	<u>(4,039)</u>	<u>(3,950)</u>
Net revenue less impact fee credits	<u>33,885</u>	<u>36,371</u>	<u>35,565</u>
Debt service			
Debt service on 2003 Bonds	1,182	-	
Debt service on 2007 bonds	24,539	24,803	25,655
Less int earnings on reserve	<u>(1,191)</u>	<u>(1,198)</u>	<u>(1,201)</u>
Adjusted annual debt service	<u>24,530</u>	<u>23,605</u>	<u>24,454</u>
Debt service coverage (1)	1.67	1.71	1.62
Debt service coverage net impact fee credits	1.38	1.54	1.45
Pay-as-you-go capital	10,755	11,870	9,516
Net cash flow of year's operations	<u>\$ (1,399)</u>	<u>896</u>	<u>1,595</u>
Reserves end of year	<u>58,826</u>	<u>58,509</u>	<u>52,031</u>
Bond reserve account end of year	<u>25,713</u>	<u>25,713</u>	<u>25,713</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, 2015**

