COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION

SINGLE AUDIT REPORTS
(OMB CIRCULAR A-133)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2008

COUNTY OF SACRAMENTO, CALIFORNIA

Single Audit Report
(OMB Circular A-133)

For the Fiscal Year Ended June 30, 2008

COUNTY OF SACRAMENTO, CALIFORNIA

SINGLE AUDIT REPORT
(OMB CIRCULAR A-133)

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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Honorable Board of Supervisors
County of Sacramento, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sacramento (the County), California, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 12, 2008. Our report refers to the County's adoption of the provisions of GASB No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra–Entity Transfers*, and GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, in 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2008-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Supervisors, County management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
December 12, 2008

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Honorable Board of Supervisors
County of Sacramento, California

Compliance

We have audited the compliance of the County of Sacramento, California (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in items 2008-04, 2008-09, 2008-11, 2008-14, and 2008-16 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding eligibility that are applicable to its Adoption Assistance and Medicaid Cluster programs, requirements regarding subrecipient monitoring that are applicable to its Supportive Housing Program and Medicaid Cluster Program, and requirements regarding procurement that are applicable to its Block Grants for Prevention and Treatment of Substance Abuse program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2008-02, 2008-03, 2008-05, 2008-06, 2008-07, 2008-08, 2008-10, 2008-12, 2008-13, and 2008-15.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-02, 2008-04, 2008-05, 2008-06, 2008-07, 2008-09, 2008-09, 2008-11, 2008-12, 2008-14, 2008-15, 2008-16 and 2008-17 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2008-04, 2008-09, 2008-11, 2008-14 and 2008-16 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. Our report refers to the County's adoption of the provisions of GASB No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra –Entity Transfers*, and GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, in 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Supervisors, County management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
April 17, 2009, except for the schedule of expenditures of federal awards
as to which the date is December 12, 2008

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
U.S. CORPORATION FOR NATIONAL & COMM. SVC.				
DIRECT PROGRAMS:				
CNCS Foster Grandparents Program (2)	94.011		$221,866	$221,866
CATALOG TOTAL			221,866	221,866
DIRECT PROGRAMS:			221,866	221,866
TOTAL DIRECT PROGRAM			$221,866	$221,866
PASSED THROUGH AREA 4 AGENCY ON AGING:				
CNCS Foster Grandparents Program	94.011	05SFPCA002	$226,047	$226,047
CATALOG TOTAL			226,047	226,047
PASSED THROUGH AREA 4 AGENCY ON AGING:			226,047	226,047
TOTAL PASS THROUGH PROGRAMS:			$226,047	$226,047
TOTAL U.S. CORPORATION FOR NATIONAL & COMM. SVC.			$447,913	$447,913

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:				
Women, Infants and Children (WIC)	10.557	05-45787	$4,422,443	$4,422,443
CATALOG TOTAL			4,422,443	4,422,443
Cancer Prevention and Nutrition Grant	10.561	03-75556	209,338	209,338
CATALOG TOTAL			209,338	209,338
PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:			4,631,781	4,631,781
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:				
Food Stamps Issuance	10.551		$172,681,083	$172,681,083
CATALOG TOTAL			172,681,083	172,681,083
Food Stamps - CalWIN/EBT Project	10.561		1,183,630	1,183,630
Food Stamp Emp & Training (FSET)	10.561		1,606,987	1,606,987
Food Stamps	10.561		13,593,738	13,593,738
CATALOG TOTAL			16,384,355	16,384,355

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:			189,065,438	189,065,438
TOTAL PASS THROUGH PROGRAMS:			$193,697,219	$193,697,219
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$193,697,219	$193,697,219
U.S. DEPARTMENT OF DEFENSE				
DIRECT PROGRAMS:				
Environmental Services Coop Agreement II	12.607		$15,100,000	$2,272,592
Environmental Services Coop Agreement III	12.607	FA89030820001	11,200,000	1,443,399
Environmental Services Coop Agreement I	12.607		1,000,000	10,000
CATALOG TOTAL			27,300,000	3,725,991
DIRECT PROGRAMS:			27,300,000	3,725,991
TOTAL DIRECT PROGRAMS:			$27,300,000	$3,725,991
TOTAL U.S. DEPARTMENT OF DEFENSE			$27,300,000	$3,725,991

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:				
Safe & Drug Free School-Middle School	84.186	SDSF-03-28	$100,000	$62,254
Safe & Drug Free School-Transitional Youth Prev. Proj.	84.186	SDSF-03-29	100,000	43,751
CATALOG TOTAL			200,000	106,005
PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:			200,000	106,005
PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:				
Federal IDEA	84.326		$1,812,660	$1,812,660
CATALOG TOTAL			1,812,660	1,812,660
PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:			1,812,660	1,812,660
TOTAL PASS THROUGH PROGRAMS:			$2,012,660	$1,918,665
TOTAL U.S. DEPARTMENT OF EDUCATION			$2,012,660	$1,918,665
U.S. DEPARTMENT OF HEALTH & HUMAN SVCS.				
DIRECT PROGRAMS:				
CNCS Senior Companion Program (2)	93.044	06SPCA010	$111,332	$111,332

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			111,332	111,332
McKinney Homeless Grant	93.224	H80CS00045	603,339	603,339
CATALOG TOTAL			603,339	603,339
Ryan White Title I	93.914	H89HA00048	2,356,476	2,356,476
CATALOG TOTAL			2,356,476	2,356,476
DIRECT PROGRAMS:			3,071,147	3,071,147
TOTAL DIRECT PROGRAMS:			$3,071,147	$3,071,147
PASSED THROUGH AREA 4 AGENCY ON AGING:				
A4AA Mental Health (Loneliness)	93.044	31-10-34-08	$69,255	$69,255
A4AA Mental Health (Loneliness) - (2)	93.044	31-10-34-08	138,126	138,126
A4AA SNS Transportation	93.044	31-12-34-08	70,783	70,783
Senior Companion Program	93.044	SC-2008-00	21,966	21,966
Home Delivered Meals/SNS - A4AA (OTO)	93.044	31-21-34-08	28,894	28,894
A4AA Mental Health (Loneliness) - (OTO)	93.044	31-21-34-08	59,917	59,917

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
A4AA Mental Health (Loneliness) - (OTO) (2)	93.044	31-10-34-08	2,461	2,461
CATALOG TOTAL			391,402	391,402
Congregate Meals - A4AA	93.045	31-20-34-08	650,321	650,321
Home Delivered Meals/SNS - A4AA	93.045	31-21-34-08	1,082,188	1,082,188
CATALOG TOTAL			1,732,509	1,732,509
Congregate Meals A4AA/NSIP	93.053	31-20-34-08	123,427	123,765
Home Delivered Meals/SNS - NSIP	93.053	31-21-34-08	236,759	222,360
CATALOG TOTAL			360,186	346,125
PASSED THROUGH AREA 4 AGENCY ON AGING:			2,484,097	2,470,036
PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:				
Alcohol & Drug Medi-Cal	93.778	NNA 34	$4,174,525	$4,174,525
CATALOG TOTAL			4,174,525	4,174,525
Alcohol & Drug - Substance Abuse Prevention & Treatment	93.959	NNA 34	6,494,911	5,841,281

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			6,494,911	5,841,281
PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:			10,669,436	10,015,806
PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:				
Compassion Capital Fund	93.009		$55,884	$55,884
CATALOG TOTAL			55,884	55,884
Tuberculosis Program	93.116		544,487	245,665
CATALOG TOTAL			544,487	245,665
Community Challenge Grant	93.235	05-45319	210,000	201,502
CATALOG TOTAL			210,000	201,502
State Incentive Grant (SIG)	93.243	SIG-04-06	203,560	203,560
CATALOG TOTAL			203,560	203,560
Immunization Assistance Program (IAP)	93.268	07-65240	549,975	549,975

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			549,975	549,975
Public Health Preparedness & Response to Bioterror Prgm.	93.283	EPOCDC/HPP 0734	2,995,864	2,253,994
CATALOG TOTAL			2,995,864	2,253,994
Refugee Preventive Health	93.566	0734908401	130,000	121,580
Refugee Health Basic	93.566	07349084001	371,830	371,830
CATALOG TOTAL			501,830	493,410
CHDP EPSDT	93.778	2007-2008	2,768,056	2,658,746
Targeted Case Management (TCM)	93.778	34-0712	1,452,465	1,419,400
CATALOG TOTAL			4,220,521	4,078,146
Ryan White Title II	93.917	06-55766	998,507	998,507
CATALOG TOTAL			998,507	998,507
AIDS MG - HIV Education & Prevention	93.940	07-65073	854,551	831,669

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			854,551	831,669
Maternal, Child & Adolescent Health (MCAH)	93.994	200734	1,186,418	1,054,272
CATALOG TOTAL			1,186,418	1,054,272
PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:			12,321,597	10,966,584
PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:				
SAMSHA Oasis	93.104		$214,295	$214,295
CATALOG TOTAL			214,295	214,295
Projects for Assistance in Transition from Homelessness (PATH)	93.150		398,009	398,009
CATALOG TOTAL			398,009	398,009
Substance Abuse & Mental Health Srvc. Admin. (SAMHSA)	93.958		1,401,015	1,401,015
CATALOG TOTAL			1,401,015	1,401,015

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:			2,013,319	2,013,319
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:				
PSSF - Discretionary Grant	93.087	County 34	$500,000	$159,325
CATALOG TOTAL			500,000	159,325
Promoting Safe and Stable Families (PSSF)	93.556	County 34	1,226,618	1,226,618
CATALOG TOTAL			1,226,618	1,226,618
Emergency Assistance-Foster Care (Assistance)	93.558		2,647,881	2,647,881
CalWORKS - Administration	93.558		73,259,392	73,259,392
Stage One Child Care	93.558		25,240,982	25,240,982
Cal Learn	93.558		1,981,936	1,981,936
CalWORKS - CalWIN Project	93.558		1,185,715	1,185,715
CalWORKS Incentive	93.558		1,575,307	1,575,307
CalWORKS (Assist)	93.558		94,027,163	94,027,163
CATALOG TOTAL			199,918,376	199,918,376

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
Child Support Administration	93.563		21,690,632	21,690,632
CATALOG TOTAL			21,690,632	21,690,632
Refugee Cash Asst. (RCA) & Other Refugee Prgm. (Admin)	93.566		129,834	129,834
Refugee Cash Asst. (RCA) & Other Refugee Prgm. -CalWIN	93.566		834	834
Refugee Cash Asst. (RCA) & Other Refugee Prgm. (Assist)	93.566		479,834	479,834
CATALOG TOTAL			610,502	610,502
Adoption Demo Project	93.652	County 34	350,000	348,869
CATALOG TOTAL			350,000	348,869
Foster Parent Training & Recruitment	93.658		79,779	79,779
Community Care Licensing/FFH	93.658	County 34	829,007	829,007
Group Home Monthly Visits	93.658	County 34	223,711	223,711
Family Preservation (FFP)	93.658	County 34	66,735	66,735
Foster Care (AFDC) - ADMINISTRATION	93.658		3,341,881	3,341,881
Child Welfare Services	93.658	County 34	46,252,708	46,252,708
Foster Care (AFDC) - Assistance	93.658		25,071,248	25,071,248

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			75,865,069	75,865,069
Adoption Assistance Program (AAP)	93.659		19,257,964	19,257,964
AAP (Adopt ENS)	93.659		659,001	659,001
Adoption Assistance	93.659	County 34	2,283,679	2,283,679
CATALOG TOTAL			22,200,644	22,200,644
Independent Living	93.674	County 34	802,981	802,981
CATALOG TOTAL			802,981	802,981
County Services Block Grant	93.778	County 34	317,053	317,053
Medi-Cal Administrative Activities	93.778	04-35103	6,000,000	3,924,000
Medi-Cal Assistance-CalWIN Project	93.778		2,264,699	2,264,699
Adult Protective Services	93.778	County 34	2,667,201	2,667,201
Medi-Cal Assistance	93.778		24,629,337	24,629,337
In-Home Support Services (IHSS)	93.778	County 34	9,977,775	9,977,775
CATALOG TOTAL			45,856,065	43,780,065

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:			369,020,887	366,603,081
TOTAL PASS THROUGH PROGRAMS:			$396,509,336	$392,068,826
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SVCS.			$399,580,483	$395,139,973
U.S. DEPARTMENT OF HUD				
DIRECT PROGRAMS:				
Omega Project	14.235	CA01B603008	$206,936	$291,931
Strategies for Change	14.235	CA01B503031	144,769	52,746
Mather Community Campus (2)	14.235	CA01B503003	3,061,636	506,465
MAAP - HEALTH Project (2)	14.235	CA01B603005	110,250	50,031
Sacramento Children's Home Crisis Nursery Expansion	14.235	CA01B603027	104,390	78,914
MAAP - Casas Serenes	14.235	CA01B403001	235,190	181,830
LSS Building Bridges	14.235	CA01B703013	361,670	123,962
AIDS Housing Alliance - Avalon (2)	14.235	CA01B503008	81,746	55,444
LSS Teen Housing Trans Housing	14.235	CA01B603019	275,838	191,211
AIDS Housing Alliance - Avalon	14.235	CA01B608007	81,746	34,402
McClellan Park (2)	14.235	CA01B503012	226,000	147,790
Mather Community Campus	14.235	CA01B603017	3,061,636	3,060,664

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
Aids Housing Alliance/THP (2)	14.235	CA01B603016	89,932	70,548
Breaking Barriers	14.235	CA01B603024	42,999	40,422
LSS Building Bridges (2)	14.235	CA01B603009	154,734	106,451
LSS Adolfo Permanent Housing Program	14.235	CA01B603013	546,034	546,034
Homeless Management Information System	14.235	CA01B503030	99,960	93,499
Sacramento Children's Home Crisis Nursery (2)	14.235	CA01B703027	187,714	33,644
Sacramento Children's Home Crisis Nursery	14.235	CA01B603026	83,324	61,905
Travelers Aid	14.235	CA01B603015	398,509	360,237
LSS Saybrook Apartments	14.235	CA01B603003	611,644	270,676
Travelers Aid (2)	14.235	CA01B703014	398,509	29,937
LSS Saybrook Apartments (2)	14.235	CA01B703005	611,644	187,836
LaVerne Adolfo Emancipated Youth	14.235	CA01B603025	344,979	235,976
NOVA House	14.235	CA01B603014	102,107	61,642
LSS Transitional Housing Program (2)	14.235	CA01B603018	229,107	146,303
LSS Building Bridges Expansion	14.235	CA01B603004	206,936	135,395
Quinn Cottages (2)	14.235	CA01B603028	312,138	184,137
MAAP - Casas de Esperanza	14.235	CA01B503001	315,124	189,071
LSS Teen Housing Trans Housing (2)	14.235	CA01B703015	275,838	37,055
Friendship Housing Expansion	14.235	CA01B603001	325,654	31,826

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
Friendship Housing	14.235	CA01B503026	167,213	167,213
McClellan Park	14.235	CA01B603022	226,000	63,648
NOVA House (2)	14.235	CA01B703007	102,107	32,472
Quinn Cottages Expansion	14.235	CA01B503013	86,712	13,161
Homeless Management Information System (2)	14.235	CA01B403030	99,960	50,974
Quinn Cottages	14.235	CA01B503006	228,426	76,800
Resource For Independent Living (2)	14.235	CA01B703026	123,496	11,305
Resource For Independent Living	14.235	CA01B603023	123,496	122,417
LSS Transitional Housing Program	14.235	CA01B703010	229,107	40,548
CATALOG TOTAL			14,675,210	8,176,522
Shelter Plus Care - Shasta Hotel (18 Units)	14.238	CA01C503034	120,312	29,277
Shelter Plus Care	14.238	CA01C703030	3,939,840	618,010
Shelter Plus Care (2)	14.238	CA01C603030	3,935,568	2,899,709
Shelter Plus Care - Shasta Hotel (18 Units) (2)	14.238	CA01C603031	111,888	19,365
CATALOG TOTAL			8,107,608	3,566,361

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
DIRECT PROGRAMS:			22,782,818	11,742,883
TOTAL DIRECT PROGRAMS:			$22,782,818	$11,742,883
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:				
Community Development Block Grant	14.218		$1,424,803	$1,173,111
CATALOG TOTAL			1,424,803	1,173,111
PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:			1,424,803	1,173,111
TOTAL PASS THROUGH PROGRAMS:			$1,424,803	$1,173,111
TOTAL U.S. DEPARTMENT OF HUD			$24,207,621	$12,915,994
U.S. DEPARTMENT OF JUSTICE				
DIRECT PROGRAMS:				
General Forensic Research & Development - Fiber Project	16.560	2005IJCXK008	$31,151	$5,604
CATALOG TOTAL			31,151	5,604
FY 2005 Edward Byrne Justice Assistance Grant (JAG) Program	16.592	2006DJBX0756	267,056	267,056

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			267,056	267,056
State Criminal Alien Assistance Program	16.606		931,698	931,698
CATALOG TOTAL			931,698	931,698
Internet Crimes Against Children (1)	16.710	2007-MC-CX-K002	750,000	264,898
COPS Technology 2002 Program	16.710	2002CKWX0030	1,000,000	24,364
COPS Technology 2004 Program	16.710	2004CKWX0053	296,843	269,052
COPS More 2001 Program	16.710	2001CLWX0031	1,000,000	351,399
CATALOG TOTAL			3,436,843	909,713
Forensic DNA Capacity Enhancement Project - FY 2006	16.741	2006DNBXK198	227,236	109,588
Forensic Casework DNA Backlog Reduction Program - FY 2007	16.741	2007DNBXK155	503,135	82,192
CATALOG TOTAL			730,371	191,780
Forensic Casework DNA Backlog Reduction Program - FY 2006	16.743	2006DNBXK068	200,858	133,101

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			200,858	133,101
DIRECT PROGRAMS:			5,597,977	2,438,952
TOTAL DIRECT PROGRAMS:			$5,597,977	$2,438,952
PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES:				
Anti-Drug and Child Abuse Enforcement Team	16.Unknown	DC07200340	$874,681	$874,681
CATALOG TOTAL			874,681	874,681
Solving Cold Cases with DNA	16.560	2005DNBXK030	41,064	41,064
CATALOG TOTAL			41,064	41,064
Victim/Witness Special Emphasis	16.575	SE07170340	110,000	69,384
Victim Witness Assistance Program	16.575	VW07260340	370,493	370,493
Elder Abuse Advocacy & Outreach Program	16.575	EA07100340	65,851	63,599
CATALOG TOTAL			546,344	503,476

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
Domestic Violence Response Program	16.588	LE07050340	71,254	35,198
CATALOG TOTAL			71,254	35,198
Residential Substance Abuse Treatment (RSAT) Program	16.593	RT07040340	62,844	62,844
CATALOG TOTAL			62,844	62,844
Project Safe Neighborhood (2)	16.609	US06010340	133,500	106,531
Project Safe Neighborhood	16.609	2004PSN1001	189,000	22,232
Project Safe Neighborhood (1)	16.609	US07020340	210,325	35,813
CATALOG TOTAL			532,825	164,576
Paul Coverdell Forensic Science Improvement Program - FY 2007	16.742	CQ07 05 0340	39,774	13,584
Paul Coverdell Forensic Science Improvement Program	16.742	CQ05 04 0340	74,848	38,440
CATALOG TOTAL			114,622	52,024
PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES:			2,243,634	1,733,863

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH GOVERNOR'S OFFICE OF HOMELAND SECURITY:				
Urban Area Security Initiative 2003, Part II	16.011	2003-0023	$6,912,795	$370,002
CATALOG TOTAL			6,912,795	370,002
PASSED THROUGH GOVERNOR'S OFFICE OF HOMELAND SECURITY:			6,912,795	370,002
PASSED THROUGH NEIGHBORWORKS OF SACRAMENTO				
Weed and Seed Program	16.595		$9,588	$9,588
CATALOG TOTAL			9,588	9,588
PASSED THROUGH NEIGHBORWORKS OF SACRAMENTO			9,588	9,588
PASSED THROUGH STATE BOARD OF CORRECTIONS:				
JABG 2007	16.523	CSA 173-07	$130,848	$130,848
CATALOG TOTAL			130,848	130,848

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH STATE BOARD OF CORRECTIONS:			8,136,675	130,848
PASSED THROUGH STATE DEPARTMENT OF CRIMINAL JUSTICE PLANNING:				
Anti Gang Initiative	16.744	AG06010340	$154,700	$104,624
CATALOG TOTAL			154,700	104,624
PASSED THROUGH STATE DEPARTMENT OF CRIMINAL JUSTICE PLANNING:			154,700	104,624
TOTAL PASS THROUGH PROGRAMS:			$17,457,392	$2,348,925
TOTAL U.S. DEPARTMENT OF JUSTICE			$23,055,369	$4,787,877
U.S. DEPARTMENT OF TRANSPORTATION				
DIRECT PROGRAMS:				
Airport Improvement Program 0363-12	20.106	3-06-0363-12	$2,458,732	$1,235,111
Airport Improvement Program 0363-11	20.106	3-06-0363-11	3,800,129	1,282,863
Airport Improvement Program 0363-10	20.106	3-06-0363-10	2,363,861	158,849
Airport Improvement Program 0205-10	20.106	3-06-0205-10	300,000	86,878
Airport Improvement Program 0363-13	20.106	3-06-0363-13	750,000	283,033
Airport Improvement Program 0363-14	20.106	3-06-0363-14	380,000	67,137

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
Airport Improvement Program 0363-15	20.106	3-06-0363-15	915,000	807,002
Airport Improvement Program 0205-06	20.106	3-06-0205-06	423,000	38,938
Airport Improvement Program 0084-02	20.106	3-06-0084-02	180,000	16,688
Airport Improvement Program 0205-08	20.106	3-06-0205-08	275,000	191,927
Airport Improvement Program 0084-04	20.106	3-06-0084-04	300,000	43,007
Airport Improvement Program 0204-41	20.106	3-06-0204-41	438,106	438,106
Airport Improvement Program 0204-40	20.106	3-06-0204-40	200,000	181,532
Airport Improvement Program 0204-39	20.106	3-06-0204-39	7,500,000	7,500,000
Airport Improvement Program 0204-38	20.106	3-06-0204-38	6,500,000	1,156,362
Airport Improvement Program 0205-07	20.106	3-06-0205-07	432,000	27,000
Airport Improvement Program 0204-36	20.106	3-06-0204-36	4,642,510	357,898
Airport Improvement Program 0204-43	20.106	3-06-0204-43	1,708,492	3,194
CATALOG TOTAL			33,566,830	13,875,525
DIRECT PROGRAMS:			33,566,830	13,875,525
TOTAL DIRECT PROGRAMS:			$33,566,830	$13,875,525

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY:				
Recidivist DUI Arrest Pilot Program	20.600	AL0754	$213,852	$213,852
CATALOG TOTAL			213,852	213,852
PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY:			213,852	213,852
PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:				
Safe, Accountable, Flexible, Efficient Transportation Equity	20.205	ASA 03-5924	$6,471,526	$6,471,526
Safe, Accountable, Flexible, Efficient Transportation Equity	20.205	ASA 03-5924	12,411,508	12,411,508
CATALOG TOTAL			18,883,034	18,883,034
PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:			18,883,034	18,883,034
TOTAL PASS THROUGH PROGRAMS:			$19,096,886	$19,096,886
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$52,663,716	$32,972,411
U.S. ENVIRONMENTAL PROTECTION AGENCY				
DIRECT PROGRAMS:				
Special Appropriation - Sacramento River TPC - Phase VIII-IX	66.606	X979483013	$1,063,300	$105,089

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			1,063,300	105,089
Brownfields Assessment Coop Agreement	66.818	BF-96 950401-0	200,000	82,173
CATALOG TOTAL			200,000	82,173
DIRECT PROGRAMS:			1,263,300	187,262
TOTAL DIRECT PROGRAMS:			$1,263,300	$187,262
PASSED THROUGH STATE WATER RESOURCES:				
Local Oversight Program	66.806	07-009-250-0	$1,170,837	$701,933
CATALOG TOTAL			1,170,837	701,933
PASSED THROUGH STATE WATER RESOURCES:			1,170,837	701,933
TOTAL PASS THROUGH PROGRAMS:			$1,170,837	$701,933
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			$2,434,137	$889,195

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF HOMELAND SECURITY				
DIRECT PROGRAMS:				
Sacramento International Airport Closed Circuit Television	97.Unknown	HSTS0407ACT0213	$567,989	$562,319
CATALOG TOTAL			567,989	562,319
TSA Canine Explosive Detection Grant	97.072	DTSA2003H00972	1,473,000	150,000
National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN455	150,500	150,500
CATALOG TOTAL			1,623,500	300,500
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR348	321,821	152,446
CATALOG TOTAL			321,821	152,446
DIRECT PROGRAMS:			2,513,310	1,015,265
TOTAL DIRECT PROGRAMS:			$2,513,310	$1,015,265
PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES:				
FMA Acquisitions/Elevations	97.029	EMF2002GR0226	$1,437,520	$62,290

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
CATALOG TOTAL			1,437,520	62,290
FY 2007 Emergency Management Performance Grant (EMPG)	97.042	2007-6	206,624	206,624
CATALOG TOTAL			206,624	206,624
FY 2007 State Homeland Security Grant Program (SHSGP)	97.067	2007-0008	1,610,604	340,000
FY 2006 Metropolitan Medical Response System (MMRS)	97.067	2006-0071	232,330	102,530
FY 2006 State Homeland Security Grant Program (SHSGP)	97.067	2006-0071	1,360,757	806,731
FY 2007 Metropolitan Medical Response System (MMRS)	97.067	2007-0008	258,145	7,744
CATALOG TOTAL			3,461,836	1,257,005
FY 2006 Competitive Training Grants Program	97.068	2006GTT6K006	3,291,338	347,570
CATALOG TOTAL			3,291,338	347,570
FY 2005 State Homeland Security Grant Program (SHSGP) - (2)	97.073	2005-0015	2,386,672	126,193
CATALOG TOTAL			2,386,672	126,193

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
FY 2005 State Homeland Security Grant Program (SHSGP)	97.074	2005-0015	1,000,000	1,000,000
FY 2006 Law Enforcement Terrorism Prevention Program (LETTP)	97.074	2006-0071	1,056,291	990,207
FY 2005 Law Enforcement Terrorism Prevention Program (LETTP)	97.074	2005-0015	704,508	145,918
FY 2006 State Homeland Security Grant Program (SHSGP) - (2)	97.074	2006-0071	1,000,000	569,684
CATALOG TOTAL			3,760,799	2,705,809
FY 2005 Buffer Zone Protection Program (BZPP)	97.078	2005-0015	993,848	411,848
FY 2006 Buffer Zone Protection Program (BZPP)	97.078	2006-45	950,000	355,782
CATALOG TOTAL			1,943,848	767,630
PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES:			19,478,593	5,473,121
TOTAL PASS THROUGH PROGRAMS:			$19,478,593	$5,473,121
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			$21,991,903	$6,488,386

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF COMMERCE				
DIRECT PROGRAMS:				
McClellan EDA Grant Project 2 - South McClellan District Street	11.300	07-01-05640	$4,046,270	$520,313
CATALOG TOTAL			4,046,270	520,313
Community Based Habitat Restoration Program	11.463	NA05NMF4631009	100,000	42,578
CATALOG TOTAL			100,000	42,578
DIRECT PROGRAMS:			4,146,270	562,891
TOTAL DIRECT PROGRAMS:			$4,146,270	$562,891
TOTAL U.S. DEPARTMENT OF COMMERCE			$4,146,270	$562,891
U.S. DEPARTMENT OF INTERIOR				
PASSED THROUGH STATE DEPARTMENT OF PARKS & RECREATION				
Cost Share Grant to Assist in Implementing Water Conservation	15.512	05FG201010	$15,000	$7,100
CATALOG TOTAL			15,000	7,100
PASSED THROUGH STATE DEPARTMENT OF PARKS & RECREATION			15,000	7,100

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CATALOG NUMBER	GRANT NUMBER	AWARD AMOUNT	EXPENDITURES
TOTAL PASS THROUGH PROGRAMS:			$15,000	$7,100
TOTAL U.S. DEPARTMENT OF INTERIOR			$15,000	$7,100
TOTAL DIRECT PROGRAMS			$100,463,518	$36,841,782
TOTAL PASS THROUGH PROGRAMS			$651,088,773	$616,711,833
TOTAL EXPENDITURES OF FEDERAL AWARDS			$751,552,291	$653,553,615

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards (SEFA) for the fiscal year ended June 30, 2008, presents the activity of all federal financial assistance programs of the County of Sacramento, California (the County). The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the SEFA.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting for most grants accounted for in the governmental fund types, and the accrual basis of accounting for most grants accounted for in the proprietary fund types, as described in Note 1 to the County's basic financial statements.

NOTE 3 -FEDERAL CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 4 - FOOD STAMPS

Food stamps expenditures represent the face value of food stamps distributed in the County. They do not represent cash expenditures in the County's basic financial statements for the fiscal year ended June 30, 2008.

NOTE 5 – MEDI-CAL

Except for Medi-Cal administrative expenditures, Medi-Cal and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the schedule of expenditures of federal awards or in determining major programs. The County assists the State of California (the State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities.

Medi-Cal administrative expenditures are included in the schedule of expenditures of federal awards as they do not represent fees for services.

NOTE 6 - AMOUNT PROVIDED TO SUBRECIPIENTS

Federal assistance provided to subrecipients is treated as an expenditure when it is paid to the subrecipient and is summarized as follows:

Program Name	CFDA #	Project Name	Amount
County Community Development Block Grants/Entitlement Grants	14.218	County Community Development Block Grant	$ 1,460,886
Supportive Housing Program	14.235	Resource For Independent Living (2)	10,014
	14.235	Quinn Cottages Expansion	13,160
	14.235	Travelers Aid (2)	29,116
	14.235	Sacramento Children's Home Crisis Nursery (2)	30,541
	14.235	Friendship Housing Expansion	31,377
	14.235	AIDS Housing Alliance - Avalon	32,456
	14.235	NOVA House (2)	32,849
	14.235	Breaking Barriers	39,563
	14.235	MAAP - HEALTH Project (2)	47,033
	14.235	Strategies for Change	51,936
	14.235	LSS Transitional Housing Program	53,683
	14.235	AIDS Housing Alliance - Avalon (2)	55,443
	14.235	McClellan Park	60,111
	14.235	Sacramento Children's Home Crisis Nursery	61,006
	14.235	LSS Teen Housing Trans Housing (2)	62,739
	14.235	NOVA House	66,398
	14.235	Aids Housing Alliance/THP (2)	68,406
	14.235	Quinn Cottages	75,580
	14.235	Sacramento Children's Home Crisis Nursery Expansion	76,429
	14.235	LSS Building Bridges (2)	104,013
	14.235	Resource For Independent Living	119,477
	14.235	LSS Building Bridges	121,230

NOTE 6- AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

Program	CFDA #	Project Name	Amount
Supportive Housing Program (Continued)	14.235	LSS Building Bridges Expansion	$ 132,487
	14.235	McClellan Park (2)	146,290
	14.235	Friendship Housing	163,259
	14.235	MAAP - Casas Serenes	174,679
	14.235	Quinn Cottages (2)	177,381
	14.235	MAAP - Casas de Esperanza	183,388
	14.235	LSS Saybrook Apartments (2)	223,329
	14.235	LSS Transitional Housing Program (2)	225,877
	14.235	LaVerne Adolfo Emancipated Youth	227,763
	14.235	Omega Project	285,727
	14.235	LSS Saybrook Apartments	317,264
	14.235	LSS Teen Housing Trans Housing	340,586
	14.235	Travelers Aid	354,583
	14.235	LSS Adolfo Permanent Housing Program	612,312
Shelter Plus Care	14.238	Shelter Plus Care - Shasta Hotel (18 Units) (2)	18,701
	14.238	Shelter Plus Care - Shasta Hotel (18 Units)	28,073
Anti-Drug and Child Abuse Enforcement Program	16.000	Anti-Drug and Child Abuse Enforcement Team	855,227
Highway Planning and Construction	20.205	Safe, Accountable, Flexible, Efficient Transportation Equity (SAFETEA-LU) 1	6,090
Environmental	66.805	Local Oversight Program	790
Safe and Drug-Free Schools and Communities – National Programs	84.186	Safe & Drug Free School-Transitional Youth Prev. Proj.	34,929
	84.186	Safe & Drug Free School-Middle School	53,431

NOTE 6 - AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

Program Name	CFDA #	Project Name	Amount
Special Education Technical Assistance and Dissemination to Improve Services and Results For Children with Disabilities	84.326	Federal IDEA	$ 1,812,660
Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	A4AA SNS Transportation	69,113
Department of Health and Human Services	93.087	PSSF - Discretionary Grant	149,790
Department of Health and Human Services	93.104	SAMSHA Oasis	214,295
Department of Health and Human Services	93.150	Projects for Assistance in Transition	398,009
Abstinence Education	93.235	Community Challenge Grant	14,888
Substance Abuse and Mental Health Service Projects of Regional and National Significance	93.243	State Incentive Grant (SIG)	198,321
Immunization Assistance Program	93.268	Immunization Assistance Program (IAP)	59,915
Public Health Preparedness & Response to Bioterrorism Program	93.283	Public Health Preparedness & Response to Bioterror Prgm.	67,112
Promoting Safe and Stable Families	93.556	Promoting Safe and Stable Families (PSSF)	96,866
Foster Care Title IV-E	93.658	Foster Parent Training & Recruitment	8,604
	93.658	Child Welfare Services	1,436,713
Adoption Assistance	93.659	Adoption Assistance	349,997
Independent Living	93.674	Chafee Foster Care Independent Living	632,878
Medical Assistance Program	93.778	Alcohol & Drug Medical	3,786,554
	93.778	Medi-Cal Administrative Activities	2,000,000

NOTE 6 - AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

Program Name	CFDA #	Project Name	Amount
HIV Emergency Relief Project Grants Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations And Evaluations	93.914	Ryan White Title I	$ 2,215,377
HIV Care Formula Grants HIV Emergency Relief Project Grants	93.917	Ryan White Title II	958,268
HIV Prevention Activities – Health Department Based HIV Care Formula Grants	93.940	AIDS MG – HIV Education & Prevention	396,055
Block Grants for Community Mental Health Services	93.958	Substance Abuse & Mental Health Services Admin. (SAMHSA)	1,401,015
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Alcohol & Drug – Substance Abuse Prevention & Treatment	3,220,082
Maternal and Child Health Services Block Grant to the States	93.994	Maternal, Child & Adolescent Health	201,407
State Homeland Security Grant	97.067	FY 2007 State Homeland Security Grant Program (SHSGP)	206,063
	97.067	FY 2006 State Homeland Security Grant Program (SHSGP)	288,817
		Total Amount Provided to Sub-recipients	$ 35,580,273

NOTE 7 - PROGRAM/CLUSTER TOTALS

The schedule of expenditures of federal awards does not summarize programs that cross agency funding. Also, the schedule does not summarize clusters. The following summarizes those programs that cross agency funding and clusters:

Program	CFDA#	Pass Through Agency	Amount
State Administrative Matching Grants for Food Stamp Program	10.561	State Department of Health Services	$ 209,338
		State Department of Social Services	16,384,355
		Program Total	$ 16,593,693
Food Stamps	10.551	State Department of Social Services	172,681,083
		Food Stamp Cluster Total	$ 189,274,776
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A (direct program)	111,332
		Area 4 Agency on Aging	391,402
		Program Total	$ 502,734
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	Area 4 Agency on Aging	1,732,509
Nutrition Services Incentive Program	93.053	Area 4 Agency on Aging	346,125
		Aging Cluster Total	$ 2,581,368

NOTE 7 - PROGRAM/CLUSTER TOTALS, (Continued)

Program	CFDA#	Pass Through Agency	Amount
Medical Assistance Program	93.778	State Department of Alcohol & Drug	4,174,525
		State Department of Health Services	4,078,146
		State Deparment of Social Services	43,780,065
		Medicaid Cluster Total	$ 52,032,736
Highway Planning and Construction	20.205	Department of Transportation	18,883,034
		Highway Planning and Construction Cluster Total	$ 18,883,034
State and Community Highway Safety	20.600	State Department of Traffic Safety	213,852
		State and Community Highway Safety Cluster Total	$ 213,852
FY 2006 Metropolitan Medical Response System (MMRS)	97.067	Governor's Office of Emergency Services	102,530
FY 2007 Metropolitan Medical Response System (MMRS)	97.067	Governor's Office of Emergency Services	7,744
FY 2006 State Homeland Security Grant Program (SHSGP)	97.067	Governor's Office of Emergency Services	806,731
FY 2007 State Homeland Security Grant Program (SHSGP)	97.067	Governor's Office of Emergency Services	340,000
		Program Total	$ 1,257,005
FY 2005 Law Enforcement Terrorism Prevention Program (LETPP)	97.074	Governor's Office of Emergency Services	145,918
FY 2005 State Homeland Security Grant Program (SHSGP)	97.074	Governor's Office of Emergency Services	1,000,000
FY 2006 Law Enforcement Terrorism Prevention Program (LETTP)	97.074	Governor's Office of Emergency Services	990,207
FY 2006 State Homeland Security Grant Program (SHSGP)	97.074	Governor's Office of Emergency Services	569,684
		Program Total	$ 2,705,809
FY 2005 State Homeland Security Grant Program (SHSGP)	97.073	Governor's Office of Emergency Services	1,268,193
		Homeland Security Cluster Total	$ 5,231,007

COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	
Unqualified for all major programs except for Adoption Assistance, Block Grants for Prevention and Treatment of Substance Abuse, Supportive Housing Program and Medicaid Cluster, which were qualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Supplemental Nutrition for Women, Infant and Children
10.551/10.561	Food Stamps Cluster
93.778	Medicaid Cluster
93.659	Adoption Assistance
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.558	Temporary Assistance for Needy Families
93.658	Foster Care Title IV-E
14.235	Supportive Housing Program
20.205	Highway, Planning and Construction
97.067/97.073/97.074	Homeland Security Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 3,000,000
Auditee qualified as low-risk auditee?	No

II. FINANCIAL STATEMENT FINDINGS

The following findings represent significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards.

Finding 2008-01

JOURNAL ENTRIES

Criteria:

A fundamental element of an effective system of internal controls is the proper segregation of duties.

Condition Found:

We noted lack of segregation of duties in the preparation of journal entries (JE), whereby the same staff have the ability to prepare, enter, and post a JE to the general ledger. It is the County's policy that staff enter the JE and that a supervisor/manager or other authorized personnel independent of the preparation function, reviews and posts the JE.

Context:

Internal controls are designed to safeguard assets and assist in the prevention and/or detection of misstatements of the County's financial statements. A fundamental concept in the design of an effective system of internal control is the segregation of duties.

Effect:

The basic premise is that no one employee should have access to all phases of an accounting transaction.

Cause:

The County’s financial accounting system is currently not designed to prevent authorized staff from preparing, entering, and posting a JE to the general ledger.

II. FINANCIAL STATEMENT FINDINGS, (Continued)

Recommendation:

We noted this is a repeat condition from the FY 2007Audit.

All journal entries prepared by staff accountants should be reviewed and approved by an accounting manager or person with similar supervisory responsibility over the employee preparing the entry prior to posting to the general ledger. Journal entries prepared by the department's accounting manager should be reviewed and approved by a person with similar supervisory responsibility. We understand the County implemented a detective control procedure, whereby a report is periodically produced that will identify those staff that have both parked and posted a journal entry. We recommend that the County address this control deficiency, either through a more formal reporting to those departments heads who have staff parking and posting journal entries to the accounting system, or, authorizing the County's IT department to modify the SAP user profiles to prevent the same individuals from creating and posting a journal entry.

Views of responsible officials and planned corrective actions:

During fiscal year 2008-2009 DOF did create a report that identifies staff that have both parked and posted a journal entry. DOF will use the information in the report to communicate to department heads on a monthly basis the individual staff that have parked and posted a journal entry. It is not practical from an operational perspective to limit an individual's security to either parking or posting a document.

Contact: Julie Valverde (916) 874-7248

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance including questioned costs that are required to be reported by *OMB Circular A-133*, *section .510(a)*.

Finding 2008-02

Program: Food Stamps Cluster
CFDA No.: 10.551 and 10.561
Federal Agency: U.S. Department of Agriculture
Passed-through: California Department of Health Services
Award Year: Fiscal year 2007-2008
Compliance Requirement: Special Tests and Provision – ADP System for Food Stamps

Criteria:

The *March 2008 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* requires that the County (1) accurately and completely process and store all case file information for eligibility determination and benefit calculation; (2) automatically cut off households at the end of their certification period unless recertified; and (3) provide data necessary to meet federal issuance and reconciliation reporting requirements

Condition Found:

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiency, Instance of Non-Compliance - In establishing a new case, the client is certified to receive benefits for a one-year period (certification period). No benefits are to be issued after the certification period end date. The client must go through the recertification process in order to continue receiving benefits. The intake and certification process requires that information contained on the SAWS 1, SAWS 2 and SAWS 2A be obtained to determine eligibility. During the annual recertification period, the client must submit to the County's Department of Human Assistance (DHA) a DFA 285-A1 form. The DFA 285-A1 form, if completed, is then processed for input into the CalWIN welfare database system. The recipient is also required to submit quarterly status reports (QR7).

Of the 60 cases selected, we noted the following:

- 1 case where various supporting documents including the SAWS 1, SAWS 2 and SAWS 2A were not present in the file
- 2 cases where the DFA 285-A1 were not present in the file
- 1 case where the recipient's social security card information and income was not present in the case file
- 8 cases were QR7s were not present in the case files.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Questioned Costs:

Our sample resulted in known questioned costs of $22,896.

Context:

Through client inquiry and testwork of specific requirements related to special test and provisions, it was noted that the Food Stamp program's eligibility files were not properly maintained in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Effect:

Case data may not be current in the case file or the system, which could lead to initial and continuation eligibility errors, inaccurate benefit calculations, and benefit overpayments. If required forms are not properly obtained from clients, case data may not be current in the system, which could lead to eligibility continuation errors, inaccurate benefit calculations, benefit overpayments, or increased error rates for the County.

Cause:

The condition is primarily caused by the County not following its established policies and procedures to ensure that compliance requirements are met.

Recommendation:

We recommend that the County strengthen its established policies and procedures with regard to initial and ongoing eligibility determination, required adjustments to benefits, required documentation, maintenance of participant files, and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Views of Responsible Officials and Planned Corrective Actions:

Sacramento County is currently in the process of imaging all case files to Document Imaging. Once complete all case documentation will be maintained in an electronic case file. This should resolve the issue of documents and forms not being filed in the "paper case folder". By June of this year, we expect to have all Food Stamp cases moved to the electronic file.

The issue of case files not containing the required forms such as the SAWS 1, SAWS 2, SAWS 2A, DFA 283 A1, and the QR 7 will be addressed at the next Multi-Program meeting and a reminder will be issued to all staff.

Staff will be issued a reminder that applicant or recipient households shall provide the county with the social security number (SSN) of each household member or shall provide verification of application for an SSN prior to certification. Clients are not required to provide the physical card as long as the information can be verified in MEDS.

Verification of the income the household receives is a requirement for Food Stamp eligibility. If the required verification had not been received that case is suspended until the verification is received. We will issue a reminder regarding the verification requirements for income.

Contact: Vicki O'Brien (916) 875-3745

Finding 2008-03

Program: Temporary Assistance for Needy Families (TANF)
CFDA No.: 93.558
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Social Services
Award Year: FY 2007-2008
Compliance Requirement: Special Tests and Provisions – Child Support Non-Cooperation and Penalty for Refusal to Work

Criteria:

The *March 2008 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Services to verify income eligibility and the amount of

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients. In addition, the *OMB Circular A-133 Compliance Supplement* outlines people receiving benefits must cooperate with Child Support Services.

Condition Found:

Instance of Non-Compliance - Caseworkers are required to reduce benefits by 25% for non-cooperation with Child Support Services. Case workers are also required to reduce assistance for individuals in instances where the applicant is refusing to work.

Of the 60 TANF case files selected for testwork:

- 1 case where benefits were not reduced by 25% for not cooperating with Child Support Services
- 1 case where assistance for individuals in instances where the applicant is refusing to work was not reduced
- 3 cases where CW371 Child Support Agency Referral Form was missing

Questioned Costs:

Our sample resulted in known questioned costs of $18,156.

Context:

Through client inquiry and testwork of specific requirements related to special test and provision, it was noted that the TANF program's eligibility files were not properly maintained in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Effect:

The County may not be in compliance with special test and provision requirements set forth in the *OMB A-133 Compliance Supplement.*

Cause:

The intake worker did not take the appropriate steps to reduce benefits for non-cooperation with Child Support Services and reduce assistance for individuals in instances where the applicant is refusing to work.

Recommendation:

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

We recommend that the County strengthen its internal controls to ensure case files are reviewed for compliance with Child Support Services and applicants who refuse to work to ensure reduction in benefits when necessary.

Views of Responsible Officials and Planned Corrective Actions:

Child Support Services: In the case referred to above, the worker failed to complete all the screens correctly in CalWIN on the Absent Parent Summary. With Release 20 due in May 2009, the screens in the Absent Parent Summary window in CalWIN will be changing and new instructions will be issued to staff at this time. This will eliminate future errors of this kind and help to ensure that the appropriate referrals are made to Child Support Services. In addition, we are issuing a reminder to staff to check their CalWIN Exception Report which will alert them of instances when the interface with Child Support Services has failed and the referral was not sent.

Welfare-to-Work: In the case referred to, there was a delay from the time the client first became eligible for CalWORKs, was not meeting the Welfare-to-Work requirements, and when the client was sanctioned from 3/08 thru 8/08 for failing to cooperate. At this time, the client is again in the non-compliance process. As of December 2008, DHA has re-implemented the use of specialized non-compliance workers. This prevents unnecessary delays from occurring in our efforts to ensure clients are cooperating with Welfare-to-Work requirements.

Both of these issues were discussed with staff at our Multi-Program Meeting on March 31, 2009 and our CalWORKs Division Meeting on April 21, 2009.

Contact: Deborah Minter (916) 875-3748

Finding 2008-04

Program: Adoption Assistance
CFDA No.: 93.659
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Social Services
Award Year: FY 2007-2008
Compliance Requirement: Eligibility

Criteria:

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

The *March 2008 OMB Circular A-133 Compliance Supplement* requires that the County determine eligibility in accordance with the specific eligibility requirements defined in the approved State plan. These requirements include the maintenance of documentation necessary to support eligibility determinations and re-determinations.

Condition Found:

Material Weakness, Material Instance of Non-Compliance – As a result of our eligibility testing of 60 Adoption Assistance case files, we noted that:

- 1 AAP2 form was missing a social worker's signature.
- 1 AAP4 form was missing a social worker's signature.
- 1 AD4320 form was missing a social worker's signature.
- 1 FC8 form was missing an eligibility caseworker's signature.
- 1 FC10 form was missing an eligibility caseworker's signature.
- 1 case file was missing the AAP3 form.
- 1 case file was missing the AAP4 form.

Questioned Costs:

Our sample resulted in known questioned costs of $12,516.

Context:

Through client inquiry and testwork of specific requirements related to eligibility, it was noted that the Adoption Assistance program's files were not properly maintained in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Effect:

Case data may not accurately reflect the eligibility status of Adoption Assistance recipients thus increasing the risk of noncompliance with the requirements of the State plan.

Cause:

The condition is primarily caused by the lack of oversight within the eligibility division to ensure that compliance requirements are fully met.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Recommendation:

We noted this is a repeat condition from the FY 2007 Single Audit. We recommend that the County strengthen their procedures to ensure that documentation required to support eligibility are properly maintained in the files, judicial determination is properly documented, and rates paid agree to the state rates.

Views of Responsible Officials and Planned Corrective Actions:

Completion of the forms for Adoption Assistance is a collaborative effort between DHA and DHHS. Both departments have implemented and updated procedures that emphasize the requirement to provide all forms and court documents necessary to complete the program requirements. In addition, both departments meet monthly to review any problems or issues related to compliance with program requirements.

- The AAP2 form does not require an eligibility supervisor's signature. The AAP 2 form is the payment instructions sent from the social worker to the eligibility worker. The AAP 2 should be signed by the social worker and it was not, in the case cited.

- The AD4320 does not require an eligibility worker's signature. The AD4320 is the Adoption Assistance Program Agreement sent from the social worker to the eligibility worker. The AD4320 should be signed by the social worker and it was not, in the case cited.

Sacramento County currently has several policies and procedures in place to ensure that all necessary documents are included in the case records. The purpose of the AAP3 form is to update information in the Adoption Assistance file. This is part of the redetermination process. Sacramento County has a checklist for continuing AAP cases. Sacramento County will review with staff the use of this checklist and the need to ensure that not only all required documents are in the case file, but all required signatures are complete. This form will be put on the agenda for the Program Specific Workgroup to review and update.

Contact: Joanne Duff (916) 875-6390

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-05

Program: Adoption Assistance
CFDA No.: 93.659
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Social Services
Award Year: FY 2007-2008
Compliance Requirement: Allowable Costs and Activities

Criteria:

OMB Circular A-133, Sub-part C, Section 300, Part b, states that the auditee is responsible for "maintaining internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Internal control means a process, developed by the entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) Reliability of financial reporting; (2) Compliance with applicable laws and regulations; and (3) Effectiveness and efficiency of operations.

The Fiscal year 2007-2008 grant agreement with the State of California requires the County submit the County Expense Claim (CEC) for program administrative costs to the State of California on a quarterly basis for reimbursement.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - Of the 40 employee time study transactions selected from the quarterly time study reports for testwork, we noted 6 of the 40 whereby the hours charged on the employee's time card did not agree to the quarterly time study summary reports. We also noted 1 timesheet was not signed and approved by a supervisor.

Questioned Costs:

Our sample resulted in known questioned costs of $1,140.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Context:

The condition noted above was noted during our testing procedures over allowable cost/activities.

Effect:

As a result of these discrepancies, the ratios used to allocate payroll expenditures to the various federal programs in the CEC, which are derived from the data in the time study summary reports, could result in inaccuracies of allocated costs.

Cause:

The appropriate level of monitoring was not administered by the department, sufficient to prevent, detect and correct the discrepancies between the time reported for the CEC and the exception based time card prepared by the County employees.

Recommendation:

We recommend that the County review the current preparation process for the quarterly time summary reports and implement formal reconciliation and review procedures of the payroll records and the time study reports in order to ensure the accuracy of the time study summary reports. This preventive control will help ensure that the amounts claimed for reimbursement for each of the federal programs included in the CEC are accurate.

Views of Responsible Officials and Planned Corrective Actions:

Unapproved timesheet: The supervisor failed to sign off on the timesheet even though the absence request attached to timesheet was approved. Timesheets, absence & overtime requests are now approved electronically and monitored by HR.

Timesheet/Time study: The discrepancy in time study vs. timesheet data is noted. Adjustments have been made for 4 of the reported differences in the revised CEC claim for Q4 07/08 (April-June 2008) due at the end of March 2009.

DHA has recently implemented an integrated on-line Timesheet/Time Study Management Reporting System where the timesheet & time study data are entered at the same time. The direct supervisor or delegate also approves on-line. Any change is re-approved; HR and the Financial Management claiming unit are notified via email of such amendments. The new system and process will totally eliminate the incidence of deficiencies noted above. The System went online January 2009.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Contact: Nikki Sowunmi (916) 875-3630
Finding 2008-06

Program: Foster Care
CFDA No.: 93.658
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Social Services
Award Year: FY 2007-2008
Compliance Requirement: Allowable Costs and Activities

Criteria:

OMB Circular A-133, Sub-part C, Section 300, Part b, states that the auditee is responsible for "maintaining internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Internal control means a process, developed by the entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) Reliability of financial reporting; (2) Compliance with applicable laws and regulations; and (3) Effectiveness and efficiency of operations.

The Fiscal year 2007-2008 grant agreement with the State of California requires the County to submit the County Expense Claim (CEC) for program administrative costs to the State of California on a quarterly basis for reimbursement.

Condition Found:

Significant Deficiency, Instance of Non-Compliance –

County Department of Human Assistance –
Of the 40 employee time study transactions selected from the quarterly time study reports for testwork, we noted 9 tested whereby the hours charged on the employees' time card did not agree to the quarterly time study summary reports. We also noted 2 timesheets were not signed and approved by a supervisor.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

County Department of Health and Human Services –
Of the 60 employee time study transactions selected from the quarterly time study reports for testwork, we noted 21 tested whereby the hours charged on the employees' time card did not agree to the quarterly time study summary reports. We also noted 1 timesheets were not signed and approved by a supervisor.

Questioned Costs:

Our sample resulted in known questioned costs of $1,140.

Context:

The condition noted above was noted during our testing procedures over allowable cost/activities.

Effect:

As a result of these discrepancies, the ratios used to allocate payroll expenditures to the various federal programs in the CEC, which are derived from the data in the time study summary reports, could result in inaccuracies of allocated costs.

Cause:

The appropriate level of monitoring was not administered by the department, sufficient to prevent, detect and correct the discrepancies between the time reported for the CEC and the exception based time card prepared by the County employees.

Recommendation:

We recommend that the County review the current preparation process for the quarterly time summary reports and implement formal reconciliation and review procedures of the payroll records and the time study reports in order to ensure the accuracy of the time study summary reports. This preventive control will help ensure that the amounts claimed for reimbursement for each of the federal programs included in the CEC are accurate.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Views of Responsible Officials and Planned Corrective Actions:

County Department of Human Assistance –

Unapproved timesheet: The supervisor failed to sign off on the timesheet even though the absence request attached to timesheet was approved. Timesheets, absence & overtime requests are now approved electronically and monitored by HR.

Timesheet/Time study: The discrepancy in time study vs. timesheet data is noted. Adjustments have been made for 4 of the reported differences in the revised CEC claim for Q4 07/08 (April-June 2008) due at the end of March 2009.

DHA has recently implemented an integrated on-line Timesheet/Time Study Management Reporting System where the timesheet & time study data are entered at the same time. T he direct supervisor or delegate also approves on-line. Any change is re-approved; HR and the Financial Management claiming unit are notified via email of such amendments. The new system and process will totally eliminate the incidence of deficiencies noted above. The System went online January 2009.

County Department of Health and Human Services -

The Department of Health and Human Services will take corrective action to implement policies and procedures for the reconciliation of the payroll records and the time study reports to ensure accuracy of the time study summary reports for subsequent claiming to the CEC.

Contact: Nikki Sowunmi (916) 875-3630

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-07

Program: Foster Care
CFDA No.: 93.658
Federal Agency: U.S. Department of Health and Human Services
Passed-through: State of California
Award Year: FY 2007-2008
Compliance Requirement: Eligibility

Criteria:

The *March 2008 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement* states that foster care maintenance payments are allowable only if the foster child was removed from the home of a relative specified in section 406(a) of the Social Security Act, as in effect on July 16, 1996, and placed in foster care by means of a judicial determination, as defined in 42 USC 672(a)(2), or pursuant to a voluntary placement agreement, as defined in 42 USC 672(f). The requirement involves the filing of documentation in association to judicial determination, permanency plan, Aid to Families with Dependent Child (AFDC) program eligibility, and related information that would provide reference to the foster family home provider's legal status and financial background.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - During our eligibility testing of Foster Care case files, two out of sixty case files were missing the FC3A form used to provide income determination information on the applicants' Federal AFDC eligibility. We also noted five out of sixty case files were missing CW statements (State of Facts) used to provide details on child support and deprivation.

In addition, we noted that one out of sixty case files was missing management's signature of approval on the FC2 Statement of Facts form and one out of sixty case files was missing management signature of approval on the FC4 Relative Placement form.

Questioned Costs:

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Context:

Through client inquiry and testwork of specific requirements related to eligibility, it was noted that the Foster Care program's files were not properly maintained in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Effect:

Case data may not accurately reflect the eligibility status of Adoption Assistance recipients thus increasing the risk of noncompliance. It is important that the County maintains complete files so that all required information outlined by the Department of Human Assistance's own eligibility determination process for the Foster Care Program can be evaluated and determined for accuracy and legitimacy based on the criteria established by the Federal compliance supplement.

Cause:

The condition is primarily caused by the lack of oversight within the eligibility division to ensure that compliance requirements are fully met.

Recommendation:

We recommend that the County's policies and procedures be emphasized to ensure that all necessary and related documentations are included in the case files. The maintenance of these forms is important to demonstrate that the foster care home providers are fully eligible when receiving the service payments; and that the County understands its rights and responsibilities when receiving the Foster Care funds.

Views of Responsible Officials and Planned Corrective Actions:

Completion of the forms for the Foster Care Program is a collaborative effort between DHA and DHSS. Both departments have implemented and updated procedures that emphasize the requirement to provide all forms and documents necessary to complete the program requirements. In addition, administrative staff meet monthly to review any problems or issues related to compliance with program requirements.

- Management signature of approval are not required on the FC2.
- Management signature of approval are not required on the FC4.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Sacramento County currently has several policies and procedures in place to ensure that all necessary documents are included in the case records. In addition, the SC 40Z is a foster care summary and checklist which is used by both intake workers, when sending a case and continuing workers, when receiving a case to verify that required documents are in the case record. Sacramento County will review with staff the use of this checklist and include the need for workers to not only review that the document is in the case record, but that the document is also correctly completed and signed by all required persons.

Several changes have been and will be made in policies and procedures since the audit period which will further help ensure compliance with the requirements.

- Effective December 1, 2008 paper copies of referrals to DCSS were no longer required. This is now accomplished by the integration of the computer systems within the two departments.

Contact: Joanne Duff (916) 875-6390

Finding 2008-08
Federal Program: Foster Care
CFDA: 93.658
Department: U.S. Department of Health & Human Services
Passed-Through: State of California Department of Social Services
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Allowable Costs/Activities

Criteria:

The *March 2008 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement* states that funds may be expended for Foster Care maintenance payments on behalf of eligible children, in accordance with the State's Foster Care maintenance payment rate schedule, to individuals serving as foster family homes, to child-care institutions, or to public or private child-placement or child-care agencies. Such payments may include the cost of (and the cost of providing, including the associated administrative and operating costs of an institution) food, clothing, shelter, daily supervision, school supplies, personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Condition Found:

Instance of Non-Compliance - During our testing of Foster Care case files, one out of sixty case files was identified in which non-allowable costs were generated through overpayments to a particular care provider. Specifically, it was noted that the County made payments totaling $536 in FY2007-2008 to the beneficiary despite the fact that the child had already been reallocated under the supervision of a different care provider.

Questioned Costs:

Our sample resulted in known questioned costs of $536.

Context:

The condition noted above was noted during our testing procedures over allowable cost/activities and eligibility.

Effect:

The County appears to be out of compliance with federal and state program allowable cost/activities requirements.

Cause:

The appropriate level of management supervision was not administered by the department, sufficient to prevent, detect, and correct the discrepancies regarding non-allowable costs.

Recommendation:

We recommend that the County review the current payment generation process for the assistance payments to the care providers, and implement stronger management review procedures to enforce timely status update on all outstanding cases. This preventive control will help ensure that the total cost accumulated in the program for assistance purpose is allowed and accurate.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Views of Responsible Officials and Planned Corrective Actions:

The overpayment was a result of the CPS social worker's failure to notify eligibility of the placement change. Effective June 1, 2009, Sacramento County will implement Voice Response Unit (VRU). The VRU will require providers to call in monthly to report if a foster child was in their home for the entire report month. This system will greatly reduce the number of overpayments created due to eligibility staff not being made aware of a placement change.

Completion of the forms for the Foster Care Program is a collaborative effort between DHA and DHSS. Both departments have implemented and updated procedures that emphasize the requirement to provide all forms and documents necessary to complete the program requirements. In addition, administrative staff meet monthly to review any problems or issues related to compliance with program requirements.

Sacramento County currently has several policies and procedures in place to ensure that all necessary documents are included in the case records. In addition, the SC 40Z is a foster care summary and checklist which is used by both intake workers, when sending a case and continuing workers, when receiving a case to verify that required documents are in the case record. Sacramento County will review with staff the use of this checklist and include the need for workers to not only review that the document is in the case record, but that the document is also correctly completed and signed by all required persons.

Several changes have been and will be made in policies and procedures since the audit period which will further help ensure compliance with the requirements.

Contact: Joanne Duff (916) 875-6390

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-09

Program: Block Grants for Prevention and Treatment of Substance Abuse
CFDA No.: 93.959
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Alcohol and Drug Program
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* requires a pass-through entity to be responsible for:

- *Award Identification* – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.
- *During-the-Award Monitoring* - Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- *Subrecipient Audits* - (1) Ensuring that subrecipients expending $500,000 for fiscal years ending or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

The County has represented that the current monitoring procedures include annual site visits to ensure subrecipient compliance with subrecipient contracts. A site visit report is prepared at the conclusion of each visit and approved by the program manager or designated individual. Also, an annual review of financial statements is performed to ensure subrecipient compliance with fiscal policies. It was noted that this review is to be evidenced by the completion of an audit review checklist and approved by appropriate fiscal management.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Condition Found:

Material Weakness, Material Instance of Non-Compliance - As a result of our audit during FY 2007-2008, we noted the following based on our testing performed over subrecipient monitoring:

- For 3 of 10 subrecipients tested, the County did not perform a contract monitoring site visit, nor did they complete a site visit report during the fiscal year 2007-2008.
- For 1 of 10 subrecipients tested, the County was unable to provide evidence of a receipt of corrective action related to the contract monitoring site visit performed.
- For 4 of 10 subrecipients tested, the County did not complete an audit review checklist to ensure compliance with fiscal monitoring requirements.

Questioned Costs:

The amount passed-through to subrecipients total $3,220,082 in fiscal year ending 2008, this total is considered to be questioned costs as there was no monitoring completed to determine whether costs incurred by subrecipients are allowable and in compliance with program requirements.

Context:

Through client inquiry and testwork of specific requirements related to subrecipient monitoring, it was noted that the SAPT program's subrecipients were not monitored in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Cause:

The County was unable to ensure compliance with Federal requirements over subrecipient monitoring due to delays in the performance and completion of required monitoring reports.

Effect:

Without conducting timely fiscal and compliance monitoring visits, the risk of unallowable cost/activities or inflated expense reporting exists.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Recommendation:

We recommend that the County implement stronger internal controls, to ensure subrecipients are monitored on a timely basis and all reports and checklists are completed and properly approved and reviewed. Also, we recommend the County ensure the receipt of appropriate corrective action on all audit findings.

Views of Responsible Officials and Planned Corrective Actions:

The County of Sacramento ADS Division will implement a spreadsheet to incorporate the following information:

- Date of last monitoring report and corrective action response received.
- Date of next required report.
- Date of review by the Program Manager.
- Program Manager will monitor to ensure monitoring reports, corrective action responses are done with appropriate signatures affixed on a weekly basis.
- Administrator will review spreadsheet on a monthly basis.
- Due to State Alcohol and Drug Programs' requirement to transition from the Prevention Activities Data System (PADS) to the California Outcomes Measurement System (CalOMS), some of the prevention monitoring visits did not take place. The challenges of the transition occupied the majority of the prevention coordinator's time. The monitoring visits and reports will be fully completed for 2008-2009.

Contact: Maria Morfin (916) 875-2055

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-10

Program: Block Grants for Prevention and Treatment of Substance Abuse
CFDA No.: 93.959
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Alcohol and Drug Program
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Reporting

Criteria:

The State of California *Negotiated Net Amount and Drug Medi-Cal County Contract Boilerplate* for the fiscal year 2007-2008 states that, "Contractor shall submit timely the Quarterly Federal Financial Management Report (QFMR) and end-of-year cost data in the form of year-end cost settlement reports."

Condition Found:

Instance of Non-Compliance – As a result of our audit during FY 2007-2008, we noted the County did not submit the required reports in a timely manner in accordance with state and federal compliance requirements. We noted both the 1st quarter and 2nd quarter QFMR reports were submitted 10 and 30 days, respectively after the required due date. We also noted the annual year-end cost settlement report was submitted 21 days after its due date to the State.

Questioned Costs:

None

Context:

Through client inquiry and review of reports submitted to the California Department of Alcohol and Drug Program, it was noted that QFFMR reports are required to be submitted on the 1st day of the 3rd month following the end of the quarter. Also the Annual Cost Report is required to be submitted by November 1 following the end of each fiscal year.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Effect:

Lack of timely submittal of required reports, in accordance with State and Federal guidelines, leads to non-compliance with federal and state reporting requirements.

Cause:

The County was unable to ensure compliance with requirements over reporting due to late submittal of the reports the California Department of Alcohol and Drug Program.

Recommendation:

We recommend that the County adhere to policies to ensure that required reports are submitted by the required due date in order to ensure compliance with federal and state requirements related to reporting.

Views of Responsible Officials and Planned Corrective Actions:

The year-end cost settlement report (Cost Report) is an integral report of expenditures for both County and subrecipients. Subrecipients have 60 days after the close of the County fiscal year to provide the County with a year-end cost settlement report. In FY 07/08, 16 of 42 subrecipients were late in providing the County with their cost settlement reports. By the time all subrecipients' cost settlement reports were received, it was already close to the State due date. The very short amount of time left for the County to consolidate and prepare the cost report made it a challenge for the County to meet the deadline. The County will continue to work with subrecipients in meeting the reporting time line as required in their contracts.

The late submittal of the Quarterly Federal Financial Management Report (QFFMR) was an oversight. The County will continue to prepare and submit this report on time.

Contact: Maria Morfin (916) 875-2055

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-11

Program: Block Grants for Prevention and Treatment of Substance Abuse
CFDA No.: 93.959
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Alcohol and Drug Program
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Procurement, Suspension, & Debarment

Criteria:

Per 45 CFR section 92.36, "Grantees and subgrantees will maintain records sufficient to detail the significant history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price." Additionally, "all procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of section 92.36".

Condition Found:

Material Weakness – Material Instance of Non-Compliance - During our testing of procurement over federal compliance for FY 2007-2008, of the 10 vendor files selected for testing, we noted in all instances case files did not contain information regarding the competition and vendor selection process, nor did they contain records sufficient to detail the significant history of a procurement.

Questioned Costs:

None

Context:

Through testwork of bid files related to procurement of contracts for subrecipients receiving grant funds, it was noted that the County did not follow federal procurement compliance requirements for the selection of subrecipients.

Effect:

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

The County appears to be out of compliance with federal and state program procurement requirements.

Cause:

The County was unable to ensure compliance with procurement, suspension, and debarment requirements as it appears that staff did not have knowledge of federal procurement requirements and guidelines.

Recommendation:

We noted this is a repeat condition from the FY 2007 Single Audit. This is a repeat condition that was reported in connection with the audit of the County's federal awards for the year ended June 30, 2007. We noted the department implemented procedures pertaining to a competitive procurement process for contracts beginning during the fiscal year 2008-2009. Due to the timing of the prior year audit these procedures were not implemented in time for contracts pertaining to the fiscal year 2007-2008.

We recommend that the County continue to implement and update its policies and procedures to ensure that all required SAPT contracts are procured using federal procurement compliance requirements.

Views of Responsible Officials and Planned Corrective Actions:

The County was not able to implement the procurement process in time for 2007-2008 FY contracts. The process was implemented for the 2008-2009 FY for SAPT Block Grant Prevention funds and Perinatal funds. The documentation is in a central file separate from the subrecipients' contract files. The auditor was shown the documentation which included the RFP, the proposals, the ranking scores, and the Board Letter to the Supervisors listing the subrecipients and funding awarded. The County will implement the procurement process for SAPT Block Grant Treatment funding for the 2010-2011 FY, and will follow Federal procurement compliance requirements for the selection of subrecipients.

Contact: Maria Morfin (916) 875-2055

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-12

Program: Medicaid Cluster – Alcohol and Drug Program
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Alcohol and Drug Program
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* requires a pass-through entity to be responsible for:

- *Award Identification* – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.
- *During-the-Award Monitoring* - Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- *Subrecipient Audits* - (1) Ensuring that subrecipients expending $500,000 for fiscal years ending or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

The County has represented that the current monitoring procedures include annual site visits to ensure subrecipient compliance with subrecipient contracts. A site visit report is prepared at the conclusion of each visit and approved by the program manager or designated individual. Also, an annual review of financial statements is performed to ensure subrecipient compliance with fiscal policies. It was noted that this review is evidenced by the completion of an audit review checklist and approved by appropriate fiscal management.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Condition Found:

Significant Deficiency, *Instance of Non-Compliance* - As a result of our audit during FY 2007-2008, we noted the following based on our testing performed over subrecipient monitoring:

- For 1 of 9 subrecipients tested, it was noted that the County did perform a contract monitoring site visit however, the site visit report did not contain program monitor approval.
- For 1 of 9 subrecipients tested, the County was unable to provide evidence of a receipt of corrective action related to the contract monitoring site visit performed.
- For 8 of 9 subrecipients tested, we noted the County did not conduct annual fiscal monitoring procedures.

Questioned Costs:

The amount passed-through to subrecipients total $3,786,554 in fiscal year ending 2008, this total is considered to be questioned costs as there was no monitoring completed to determine whether costs incurred by subrecipients are allowable and in compliance with program requirements.

Context:

Through client inquiry and testwork of specific requirements related to subrecipient monitoring, it was noted that the Medi-Cal Alcohol and Drug program's subrecipients were not monitored in accordance with OMB A-133 compliance requirements during fiscal year 2007-2008.

Effect:

Without conducting complete timely fiscal and compliance monitoring visits, the risk of unallowable cost/activities and non-compliance exists.

Cause:

The County was unable to ensure compliance with Federal requirements over subrecipient monitoring due to delays in the performance and completion of required monitoring procedures and reporting due to staff turnover.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Recommendation:

We recommend that the County implement stronger internal controls, to ensure subrecipient contract monitoring site visits and related reports are performed and prepared in a timely basis. In addition, all reports and checklists should be completed and properly approved and reviewed. Also, we recommend the County ensure the receipt of appropriate corrective action on all subrecipient audit findings.

Views of Responsible Officials and Planned Corrective Actions:

The ADS Division will implement a spreadsheet to incorporate the following information:

- Date of last monitoring report and corrective action response received.
- Date of next required report.
- Date of review by the Program Manager.
- Program Manager will monitor to ensure monitoring reports, corrective action responses are done with appropriate signatures affixed on a weekly basis.
- Administrator will review spreadsheet on a monthly basis.
- In addition, the fiscal monitoring is an activity which ADS implemented on the availability of its administrative officer, who was not always able to do it. A reorganization of the administrative officer's duties will be implemented to include a fiscal review of all subrecipents as part of the annual monitoring report.

Contact: Maria Morfin (916) 875-2055

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-13

Program: Medicaid Cluster – Alcohol and Drug Program
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Alcohol and Drug Program
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Reporting

Criteria:

The State of California *Negotiated Net Amount and Drug Medi-Cal County Contract Boilerplate* for the fiscal year 2007-2008 states that the "Contractor shall submit timely, the end-of-year cost data in the form of year-end cost settlement reports."

Condition Found:

Instance of Non-Compliance – As a result of our audit during FY 2007-2008, we noted the annual cost report the County submits to the State was submitte after the report due date.

Questioned Costs:

None

Context:

Through client inquiry and review of reports submitted to the California Department of Alcohol and Drug Program, it was noted that the Annual Cost Report is required to be submitted by November 1 following the end of each fiscal year.

Effect:

Lack of timely submittal of required reports, in accordance with State and Federal guidelines, leads to non-compliance with federal and state reporting requirements.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Cause:

The County was unable to ensure compliance with requirements over reporting due to late submittal of the reports the California Department of Alcohol and Drug Program.

Recommendation:

We recommend that the County adhere to policies to ensure that required reports are submitted by the required due date in order to ensure compliance with federal and state requirements related to reporting.

Views of Responsible Officials and Planned Corrective Actions:

The year-end cost settlement report (Cost Report) is an integral report of expenditures for both County and subrecipients. Subrecipients have 60 days after the close of the County fiscal year to provide the County with a year-end cost settlement report. In FY 07/08, 16 of 42 subrecipients were late in providing the County with their cost settlement reports. By the time all subrecipients' cost settlement reports were received, it was already close to the State due date. The very short amount of time left for the County to consolidate and prepare the cost report made it a challenge for the County to meet the deadline. The County will continue to work with subrecipients in meeting reporting time line as required in their contracts.

Contact: Maria Morfin (916) 875-2055

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-14

Program: Medicaid Cluster – In-Home Supportive Services
CFDA No.: 93.778
Federal Agency: US Department of Health and Human Services
Passed-through: California Department of Health Services
Award Year: Fiscal year 2007-2008
Compliance Requirement: Eligibility

Criteria:

The State of California of Department of Social Services (CDSS) regulations state that county social service staff are to have a face-to-face contact at least once every 12 months, except as provided in MPP section 30-761.215 through 30-761.217, to adequately determine that the recipient continues to reside safely in their home with the IHSS services provided (MPP Section 30-761.13).

Condition Found:

Material Weakness, Material Instance of Non-Compliance - During the annual redetermination of program eligibility, the recipient is contacted via phone/mail to inform her/him that a face to face visit is necessary (reassessment) in order to continue receiving benefits. The County performs and documents the reassessment through the use of the "In-Home Support Services Assessment Form" (SAS 293A), which provides the County with updated information used to assist the County with program eligibility redetermination. The supervisor will review the reassessment and sign off prior to approval for services. Of the 60 cases selected for test work, we noted 18 cases where the SAS 293A form was missing or the assessment was performed untimely.

Questioned Costs:

None

Context:

The condition noted above was identified during our testing procedures over eligibility.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Effect:

Lack of supporting documentation for initial and ongoing eligibility determinations could lead to ineligible individuals receiving benefits.

Cause:

Through client inquiry and testwork of specific requirements related to eligibility, it was noted that the Medicaid Cluster - In-Home Supportive Service programs participants were not properly recertified during fiscal year 2007-2008.

Recommendation:

We recommend that the County establish formal policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

Views of Responsible Officials and Planned Corrective Actions:

Sacramento County has had long standing policies in place with regard to timely completion of initial and ongoing eligibility determination for IHSS services. Existing policies detail required documentation and maintenance of participant files. We will review them to ensure that policies and procedures for such documentation requirements are adhered to by County personnel, as best practicable. In addition, we perform reassessments as quickly as possible with existing staff.

Contact: Guy Klopp (916) 874-2695

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-15

Program: Medicaid Cluster – In-Home Supportive Services
CFDA No.: 93.778
Federal Agency: Department of Health and Human Services
Passed-through: State of California Department of Social Services
Award Year: FY 2007-2008
Compliance Requirement: Allowable Costs and Activities

Criteria:

OMB Circular A-133, Sub-part C, Section 300, Part b, states that the auditee is responsible for "maintaining internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Internal control means a process, developed by the entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) Reliability of financial reporting; (2) Compliance with applicable laws and regulations; and (3) Effectiveness and efficiency of operations.

The Fiscal year 2007-2008 grant agreement with the State of California requires the County to submit the County Expense Claim (CEC) for program administrative costs to the State of California on a quarterly basis for reimbursement.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - Of the 40 employee time study transactions selected from the quarterly time study reports for testwork, we noted 29 tested whereby the hours charged on the employee's time card did not agree to the quarterly time study summary reports. We also noted 2 timesheets were not signed and approved by a supervisor.

Questioned Costs:

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Context:

The condition noted above was noted during our testing procedures over allowable cost/activities.

Effect:

As a result of these discrepancies, the ratios used to allocate payroll expenditures to the various federal programs in the CEC, which are derived from the data in the time study summary reports, could result in inaccuracies of allocated costs.

Cause:

The appropriate level of monitoring was not administered by the department, sufficient to prevent, detect and correct the discrepancies between the time reported for the CEC and the exception based time card prepared by the County employees.

Recommendation:

We recommend that the County review the current preparation process for the quarterly time summary reports and implement formal reconciliation and review procedures of the payroll records and the time study reports in order to ensure the accuracy of the time study summary reports. This preventive control will help ensure that the amounts claimed for reimbursement for each of the federal programs included in the CEC are accurate.

Views of Responsible Officials and Planned Corrective Actions:

The Department of Health and Human Services will take corrective action to implement policies and procedures for the reconciliation of the payroll records and the time study reports to ensure accuracy of the time study summary reports for subsequent claiming to the CEC.

Contact: Joan Klint (916) 874-9613

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-16

Program: Supportive Housing Program
CFDA No.: 14.235
Federal Agency: U.S. Department of Housing & Urban Development
Award Year: Fiscal Year 2007-2008
Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* requires a pass-through entity to be responsible for:

- *Award Identification* – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.

- *During-the-Award Monitoring* - Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

- *Subrecipient Audits* - (1) Ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

The pass-through entity should monitor the subrecipients' activities to provide reasonable assurance that the subrecipients administer federal awards in compliance with federal requirements.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Condition Found:

Material Weakness, Material Instance of Non-Compliance - As a result of our review of 10 randomly chosen subrecipient contracts in FY 2007-2008, we noted the following regarding subrecipient monitoring:

- For 9 of 10 subrecipients tested, the County did not perform a program monitoring site visit during the fiscal year 2007-2008.
- For 9 of 10 subrecipients tested, the County did not complete a site visit monitoring report during the fiscal year 2007-2008.
- For 8 of 10 subrecipients tested, the County did not complete fiscal monitoring review in the fiscal year 2007-2008.
- For 10 of 10 subrecipients tested, the County did not review the appropriate single audit reports for all subrecipient expending $500,000 or more in federal grant awards during the fiscal year (or audited financial statements for all subrecipients expending less than $500,000).

Questioned Costs:

The amount passed-through to subrecipients total $3,564,925 in fiscal year ending 2008, this total is considered to be questioned costs as there was no monitoring completed to determine whether costs incurred by subrecipients are allowable and in compliance with program requirements.

Context:

Through client inquiry and testwork of specific requirements related to subrecipient monitoring, it was noted that the Supportive Housing Program's subrecipients were not monitored in the fiscal year 2007-2008 in accordance with OMB A-133 Compliance Requirements.

Effect:

Without conducting timely fiscal and compliance monitoring visits, the risk of unallowable cost/activities or inflated expense reporting exists. Without timely receipt and review of required subrecipient audit reports, there is no assurance that the subrecipients used Federal awards for authorized purposes, complied with laws, regulations, and the provisions of contracts and grant agreements.

Cause:

The County did not comply with federal subrecipient monitoring compliance requirements.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Recommendation:

We noted this is a repeat condition from the FY 2007 Single Audit. We recommend that the County implement stronger internal controls, to ensure subrecipients are monitored on a timely basis and all reports and checklists are completed and properly approved and reviewed. Additionally, we recommend that the County develop the necessary internal control mechanism to ensure the receipt and review of all required audit reports from all subrecipients.

Views of Responsible Officials and Planned Corrective Actions:

Effective April 2009 Department of Human Assistance is implementing a quarterly review process to review budget usage, capacity, use of Homeless Management Information System and tracking of outcomes related to national HUD goals and objectives in an effort to provide more oversight to sponsors. All program monitoring will be reviewed by the Homeless Services Program Manager to determine that the HUD suggested checklist is completed.

With respect to the third bullet point above, the terms of the agreements for nine of the subrecipients tested were October 1, 2007 through September 30, 2008. The term of the remaining agreement was December 1, 2006 through November 30, 2008. Rather than monitor these agreements at the beginning of the contract term, the Department believes it is more worthwhile to conduct fiscal monitoring after the contracts have been in place for several months. While it is true that not all agreements were monitored by the end of the county's fiscal year, every effort is made to complete monitoring activities prior to the end of the contract term.

With respect to the fourth bullet point above, the terms and conditions of the various subrecipient agreements stipulate that subrecipients are required to submit annual audits no later than six months following the end of the agreement year. For the first nine subrecipients the required submission date for these reports would be due March 31, 2009 which was after the date field work was completed. For the remaining subrecipient, the report for the agreement year December 1, 2007 through November 30, 2008 is not due until May 31, 2009. The Department is also improving its current tracking system to ensure that all audits are received within the required timeframes.

Contact: Suzanne Hammer (916) 874-4325

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Finding 2008-17

Program: Homeland Security Grant Cluster
CFDA No.: 97.067/97.073/97.074
Federal Agency: Department of Homeland Security
Pass-through Agency: California Governor's Office of Emergency Services
Award Year: FY 2007-2008
Compliance Requirement: Allowable Costs and Activities

Criteria:

In accordance with *OMB Circular A-133,* the objectives of internal control pertaining to the compliance requirements for Federal programs (Internal control over Federal Programs), as found in Subpart A, Section 105 of *OMB Circular A-133*, state that transactions are to be properly recorded and accounted for to:

- Permit the preparation of reliable financial statements and Federal reports;
- Maintain accountability over assets; and
- Demonstrate compliance with laws, regulations, and other compliance requirements;

In addition, per *OMB Circular A-133,* the auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements.

Condition:

Significant Deficiency – As a result of our testwork, we noted some expenditures reported on the County's Schedule of Expenditures of Federal Awards (SEFA) for these grants did not reconcile to the County's general ledger system. We noted for CFDA # 97.074 – FY 2005 State Homeland Security Grant; approximately $700,000 reported on the current year SEFA were actually for expenditures incurred during FY 2007. This was a result of the County reporting amounts reimbursed to other County departments as a current year federal expenditures, when in fact the reimbursed costs incurred at the department level occurred in FY 2007. We noted the amounts incurred at the department level should be included in the County's SEFA.

Questioned Costs:

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

Context:

The County was the recipient of 4 Homeland Security Grant awards during Fiscal Year 2008.

Effect:

Not observing proper cut-off at June 30 may prohibit the County from preparing an accurate and complete SEFA in accordance with OMB A-133.

Cause:

The County's Office of Emergency Services (OES) has been designated as the central reporting agent for the Homeland Security Grant. Annually, the County's OES provides the total Homeland Security Grant expenditures amounts to be reported in the County's SEFA. The expenditure amounts reported in the SEFA on behalf of each County department represent the amounts claimed on behalf of each County department by County OES as a pass-thru agent for the grant programs. Currently, each County department that receives Homeland Security Grant fund through the County's OES is not reporting their Homeland Security Grant expenditures in the County's SEFA.

Recommendation:

We recommend that the County strengthen its current polices and procedures to ensure the accuracy and completeness of its Homeland Security grant expenditures reported in the SEFA. Consistent with the County's current policies and procedures, we recommend that the County request that each department that expends Homeland Security Grant funds to submit a record of their expenditures for inclusion in the County's SEFA. The total expenditure amounts submitted by each County department may also be reviewed by the County's OES department for consistency and reasonableness.

View of responsible officials and planning corrective actions:

The County acknowledges this finding.

The County will work to correct this deficiency by coordinating with all departments receiving Homeland Security Grant funding. Each department will be asked to prepare its own fiscal year expenditures supported by a General Ledger report on the Single Audit SEFA form. The Emergency Operations office will work with the County Auditor's Office to coordinate a compilation of departmental reports into one report per program for inclusion in the annual Single Audit report.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, (Continued)

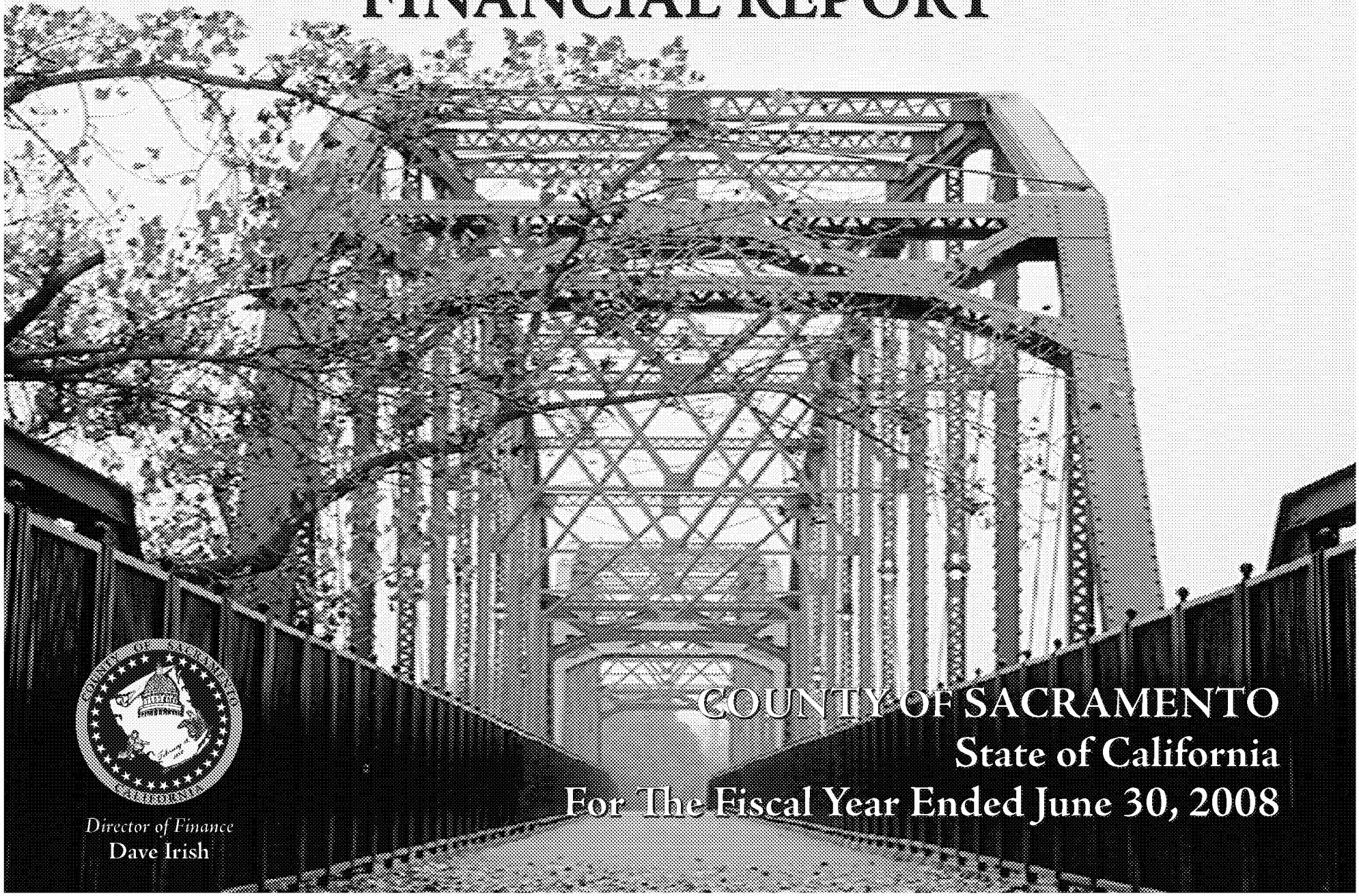
Contact: Tami Randolph (916) 874-4674

COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Summarized below is the current status of all audit findings reported in the prior year audit's schedule of audit findings and questioned costs.

Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
Observation #1	Journal Entries	N/A	N/A	Partially Implemented (See 2008-01)
Observation #2	Accrued Liabilities	N/A	N/A	Implemented
Observation #3	Accrued Revenues	N/A	N/A	Implemented
2007-01	Supportive Housing Program	14.235	Eligibility	Implemented
2007-02	Temporary Assistance for Needy Families	93.558	Eligibility	Implemented
2007-03	Medicaid Cluster	93.778	Procurement, Suspension and Debarment	Implemented
2007-04	Block Grants for Prevention and Treatment of Substance Abuse	93.959	Procurement, Suspension and Debarment	Not Implemented (See 2008-11)
2006-01	Food Stamps Cluster	10.551/10.561	Reporting	Implemented
2006-02	Temporary Assistance for Needy Families	93.558	Eligibility	Implemented
2005-05	Homeland Security Grant Cluster	97.067/97.073 /97.074	Subrecipient Monitoring	Implemented
2004-01	Adoption Assistance	93.659	Eligibility	Not Implemented (See 2008-04)
2004-05	Supportive Housing Program	14.235	Subrecipient Monitoring	Not Implemented (See 2008-16)

COMPREHENSIVE ANNUAL FINANCIAL REPORT



COUNTY OF SACRAMENTO
State of California
For The Fiscal Year Ended June 30, 2008

Director of Finance
Dave Irish

THE FAIR OAKS BRIDGE

The cover photograph on this year's report is of the Fair Oaks Bridge. It crosses the American River less than one-half mile east of the Sunrise Bridge.

In 1900, farmers north of the American River petitioned the Board of Supervisors for construction of a bridge near Fair Oaks. The original bridge at this location was completed in 1901 but survived only until January 1907 when it was washed away in a flood. A hastily constructed temporary bridge was washed away again in March 1907. The existing Fair Oaks Bridge, with longer spans and a single pier in the deep water, was completed late in 1907. From that date until 1967, the bridge served as an important connector for the community of Fair Oaks to the greater Sacramento area.

In the early days, the bridge provided access for citrus growers, located on the north side of the river, to a rail spur built by the Southern Pacific Railroad on the south side of the river. The spur connected to the SP main line. The farmers and fruit companies reaped the benefits of the bridge by being able to distribute their products more efficiently to a much larger market.

The first motorized traffic crossed the bridge in 1915. Three newer bridges, built in the 1950s and 1960s across the American River, diminished the importance of the bridge. In 1967, the bridge was closed. The ownership of the bridge was transferred to the Sacramento County Department of Regional Parks. In 1973, after some re-decking and new paint, the Fair Oaks Bridge was reopened to the public as a pedestrian//bicycle crossing. In 2000, the south timber approach to the steel structure was replaced with a concrete structure and new decking and wrought iron fencing were also installed.

The bridge design is a combination of two Pennsylvania Petit through truss spans and a Pratt Pony truss span. At almost 500 feet long, it is the second oldest out of ten surviving bridges of this type in California. The oldest bridge, built in 1893, is upriver at the town of Folsom. The Fair Oaks Bridge was designated as a National Historic Site in 2006 and is on the California State Register of Historical Places.

Hollywood loves the bridge, too. Many filmmakers have come to Sacramento to shoot action scenes on the bridge and other scenes featuring the picturesque bridge in a background shot. "The Stunt Man," starring Peter O'Toole and "Letters from a Killer," starring Patrick Swayze are two such films.

Credit: Cover Design by Chris Baker—Sacramento County Planning and Community Development Department, Cartography Section

FISCAL YEAR 2008

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF SACRAMENTO

STATE OF CALIFORNIA

Dave Irish, Director of Finance

For The Fiscal Year Ended June 30, 2008

COUNTY OF SACRAMENTO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

Internal Services Agency

Department of Finance

Auditor-Controller Division
Julie Valverde,
Assistant Auditor-Controller

County of Sacramento

Terry Schutten, County Executive
Mark Norris, Agency Administrator
Dave Irish, CPA, Department Director

December 22, 2008

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, 2008, 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 are accurate in all material respects and present fairly the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the County, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a copy of the 2006-07 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 principal 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 nonmajor fund financial statements to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year. This letter is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 19 of this report. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF SACRAMENTO COUNTY

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

Sacramento 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. Sacramento 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 of Sacramento 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 (1998, 2002, etc.) while supervisors from District 3 and District 4 are elected in presidential election years (2000, 2004, 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 services provided by the County include public protection, construction and maintenance of all public facilities, sanitation, water, parks, health and human services, human assistance, planning, tax collection 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. The County provides a full range of services including sheriff; health and sanitation; the construction and maintenance of highways, streets, and infrastructure assets; recreational activities and cultural events; election; library; social services; airports; waste removal; parking; and administration.

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

Sacramento County is located in the Central Valley of California and extends from the Delta of the Sacramento and San Joaquin Rivers to the lower range of foothills of the Sierra Nevada Mountains. To the southwest is the highly urban San Francisco Bay Area. The City of Sacramento, the largest and most populous city in the County, is both the State Capital and the County Seat. The State Capitol building, many state offices, Sacramento City Hall, and the County Administration Center are all located in the downtown area of the City of Sacramento.

There are approximately forty percent of all county residents living in the urban unincorporated area of Sacramento; these residents receive municipal services from the County and special districts rather than from cities. Sacramento County thus has dual service responsibilities: (1) as a countywide provider of typical county services such as health, welfare, jails, and prosecution; and (2) as a municipal provider of police protection and public works services. This dual service responsibility has added additional complexity to the budget and resource allocation process. The County's general purpose financing also has a dual nature with identifiable countywide revenues such as property taxes and vehicle license fees, and municipal revenues such as sales tax and utility tax. In recent years, growth in municipal services costs, particularly Sheriff's services, has outpaced growth in municipal financing putting pressure on countywide services.

The budgetary status of Sacramento County is linked to the economic environment of the County and the State as a whole. Counties are responsible for delivering human services (health and welfare). There is an inverse relationship between growth in local revenues and growth in human service caseloads and county costs. As the economy slows, the numbers of unemployed and human services caseloads typically increase. At the same time there is little growth, or

actual declines, in local revenues. The result is growth in costs coupled with reduced ability to absorb those costs. The State of California faces the same situation, and at the same time the County is dealing with local issues, there is the potential impact of adverse State budget actions.

When the local and statewide economy is more robust, the numbers of employed increases, human services caseloads decrease, and revenue growth increases. At the same time, the State has the ability to increase support for local programs. The budgetary ups and downs of the past 16 years exemplify this inverse relationship between costs and revenue growth. In the early 1990s, there was a deep recession – caseloads increased and there was virtually no local revenue growth. In addition, the State passed much of its budget problem off to local governments in the form of property tax shifts from counties, cities, and special districts to schools, enabling the State to reduce its school funding commitments. The Board of Supervisors was faced with the necessity of making very deep spending and service level reductions.

In the late 1990s, both the County and the State benefited from the booming economy. Employment and revenue growth were at peak levels. Caseloads and costs decreased. State funding for local programs increased. New spending commitments were made at both the local and State levels, and service levels were increased.

During Fiscal Year 2002-03 through Fiscal Year 2004-05 the County faced significant budget pressure, but during Fiscal Year 2005-06 and 2006-07 the local economic conditions improved. However, over the last year the local economic conditions worsened, along with the rest of the State and country. In the Sacramento Metropolitan Statistical Area (SMSA), which includes Sacramento, El Dorado, and Placer Counties, there has been an approximate increase in overall employment levels of two percent, and an increase in the unemployment rate due to general economic conditions. The unemployment rate has increased from 5.4% in August 2007 to 7.4% in August 2008. This is similar to the State's unemployment rate which was 5.4% and 7.6%, respectively, for the same time periods.

The real estate market in Sacramento County slowed during Fiscal Year 2006-07 and that slowdown continued through 2007-08, similar to the rest of the State and country, with decreases of both new home construction and home resales. This translated to a slower growth rate of property tax revenues for the County during Fiscal Year 2007-08, without the benefit of resale transactions causing homes to be reassessed and fewer new construction homes to add more assessed value to the tax rolls. For Fiscal Year 2007-08, the secured property tax revenues increased by 6.5% percent. Sacramento County's property tax revenues are expected to increase by $4 million for Fiscal Year 2008-09, due to an estimated growth rate in assessed valuations of 2%.

The County's sales tax revenues decreased by approximately 1% in Fiscal Year 2007-08 as compared to Fiscal Year 2006-07 and are expected to remain at similar levels during Fiscal Year 2008-09, again due to the nationwide general economic slowdown. Currently, the County is fostering new/rehabilitated retail centers within the unincorporated area of the County in order to increase this revenue source.

MAJOR INITIATIVES

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

- **Vineyard Surface Water Treatment Plant**

The Sacramento County Water Agency broke ground in April 2008 on the $207 million construction of the Vineyard Surface Water Treatment Plant. This facility will initially treat up to 50 million gallons per day (MGD) of water diverted from the Sacramento River as part of the Freeport Regional Water Project. Construction is scheduled for completion in 2011. This milestone facility is the first surface water treatment plant constructed by the Water Agency and the surface water produced by this facility will help stabilize levels in the Central Sacramento County Groundwater basin and meet customer demands over the next 20-30 years. The ultimate capacity of the treatment plant will be 100 MGD. This facility will also provide a base of operations in South Sacramento County for the Agency.

- **Animal Care Facility**

Spay Neuter Programs

The Department of Animal Care's mobile spay neuter clinic "The Neuter Commuter" completed its first year of service to the community providing over 1,000 spays and neuters to area pets. Left unsterilized these female dogs and cats had the potential of reproducing over 3,000 offspring within 6 months. The Department's other spay neuter program, designed for low income residents, "SNIP" has also provide service to over 1,900 clients. Together these programs are working to reduce the pet overpopulation problem in our community and reduce the numbers of animals that enter our shelter.

Strategic Plan

In preparation for the move to the new Animal Care facility in March 2009, the Department also completed its first Strategic Plan. The plan identifies four goals:

1. Improve animal welfare;
2. Deliver first class customer service;
3. Establish a comfortable, professional and rewarding environment for all staff and volunteers; and
4. Build and enhance volunteer services.

Also developed with the Strategic Plan was a new Vision and Mission Statement to guide the Department into the future.

- **Department of Transportation**

Watt Avenue at Folsom/LRT Grade Separation

The County is constructing a grade separation for the light rail tracks over Watt Avenue just south of Folsom Boulevard. The project will eliminate the existing at-grade crossing of the light rail by completely separating the tracks from Watt Avenue. Eliminating the at-grade crossing will result in significant congestion relief on Watt Avenue and Folsom Boulevard, and will improve traffic and train safety at this intersection. The project is currently under construction and is scheduled to be completed in Spring 2009.

Watt Avenue at U.S. Highway 50 Interchange

The Department of Transportation (SacDOT) is designing a project to modify the interchange of Watt Avenue at U.S. Highway 50. The project will reconfigure the existing interchange to improve traffic safety on the interchange, and to relieve congestion on both Watt Avenue and Highway 50. The project also includes enhancements that will support transit operations and bicycle and pedestrian travel. These include improvements that will support the future implementation of bus rapid transit (BRT) in the Watt Avenue corridor, and innovative bicycle and pedestrian facilities that will allow these modes to travel safely through the interchange. The project is scheduled to begin construction in 2011.

Freedom Park Drive and North Watt Avenue Complete Streets Project

In April 2008, the Board adopted the North Highlands Town Center Development Code to strengthen the community's identity; expand the community's supply of housing, particularly new housing types that address the ever-changing urban market; create the feeling of a traditional downtown; provide an attractive, welcoming place to shop, live and work; and strengthen the economic base of North Highlands. The Freedom Park Drive and North Watt Avenue Complete Streets Project will establish the gateway and "main street" for the North Highlands Town Center Area. This project will transform Freedom Park Drive into a state-of-the-art "complete street" featuring landscaping and streetscape enhancements, new sidewalks and bike lanes, innovative circulation features including roundabouts, and storm water quality features throughout the corridor establishing this as the County's first "green street". The project is a cooperative effort involving various County Departments and other partners including SHRA. SacDOT is currently preparing the project design, and the project is scheduled to begin construction in 2010.

Sacramento County Transportation Development Fee

SacDOT has prepared a comprehensive update to the County's Transportation Development Fee, which was established in 1988 and last updated in 1993. This update revises the entire Development Fee program including the fee structure, the geographical districts, and the transportation projects to be implemented from the fee revenues. Notable changes to the current fee program include the addition of enhanced transit systems including BRT, bicycle and pedestrian improvements, and intelligent transportation systems. The fee program is expected to generate approximately $1.6 billion for County transportation projects over the next 25 years. The fee update will be considered by the Board for approval on December 9, 2008.

DEPARTMENT FOCUS

Each year, we select activities or functions of the County to highlight particular successes or accomplishments. This year, we have selected the activities from two departments: District Attorney and Human Assistance.

District Attorney

Foreclosure Task Force

In February 2008, SHRA and the District Attorney's Office collaborated to start a regional taskforce focusing on the problems associated with the epidemic of foreclosed homes. The City of Sacramento and County of Sacramento have experienced an enormous surge in foreclosed homes and homes with notices of default filed. The taskforce partnered with Congresswoman Matsui's Office, the Sacramento City Attorney, Sacramento County and Sacramento City Code Enforcement agencies and the Neighborhood Services departments to address this issue.

The District Attorney's Office is focusing on the blight that is left behind in these neighborhoods with a high concentration of foreclosed homes. The taskforce discusses local initiatives that are focused on revitalizing those impacted neighborhoods. An additional focus of this effort has been on the fraud perpetrated against the owners by unscrupulous lenders.

The taskforce is trying to work together with banks and companies that manage foreclosed properties to lessen the impact of foreclosed homes on neighborhoods. Pursuing businesses and individuals for administrative fines and penalties or prosecuting them criminally for maintaining a nuisance or substandard housing is an option; however, the taskforce is more interested in working with the responsible banks and property mangers to address issues of blight. The taskforce also wants to provide owners with some helpful information and up-to-date resources, education, and helpful links relating to foreclosure so that they can avoid becoming victimized. To date, the District Attorney's Office has sent out over six thousand letters to individuals that have received the notice of default.

Violation of Probation In Lieu Night Court

In January 2008, the Sacramento District Attorney's Office, in partnership with various Sacramento County criminal justice agencies, created the Violation of Probation In Lieu Night Court (VOP Court). The objective of this court is to establish meaningful punishment for probation violators and reward those probationers who adhere to the terms of their probation and do not re-offend. Additionally, the VOP Court is designed to increase efficiency in the processing of cases involving certain low-level offenses, thereby alleviating congested felony and misdemeanor court calendars and reducing main jail over-crowding.

The VOP Court processes two types of cases. Violation of Probation In Lieu ("VOP In Lieu") and Technical Violations of Probation. VOP In Lieu cases involve defendants who are already on felony probation and have been arrested on new criminal charges. When the new charges meet very specific criteria, the District Attorney files a Petition for Violation of Probation In Lieu of filing a new criminal complaint alleging the new criminal charges. This VOP In

Lieu option allows the District Attorney to present the defendant's current criminal conduct to the court (the new crime for which he/she was just arrested) as evidence of a violation of his/her previous grant of probation. [1]

Technical violations occur when a probationer fails to adhere to the probation conditions placed upon him/her by the Court in his/her previous conviction. Technical violations are filed by the Probation Department and include, among other things, failure to report to their probation officer, failure to complete ordered counseling, and failure of a drug test.

As with all criminal prosecutions, VOP Court defendants are arraigned on the Petition for Violation of Probation within two days of the new arrest. Thereafter, the procedural differences between a probation violation case and a traditional substantive criminal prosecution are considerable. While the defendant's constitutional rights are fully protected in a VOP prosecution, the burden of proof is lower and the process is significantly streamlined.

Although the process is streamlined, both prosecution and the defendant, through his/her counsel, are fully engaged in the course of criminal litigation. Not only are the defendant's rights protected but upon an admission or proof of a violation, he/she will suffer consequences of further incarceration but not a new criminal conviction. Public safety is protected in two ways: 1) consequences for a violation are meted out firmly, fairly, and swiftly; and 2) cases are limited to non-violent offenders with no "strikes" offenses in their background and will not include cases involving DUI charges, Domestic Violence charges, Gang offenses, Sexual Assault charges, crimes involving the possession or use of a firearm, or the sale of illegal drugs.

The VOP court is proving to be effective at easing the main jail population. Of the VOP Court cases where data is available, sixty percent (60%) of the VOP "In Lieu" cases were resolved at the first court appearance. Ninety-two percent (92%) of the "Technical" cases were resolved on the first court appearance. On average, VOP Court prisoners have spent 11 days in the main jail prior to sentencing. That is 34 days less than the 45 days the average un-sentenced prisoner spent in the county jail prior to the creation of the VOP Court.[2] At a cost of $71.57 per prisoner per day, this program had resulted in a cost reduction for the County of over $600,000 for "In Lieu" defendants alone as of June of 2008.

VOP Court is also meeting its objective of establishing meaningful consequences for probation violators. Eighty-nine percent (89%) of defendants for which sentencing data is available were sentenced to time either in the county jail or state prison while 11% of the defendants were either given alternative sentences or had their time suspended pending the completion of other programs such as Drug Diversion.

Finally, VOP Court is beginning to show promise in lessening congestion in other calendar courts processing traditional new-charges litigation. Statistics are still being gathered for analysis on this subject but there is already anecdotal evidence supporting this conclusion.

While the full impact of the VOP court on the felony and misdemeanor calendars has yet to be determined, it is clear that the VOP Court is making strides and proving to be an asset to the criminal justice system in Sacramento. This program was originally designed as a six month pilot program, but has actively been hearing cases for eight months. Due to budget restrictions some agencies have been unable to continue providing staff resources. The District Attorney's Office, also facing budget reductions, remains committed to its continued support of this program. With the support of the District Attorney's Office and its criminal justice partners, VOP Court is on track to meet and exceed all its goals.

[1] A standard term of felony probation is to "obey all laws". Thus a failure to do so is a violation of that probationary term and subjects the probationer to further penalties.
[2] Pre-sentence defendants are primarily housed at the Main Jail downtown while sentenced defendants are housed at the Rio Consumnes Correctional Facility.

Department of Human Assistance

Ending Chronic Homelessness Initiative

The Sacramento County Department of Human Assistance (DHA) plays a key role in the Ten Year Plan to End Chronic Homelessness, a plan approved by the County Board of Supervisors and Sacramento City Council in 2006. The First Annual Report released in February 2008 reported 171 chronic homeless people were housed in permanent supportive housing and over 115 new leased housing units were brought on line. Since February a total of 230 chronic homeless people have secured permanent supportive housing, and the five year goal of creating 280 units of permanent housing is on track with 260 units under construction or in the pipeline with the approval of the County and City.

The U.S. Interagency Council on Homelessness recognized the first year report as an innovation in their top 20 innovations published nationally in their e-newsletter.

Sacramento's first Project Homeless Connect was held May 31 where a wide range of services were provided to homeless people in a one day, one stop, consumer centric environment. The outcomes were:

- 600 homeless neighbors sought and received services
- 200 community volunteers and 160 staff representing 50 different public and private agencies attended the event to provide services

Opportunity Knocks

Opportunity Knocks is a truancy reduction program for teens receiving CalWORKs. The Department of Human Assistance (DHA) started the program in 1999 in collaboration with Sacramento County Office of Education (SCOE), and high schools in Sacramento County. The purpose is to increase school attendance with the hope of reaching the ultimate goal of graduation from high school.

At-risk truant teens are mentored by DHA employees who help students develop entry-level job skills, work place ethics and interpersonal relationship skills, practice effective communication skills, and learn appropriate rules and behaviors while in the work place. This program gives the student the opportunity to hone their leadership abilities and hold their own in the work place where they are surrounded by adults. Participation has been seen to reduce the incidence of teenage pregnancy. As long as school attendance improves, participants are employed part-time in offices close to their homes. Students have access to other services and the opportunity to participate in educational field trips coordinated by SCOE/DHA.

In fiscal year 2007-08, 40 students participated at nine DHA bureaus. Of those 40, 32 had successful completion which means they completed the whole year of work at DHA and improved their attendance and grades in school. Eight of the nine seniors in the program graduated, 16 earned attendance incentive awards and 19 are continuing in the program. For this fiscal year 2008-09, 25 students are currently participating in the program.

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 Investment Trust Funds are maintained on the accrual basis of accounting.

Single Audit - As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance's Auditor-Controller Division's internal audit staff. The 2007-08 Single Audit will be issued under separate cover and will be available by contacting the Department of Finance, Auditor-Controller Division, after March 31, 2009.

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 2007-08, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments.

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

Cash Management

Cash temporarily idle during the year was invested in money market mutual funds, negotiable certificates of deposit, time certificates, commercial paper, municipal notes, and U.S. Treasury and Agency investments. The average yield on investments during 2007-08 was 4.2776 percent. The yield for a one-year Constant Maturity U.S. Treasury Note during the same period was 3.10 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. All the categorized investments held by the County during the fiscal year and at June 30, 2008, were classified in the category of lowest custodial credit risk as defined by the Governmental Accounting Standards Board.

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 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 auditor's report on the basic financial statements is included in the financial section of this report.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its comprehensive annual financial reports for each of the last nineteen 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,

Dave Irish
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

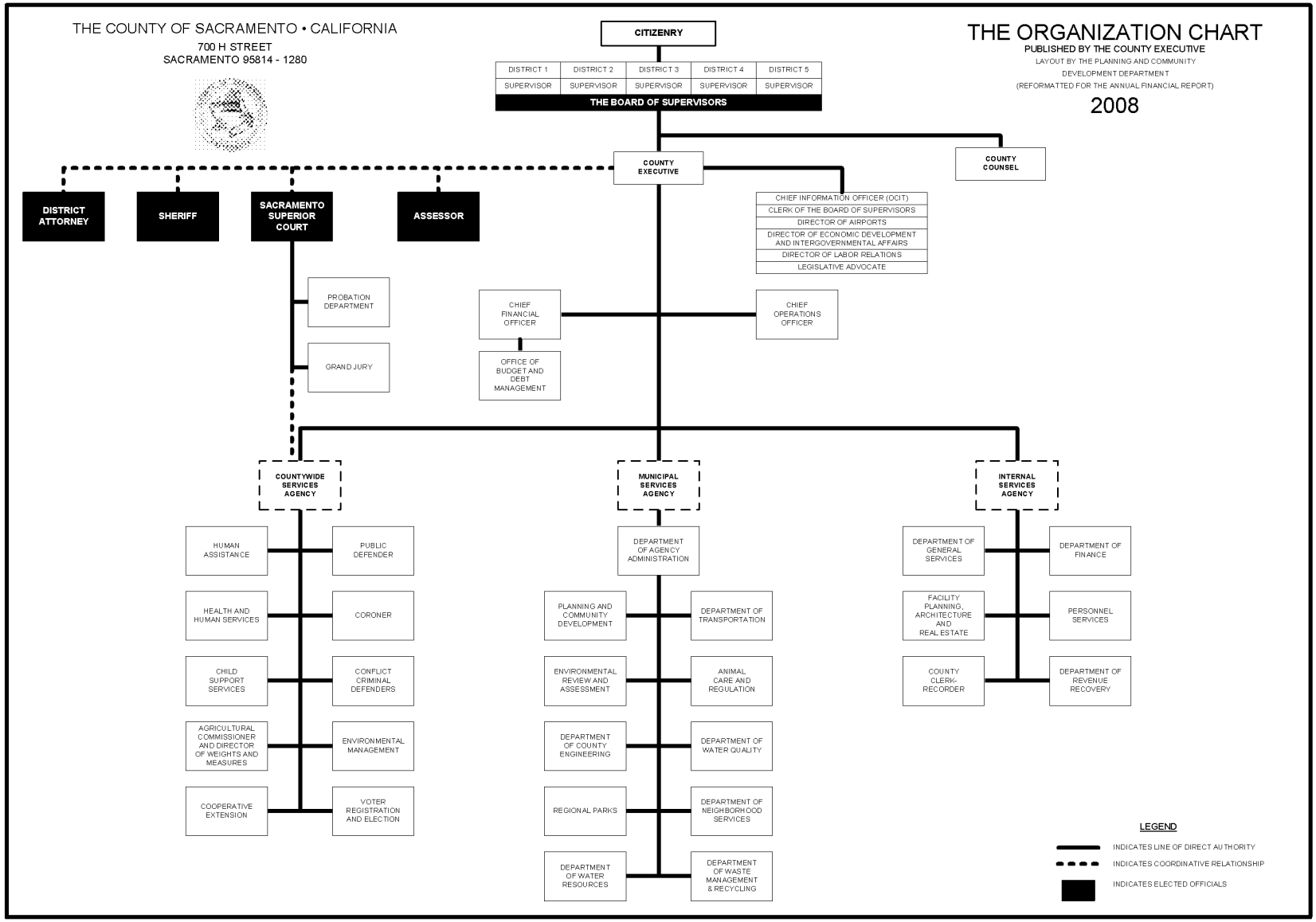
County of Sacramento California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


THE COUNTY OF SACRAMENTO • CALIFORNIA
700 H STREET
SACRAMENTO 95814 - 1280
CITIZENRY
THE ORGANIZATION CHART
PUBLISHED BY THE COUNTY EXECUTIVE
LAYOUT BY THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
(REFORMATTED FOR THE ANNUAL FINANCIAL REPORT)
2008
DISTRICT 1 SUPERVISOR
DISTRICT 2 SUPERVISOR
DISTRICT 3 SUPERVISOR
DISTRICT 4 SUPERVISOR
DISTRICT 5 SUPERVISOR
THE BOARD OF SUPERVISORS
COUNTY EXECUTIVE
COUNTY COUNSEL
DISTRICT ATTORNEY
SHERIFF
SACRAMENTO SUPERIOR COURT
ASSESSOR
CHIEF INFORMATION OFFICER (OCIT)
CLERK OF THE BOARD OF SUPERVISORS
DIRECTOR OF AIRPORTS
DIRECTOR OF ECONOMIC DEVELOPMENT AND INTERGOVERNMENTAL AFFAIRS
DIRECTOR OF LABOR RELATIONS
LEGISLATIVE ADVOCATE
PROBATION DEPARTMENT
GRAND JURY
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET AND DEBT MANAGEMENT
CHIEF OPERATIONS OFFICER
COUNTYWIDE SERVICES AGENCY
HUMAN ASSISTANCE
PUBLIC DEFENDER
HEALTH AND HUMAN SERVICES
CORONER
CHILD SUPPORT SERVICES
CONFLICT CRIMINAL DEFENDERS
AGRICULTURAL COMMISSIONER AND DIRECTOR OF WEIGHTS AND MEASURES
ENVIRONMENTAL MANAGEMENT
COOPERATIVE EXTENSION
VOTER REGISTRATION AND ELECTION
MUNICIPAL SERVICES AGENCY
DEPARTMENT OF AGENCY ADMINISTRATION
PLANNING AND COMMUNITY DEVELOPMENT
DEPARTMENT OF TRANSPORTATION
ENVIRONMENTAL REVIEW AND ASSESSMENT
ANIMAL CARE AND REGULATION
DEPARTMENT OF COUNTY ENGINEERING
DEPARTMENT OF WATER QUALITY
REGIONAL PARKS
DEPARTMENT OF NEIGHBORHOOD SERVICES
DEPARTMENT OF WATER RESOURCES
DEPARTMENT OF WASTE MANAGEMENT & RECYCLING
INTERNAL SERVICES AGENCY
DEPARTMENT OF GENERAL SERVICES
DEPARTMENT OF FINANCE
FACILITY PLANNING, ARCHITECTURE AND REAL ESTATE
PERSONNEL SERVICES
COUNTY CLERK-RECORDER
DEPARTMENT OF REVENUE RECOVERY
LEGEND
INDICATES LINE OF DIRECT AUTHORITY
INDICATES COORDINATIVE RELATIONSHIP
INDICATES ELECTED OFFICIALS

COUNTY OF SACRAMENTO
LIST OF PUBLIC OFFICIALS
JUNE 30, 2008

Board of Supervisors:

ELECTED:	Roger Dickinson	District 1
	Jimmie Yee	District 2
	Susan Peters	District 3
	Roberta MacGlashan	District 4
	Don Nottoli	District 5

Department Heads:

Kenneth Stieger	Assessor
Jan Scully	District Attorney
John McGinness	Sheriff

APPOINTED:

Terry Schutten	County Executive
Navdeep Gill	Chief Operations Officer
Mark Norris	Agency Administrator, Internal Services Agency
Dave Irish	Director of Finance

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
COUNTY OF SACRAMENTO

For the fiscal year ended June 30, 2008

ACKNOWLEDGEMENT

Prepared by the County of Sacramento
Department of Finance

Julie Valverde, Assistant Auditor-Controller
Karen Gee, Senior Accounting Manager
Carlos Valencia, Accounting Manager
Cheryl Ross, Accounting Manager
Linda MacLeod, Senior Accountant
Paula Burris, Administrative Services Officer III
Kathryn Linzey, Accounting Technician

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
County of Sacramento, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Sacramento, California (the County) as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sacramento, California, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the County has adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra –Entity Transfers*, and GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, in 2008.

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vtdcpa.com
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In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 19 and the schedules of funding progress on pages 109 through 110 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavrinek, Trine, Day & Co. LLP.

Rancho Cucamonga, California
December 12, 2008

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, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2007-08 fiscal year by $2,475,508 (net assets), of this amount, $721,472 is restricted for specific purposes (restricted net assets), and $1,585,649 is invested in capital assets, net of related debt. The government's total net assets increased by $76,257.
- As of June 30, 2008, the County governmental funds reported combined fund balances of $806,212 for an increase of $22,710, in comparison with the prior year. Approximately 45.5 percent of the combined fund balances, $366,993 is available to meet the County's current and future needs (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the General Fund was $97,711 or 4.8 percent of total general fund expenditures. This entire amount is budgeted to be spent in the next fiscal year.
- The County's investment in capital assets increased by $221,491 or 9.6 percent in comparison with July 1, 2007 balances.
- The County's total long-term obligations had a net increase of $444,159 in comparison with July 1, 2007 balances. This net was comprised of a gross increase of $1,209,802 and a gross decrease of $765,643. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes, partial refunding of pension obligation bond, and refunding of airport revenue bonds. The increase resulted from one new teeter note, one new refunding of pension obligation bond, one new certificate of participation and three new revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Examples are County Service Area Number One, Water Agency and Sunrise and Mission Oaks Recreation and Park District. The Tobacco Securitization Authority of Northern California (Authority) is a public entity created by a Joint Exercise of Powers Agreement (Agreement) effective as of July 15, 2001 between Sacramento County (County) and San Diego County. The Authority is a public entity legally separate and apart from the County, and is considered a blended unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and neither the Counties of Sacramento or San Diego are any way responsible for those liabilities. The Sacramento County Public Financing Authority is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency. The Authority is a public entity legally separate and apart from the County, and is considered a blended component unit of the County due to the operational relationship between the Authority and the County. The debts and liabilities of the Authority belong solely to it, and neither the County nor the Agency are any way responsible for those liabilities.

The government-wide financial statements can be found on pages 22-24 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 51 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 25-31 of this report.

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

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

The proprietary funds financial statements can be found on pages 32-37 of this report.

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

The fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 41-108 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 111-207 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $2,475,508 at the close of the most recent fiscal year.

Statement of Net Assets
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Other assets	$ 2,867,156	2,797,480	1,090,936	846,109	3,958,092	3,643,589
Capital assets	1,535,834	1,478,966	996,440	831,819	2,532,274	2,310,785
Total assets	$ 4,402,990	4,276,446	2,087,376	1,677,928	6,490,366	5,954,374
Other liabilities	$ 1,192,773	1,171,669	64,113	57,871	1,256,886	1,229,540
Long-term debt obligations	1,737,220	1,624,762	1,020,752	700,821	2,757,972	2,325,583
Total liabilities	2,929,993	2,796,431	1,084,865	758,692	4,014,858	3,555,123
Net assets:						
Invested in capital assets, net of related debt	1,071,637	1,099,603	514,012	516,859	1,585,649	1,616,462
Restricted net assets	507,138	425,187	214,334	138,764	721,472	563,951
Unrestricted net assets	(105,778)	(44,775)	274,165	263,613	168,387	218,838
Net assets, as restated	1,472,997	1,480,015	1,002,511	919,236	2,475,508	2,399,251
Liabilities and net assets	$ 4,402,990	4,276,446	2,087,376	1,677,928	6,490,366	5,954,374

The largest portion of the County's net assets of $1,585,649 (64 percent) reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the County's net assets of $721,472 (29 percent) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of total net assets, $168,387 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net assets decreased by $50,451 from the prior year. The decrease in unrestricted net assets is a result of a reclassification of unrestricted net assets to restricted net assets.

The major restrictions on net assets are for landfill closure (1%) debt service (30%) capital projects (19%), passenger facility charges (17%), health programs (31%) and transportation (1%). The County's restricted net assets increased by $157,521 from the prior year restricted net asset amount of $563,951. The increase in restricted net assets is primarily due to increased requirements for debt service and capital projects charges.

The County's net assets increased by $76,257 during the current fiscal year, which results in an increase of 3% of total net assets from prior year. The increase includes a $3,337 restatement of prior year net assets for the solid waste and water agencies. At the end of the current fiscal year the County reported a decrease of 2% in net assets invested in capital assets, net of related debt. The decrease in net assets invested in capital assets, net of related debt of $30,813, represents capital purchases net of depreciation plus the retirement of related long-term debt. The County's restricted net assets increased by 28% while unrestricted net assets decreased by 23%. During the 2007-08 fiscal year the County as a whole, reported positive balances in all three categories of net assets.

Governmental activities. Governmental activities decreased the County's net assets by $7,018.

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

Statement of Activities
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	$ 363,957	428,772	231,621	232,793	595,578	661,565
Operating grants and contributions	1,223,424	1,104,969	29,336	29,451	1,252,760	1,134,420
Capital grants and contributions	95,231	41,993	28,635	21,895	123,866	63,888
General revenues:						
Taxes:						
Property	474,947	447,032			474,947	447,032
Sales / use	82,472	80,267	573	951	83,045	81,218
Transient	6,964	6,823			6,964	6,823
Unrestricted investment earnings	72,706	75,053	31,890	18,188	104,596	93,241
Grants and contributions not restricted to specific programs	230,103	199,811			230,103	199,811
Pledged tobacco settlement proceeds	6,716	12,795			6,716	12,795
Miscellaneous	101,025	109,194			101,025	109,194
Transfers	1,988	1,609	(1,988)	(1,609)		
Total revenues	2,659,533	2,508,318	320,067	301,669	2,979,600	2,809,987
Expenses:						
General government	201,713	217,194			201,713	217,194
Public assistance	681,682	736,120			681,682	736,120
Public protection	705,953	727,876			705,953	727,876
Health and sanitation	661,440	527,305			661,440	527,305
Public ways and facilities	199,748	139,424			199,748	139,424
Recreation and culture	42,246	37,522			42,246	37,522
Education	22,621	14,806			22,621	14,806
Interest and fiscal charges	151,148	108,249			151,148	108,249
Airport			125,793	113,018	125,793	113,018
Solid Waste			60,149	62,981	60,149	62,981
Water Agency			45,992	40,617	45,992	40,617
Parking Enterprise			2,904	2,630	2,904	2,630
County Transit			1,954	2,179	1,954	2,179
Total expenses	2,666,551	2,508,496	236,792	221,425	2,903,343	2,729,921
Change in net assets	(7,018)	(178)	83,275	80,244	76,257	80,066
Net assets, beginning of year, as restated	1,480,015	1,480,193	919,236	838,992	2,399,251	2,319,185
Net assets, end of year	$ 1,472,997	1,480,015	1,002,511	919,236	2,475,508	2,399,251

Total revenues for the County's governmental activities increased by $151,215 from the prior year.

Total expenses for governmental activities were $2,666,551, an increase of $158,055 or 6.3% from the prior year. As a service delivery entity the County's major cost component is salaries and benefits, which accounted for approximately 47.8% of total County expenses. The average full time equivalent (FTE) employee count for the County (including business-type activities) decreased from 14,585 in the prior year to 14,553 as of June 30, 2008. Total salaries and benefits expense increased by $12,729 or 1% from the prior year. The total increase in expenses is attributable to a net reduction in FTE and an increase in salary and benefit costs.

Business-type activities. Business-type activities increased the County's net assets by $83,275. The increase is primarily related to increased activity for Airport and Water Agency. See page 14 for additional comments on changes to net assets.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2008, the County's governmental funds reported combined fund balances of $806,212 a increase of $22,710 in comparison with the prior year. Approximately 45.5 percent of the combined fund balances, $366,993, constitutes *unreserved fund balance,* which is available to meet the County's current and future needs. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed: 1) to pay debt service ($84,217); 2) to reflect amounts set aside for future construction ($146,656); 3) to acquire capital assets ($25,885); 4) to reflect assets that are unavailable and do not represent available resources ($71,435); 5) to liquidate contractual commitments of the period ($111,026).

The increase of $22,710 in the governmental funds combined fund balances was attributable to the County's normal operations for the year.

The General Fund is the chief operating fund of the County. At June 30, 2008, unreserved fund balance of the general fund was $97,711 while total fund balance reached $157,033. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.8 percent of total fund expenditures, while total fund balance represents 7.8 percent of that same amount.

Revenues for governmental functions totaled $2,527,206 in fiscal year 2007-08, which represents an increase of 6.2% from fiscal year 2006-07.

The table on the next page presents the amount of revenues from various sources as well as increases or decreases from the prior year.

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

Revenues by Source	FY 2008 Amount	FY 2008 Percent of Total	FY 2007 Amount	FY 2007 Percent of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percent of Change
Taxes	$ 564,383	22.33%	534,122	22.45%	30,261	5.67%
Use of money and property	72,908	2.88%	74,172	3.12%	(1,264)	(1.70%)
Licenses and permits	49,259	1.95%	46,035	1.94%	3,224	7.00%
Intergovernmental	1,431,493	56.64%	1,374,776	57.79%	56,717	4.13%
Charges for services	179,710	7.11%	181,628	7.64%	(1,918)	(1.06%)
Fines, forfeitures, and penalties	52,853	2.09%	46,177	1.94%	6,676	14.46%
Pledged tobacco settlement proceeds	13,525	0.54%	12,705	0.53%	820	6.45%
Contributions from property owners	62,050	2.46%		0.00%	62,050	
Miscellaneous	101,025	4.00%	109,194	4.59%	(8,169)	(7.48%)
Total	$ 2,527,206	100.00%	2,378,809	100.00%	148,397	6.24%

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

- Taxes increased due to increase in property tax revenue during 2007-08.
- Use of money and property decrease is due to a lower pooled interest rate during 2007-08.
- Intergovernmental revenue increase due to increases in federal and state funding for mental health, alcohol and drug programs, child protective services and in-home support services.
- Fines, forfeitures, and penalties increase due to additional revenue collection for Teeter.
- Miscellaneous decreases due to reduced revenue accruals for VLF and long range planning fees.

Expenditures for governmental functions totaled $2,650,806, in fiscal year 2007-08, which represents an increase of 6.5% from fiscal year 2006-07.

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

Expenditures by Function
Governmental Funds
(amounts expressed in thousands)

Expenditures by Function	FY 2008 Amount	FY 2008 Percent of Total	FY 2007 Amount	FY 2007 Percent of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percent of Change
Current:						
General government	$ 175,593	6.62%	177,952	7.15%	(2,359)	(1.33%)
Public assistance	673,098	25.39%	731,883	29.40%	(58,785)	(8.03%)
Public protection	666,706	25.15%	687,371	27.61%	(20,665)	(3.01%)
Health and sanitation	644,595	24.32%	501,490	20.14%	143,105	28.54%
Public ways and facilities	108,974	4.11%	102,617	4.12%	6,357	6.19%
Recreation and culture	49,871	1.88%	41,972	1.69%	7,899	18.82%
Education	22,416	0.85%	20,082	0.81%	2,334	11.62%
Capital outlay	128,542	4.85%	100,052	4.02%	28,490	28.48%
Debt service:						
Principal	83,964	3.17%	53,880	2.16%	30,084	55.84%
Interest and fiscal charges	87,098	3.29%	72,229	2.90%	14,869	20.59%
Bond issuance costs	9,949	0.38%		0.00%	9,949	0.00%
Total	$ 2,650,806	100.01%	2,489,528	100.00%	161,278	6.48%

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

General government – Decrease is primarily due to decrease in general fund revenue and in the restructuring of the Department of Personnel Services.

Public Assistance, Public Protection and Health and Sanitation – Increases/Decreases are primarily related to a functional change in categories implemented this year to reflect financial statement reporting functions to functions reported in the County's budget.

Capital Outlay – Increase is due to increased construction costs related to Fixed Asset Financing for Animal Care and Youth Detention Facility.

Bond principal and interest costs – Increase is due to increased debt service for Pension Obligation Bonds and Teeter.

Bond issuance costs – increase is due to issuance of 2007 Certificate of Participation, Tax Allocation revenue bond and refunding of 2004 Pension Obligation Bond.

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

	FY 2008	FY 2007	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Transfers in	$ 184,870	116,773	68,097	58.32%
Transfers out	(171,783)	(103,130)	(68,653)	66.57%
Capital leases obligations	8,413	4,105	4,308	104.95%
Long-term obligation proceeds	160,241	39,524	120,717	305.43%
Payments to participating governments	(43,855)		(43,855)	
Refunding debt issued	359,165		359,165	
Premium on debt issued	1,440		1,440	
Discounts on debt issued	(2,144)		(2,144)	
Payment to refund bond escrow agent	(350,037)		(350,037)	
Total other financing sources (uses)	$ 146,310	57,272	89,038	155.47%

- Transfers in/out – Increases are due to increases in transfers between 2007 Public Facilities Debt Service and Capital Projects funds, and increased transfers due to Teeter collections and Pension Obligation Bond debt service.
- Capital leases obligations – Increase is due to capital lease agreements for energy conservation improvement and replacement of obsolete mechanical equipment at various county buildings.
- Long-term obligation proceeds – Increase due to issuance of 2007 Certificate of Participation, Tax Allocation Revenue Bond and Teeter Note.
- Payments to participating governments – Increase due to newly issued tax allocation revenue bonds for the purpose of loaning the proceeds to the Agency.
- Refunding debt issued and Payment to refund bond escrow – Increase is due to partial refunding of the 2004 Pension Obligation bonds.
- Premium on debt issued – Increase due to issuance of debt for 2007 Certificate of Participation.
- Discounts on debt issued – Increase due to refunding of 2004 Pension Obligation Bond and issuance of Tax Allocation Revenue bonds by the Sacramento Financing Authority.

The current year excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses) is presented below:

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
(amounts expressed in thousands)

	Major Funds	Nonmajor Funds			
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Funds	Total
Revenues	$ 2,019,794	356,868	45,815	104,729	2,527,206
Expenditures	(2,018,750)	(345,879)	(181,011)	(105,166)	(2,650,806)
Other financing sources (uses), net	(42,706)	(13,507)	159,728	42,795	146,310
Net change in fund balance	(41,662)	(2,518)	24,532	42,358	22,710
Fund balances – beginning	198,695	312,916	111,022	160,869	783,502
Fund balances – ending	$ 157,033	310,398	135,554	203,227	806,212

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the fiscal year, the unrestricted net assets for the Airport were $117,486, Solid Waste $48,157, Water Agency $69,706, Parking Enterprise $6,813 and County Transit $1,296. The internal service funds that are used to account for certain governmental activities had unrestricted net assets of $64,233.

The Airport System's total net assets increased by $36,491 during fiscal year ended June 30, 2008 primarily due to an increase in operating income, $966; passenger facility charges, $26,654; interest income, $7,519; capital contributions and intergovernmental revenues, $15,553; and offset by interest expense, $12,652.

Solid Waste's total net assets increased by $5,805 during fiscal year ended June 30, 2008. This increase was attributable to a combination of both operating income of $2,427 and non-operating revenue in the amount of $4,100.

The Water Agency's total net assets increased by $35,063 during fiscal year ended June 30, 2008. This increase was the result of the Agency's normal operations and its operating income for the year.

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

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

	Major Funds			Non-Major Funds			Internal
	Airport	Solid Waste	Water Agency	Parking Enterprise	County Transit	Totals	Service Funds
Operating revenues	$ 111,385	60,959	42,778	3,041	174	218,337	434,251
Operating expenses	(110,419)	(58,532)	(24,167)	(2,591)	(1,940)	(197,649)	(404,173)
Operating income (loss)	966	2,427	18,611	450	(1,766)	20,688	30,078
Non-operating revenues, net	22,826	4,100	1,750	140	1,575	30,391	9,104
Income before capital contributions and transfers	23,792	6,527	20,361	590	(191)	51,079	39,182
Transfers in (out)	(1,234)	(722)		(32)		(1,988)	(11,099)
Capital contributions	13,933		14,702			28,635	
Changes in net assets	$ 36,491	5,805	35,063	558	(191)	77,726	28,083

The income before capital contributions and transfers of enterprise funds of $51,079 resulted primarily from net increases for Airports of $23,792, Solid Waste of $6,527, Water Agency of $20,361 and a net increase for other nonmajor enterprise funds of $399.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the Original Budget and the Final Budget resulted in a $75,442 million increase in appropriations and can be briefly summarized as follows:

Public Protection: During the fiscal year appropriations for the Sheriff's Department, District Attorney Office and Probation Department increased by $25.7 million. There were increases in federal, state and local funding for front line law enforcement, homeland security programs, and additional staffing for prisoners housing. Also, for the Judicial function, federal, state and local funding increased by $4.1 million. These were primarily due to increased funding for Court functions, Conflict Criminal Defender's Office, Public Defender and Emergency Operations.

Public Assistance: Final budget included additional funding ($7.7 million) for the Medi-Cal program and additional allocation for increased caseload costs.

Health and Sanitation: During the fiscal year federal and state funding for the Health and Human Services Department increased by $41.9 million. There were increases in federal and state funding for mental health, alcohol and drug programs, child protective services and in home support services. In addition, Correctional Health Services increased by $0.5 million for additional prisoner health care.

General Government: During the fiscal year funding for general government functions decreased ($5.6 million) predominately in general fund revenues sources and in the restructuring of the Department of Personnel Services. In addition there were increases in funding for the Voter Registration and Elections office, the Board of Supervisor's, Interagency Procurement.

During the year, actual revenues were $149,297 less than budgetary estimates. The under-collection of revenue was focused on intergovernmental revenues and charges for sales and services. There were large number of vacant positions in health and human assistance programs, and these programs are primarily funded with state and federal revenues. In addition, human assistance aid payments and in-home support service provider payments were less than budgeted which lead to reductions in budgeted state and federal revenues. Also service fees for other services were not collected at the rates that were budgeted based on requests for services.

Actual expenditures were $249,848 less than appropriations. The County has a budgetary practice of both fully funding all authorized positions for an entire fiscal year and including full year estimates of revenues associated with the positions. While departments were encouraged to be prudent in their staffing increases, because of the large number of vacant positions, many positions went unfilled during Fiscal Year 2007-08. This unusually large number of vacant positions led to significant savings (under expenditures) in salaries and employee benefit accounts. Also the expenditures in Interagency Procurement (Fund 030) for actual project costs were much less than had been originally budgeted through the Fixed Asset Acquisition Fund. In addition, caseloads for health, human assistance and in-home supportive services were less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to $2,532,274 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was 9.59%.

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

Schedule of Capital Assets
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2008	2007	2008	2007	2008	2007	Percent of Change
Land	$ 110,377	$ 109,210	82,911	78,827	193,288	188,037	2.79%
Buildings and improvements*	307,862	319,417	631,523	548,421	939,385	867,838	8.24%
Infrastructure	840,075	816,209			840,075	816,209	2.92%
Equipment	65,407	67,249	22,870	24,923	88,276	92,172	(4.23%)
Construction in progress	212,113	166,881	259,136	179,646	471,249	346,527	36.00%
Total	$ 1,535,834	1,478,966	996,440	831,817	2,532,274	2,310,783	9.59%

* Includes Water facility rights in FY 2008. Will be a separate line item in 2009

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

- Buildings and improvements – increase is due to Airports Terminal A East Apron Expansion and Taxiway C3 ($9.2), Restatement of Refuse building and improvements from prior fiscal year ($20.6), and countywide Energy Capital Lease project ($10.9).
- Infrastructure – increase ($23.9) is due to contributed capital for Water Agencies ($11.5) and road fund projects.
- Construction in progress- increase is due to Airport terminal modernization program wide costs ($45.0), Vineyard SWTP Phase 1 ($24.0), Freeport Regional Water Project ($55.5), and Governmental projects for: Juvenile Hall Expansion ($14.5), construction of 4 Juvenile Hall housing units ($9.7), construction of new Animal Care Shelter ($11.8), and the Antelope Park community joint use project and Playground of Dreams ($6.6).

Additional information on the County's capital assets can be found in Note 6 on pages 62 – 63.

Debt Administration

At June 30, 2008, the County's governmental activities had long-term obligations, totaling $1.802 billion. County debt issued by the Public Facilities Financing Corporation included and currently outstanding, $32 million in Refunding Certificates of Participation, Main Jail Detention Facility, $34 million in Juvenile Courthouse Project Certificates of Participation, $14 million of Certificates of Participation for 2003 ADA Projects, $6 million of Certificates of Participation for Cherry Island Golf Course, $71 million of Certificates of Participation for implementation of the fixed asset financing program, $17 million of Certificates of Participation for the 1997 Public Facilities Project, $82 million in Certificates of Participation for construction of the Coroner/Crime Lab and a multipurpose building to house the County's Data Center, $38 million of Certificates of Participation for the 2006 Public Facilities Project for construction of a new fleet management facility and acquiring and improving the County's Voter Registration and Elections/Sheriff station house facility, $46 million of Certificates of Participation for the 2007 Public Facilities project for construction of the Animal Care and Youth Detention facilities, $251 million in Revenue bonds for cash settlement of the tobacco settlement agreement, $51 million revenue bonds to finance four redevelopment projects in designed redevelopment project areas in the City and County of Sacramento, and $49 million revenue bonds to finance redevelopment activities, including low and moderate income housing in the designated redevelopment project area in the County of Sacramento. In addition, compensated absences of the County amounted to $100 million and capital lease obligations of $14 million.

Other significant long-term obligations include $51 million in loan agreements to fund the alternative method of distributing property taxes (Teeter Plan), and $376 million in bonds issued to eliminate the unfunded pension obligation at July 5, 1995, $123 million in bonds issued to eliminate unfunded pension obligation at July 15, 2003, $102 million in bonds issued to eliminate the unfunded pension obligation at July 1, 2004, and $359 million in bonds issued to eliminate the unfunded pension obligation at March 28, 2008 existing between the County and the Sacramento County Employees' Retirement System. The remaining represents various other debt obligations.

Proprietary Funds had long-term obligations of approximately $1,030 million. This includes $3 million of refunding certificates of participation for the construction of parking garages, $566 million of Airport System revenue bonds and other Airport debt, $24 million of Solid Waste Enterprise certificates of participation and other Solid Waste debt, and Sacramento County Water Agency revenue bonds, reimbursement agreements and usage fee totaling $437 million.

For the year ended June 30, 2008, the County's total long-term obligations had a net increase of $444,159. This net was comprised of a gross increase of $1,209,802 and a gross decrease of $765,643. The decrease resulted primarily from scheduled principal retirements of revenue bonds, certificates of participation, Teeter notes of $66,303, related to partial refunding of pension obligation bonds of $343,203, and refunding of airport revenue bonds of $255,360. The increase resulted primarily from one new Teeter note, one new refunding of the pension obligation bond, one new certificate of participation, and three new revenue bonds that amounted to $1,105,199.

The County's current short-term ratings with Moody's Investors Services and Standard and Poor's are MIG-1 and SP1, respectively. The County currently has no long-term general obligations outstanding. The County does have various long-term (revenue-based) debt obligations, and the rating of each of these issues is specifically related to the security of the individual issues. Additional information regarding the County's long-term debt can be found in Note 10 on pages 71 – 85.

Economic Factors and Next Year's Budget and Rates

- Three major sources of revenue generated from the performance of the local economy are:
  - Property tax revenues grew 6.4 percent for the fiscal year 2007-2008 due to the appreciation in real estate markets, home sales and the 2.0 percent Proposition 13 inflation adjustment. However this increase is not as great as in prior years because of the downturn in the real estate sector. Accordingly the assumptions for growth in fiscal year 2008-2009 have been reduced to a 2.0 percent increase in property tax revenues.
  - Sales tax increased slightly to $61.4 million, an increased rate of 2.3 percent in 2007-2008. For 2008-2009, the budget includes a decrease in estimated collections based on the actual sales tax collections for Fiscal Year 2007-08.
  - Hotel room sales increased Countywide by 2.1% in 2007-2008, with occupancy rates at 70%. For the fiscal year 2008-2009 the budget assumes a decline of 10.0% in transient occupancy tax based on the closure of the hotel at the Sacramento International Airport.
- The unemployment rate for the County increased to 6.19% in April 2008 from 5.0% in April 2007. This was consistent with the State's unemployment rate of 6.1 percent and higher than the U.S. rate of 5.0 percent.
- The fiscal year 2008-2009 budget includes an increase in salaries of 3.4 percent for a cost of living adjustment.
- The fiscal year 2008-09 budget included reductions of $67.9 million in local programs. Because of the County's vacancies in authorized positions, the County did not face massive staff reductions in order to balance the FY 2008-09 Final Adopted Budget.
- In California, counties are political subdivisions of the State and the largest sources of financing for county programs are state and federal revenues. Once the State budget was adopted in September 2008, it was necessary for the County to make $14.9 million in additional service level cuts to address the reductions in programs traditionally fully funded through the State.
- The Fiscal Year 2008-09 Adopted Final Budget included unaudited General Fund balance/carryover of $23.4 million. Of this amount, the General Purpose Financing net improvement was approximately $13.64 million. The remainder was year-end carryover improvements in departmental operations.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 700 H Street Room 4650, Sacramento, CA 95814.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	$ 1,405,174	241,757	1,646,931
Receivables, net of allowance for uncollectibles:			
Billed	57,534	23,848	81,382
Interest	5		5
Intergovernmental	185,715	5,013	190,728
Deposits with others		86	86
Internal balances	(29,396)	29,396	
Inventories	2,089	275	2,364
Restricted assets		16,443	16,443
Total current assets	1,621,121	316,818	1,937,939
Noncurrent assets:			
Restricted assets		754,911	754,911
Long-term receivables	178,989	11	179,000
Deferred charges	29,477	19,196	48,673
Pension asset	1,037,569		1,037,569
Capital assets:			
Land and other nondepreciable assets	322,490	342,047	664,537
Facilities, infrastructure and equipment, net of depreciation	1,213,344	654,393	1,867,737
Total capital assets	1,535,834	996,440	2,532,274
Total noncurrent assets	2,781,869	1,770,558	4,552,427
Total assets	$ 4,402,990	2,087,376	6,490,366

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

COUNTY OF SACRAMENTO
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Current liabilities:			
Warrants payable	$ 37,768	2,844	40,612
Accrued liabilities	100,189	22,046	122,235
Tax and revenue anticipation notes	390,000		390,000
Intergovernmental payable	94,844	566	95,410
Current portion of accrued interest payable	5,663		5,663
Payable to external parties	2,029	76	2,105
Current portion of insurance claims payable	35,921		35,921
Current portion of long-term debt obligations	64,232	8,766	72,998
Current liabilities payable from restricted assets		13,248	13,248
Unearned revenue	61,311	1,735	63,046
Total current liabilities	791,957	49,281	841,238
Noncurrent liabilities:			
Insurance claims payable	109,903		109,903
Accreted interest	290,913		290,913
Long-term debt obligations	1,737,220	1,020,752	2,757,972
Arbitrage rebate payable		178	178
Landfill closure and postclosure care		14,654	14,654
Total noncurrent liabilities	2,138,036	1,035,584	3,173,620
Total liabilities	2,929,993	1,084,865	4,014,858
Net assets:			
Invested in capital assets, net of related debt	1,071,637	514,012	1,585,649
Restricted for:			
Landfill closure		8,098	8,098
Debt service	191,171	23,078	214,249
Capital projects	79,895	59,356	139,251
Passenger facility charges		123,802	123,802
Fire protection	507		507
Health programs	220,699		220,699
Transportation	7,964		7,964
Lighting and landscape maintenance	3,107		3,107
Community facilities	3,769		3,769
Fish and game	26		26
Unrestricted	(105,778)	274,165	168,387
Total net assets	1,472,997	1,002,511	2,475,508
Total liabilities and net assets	$ 4,402,990	2,087,376	6,490,366

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, 2008
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 201,713	90,743	935	1,093	(108,942)		(108,942)
Public assistance	681,682	11,340	594,362		(75,980)		(75,980)
Public protection	705,953	126,058	56,953	1,941	(521,001)		(521,001)
Health and sanitation	661,440	43,888	494,071	5,095	(118,386)		(118,386)
Public ways and facilities	199,748	76,590	77,103	76,804	30,749		30,749
Recreation and culture	42,246	15,065		10,298	(16,883)		(16,883)
Education	22,621	273			(22,348)		(22,348)
Interest and fiscal charges	151,148				(151,148)		(151,148)
Total governmental activities	2,666,551	363,957	1,223,424	95,231	(983,939)		(983,939)
Business-type activities:							
Airport	125,793	115,050	28,274	13,933		31,464	31,464
Solid Waste	60,149	65,302				5,153	5,153
Water Agency	45,992	47,800	97	14,702		16,607	16,607
Parking Enterprise	2,904	3,265				361	361
County Transit	1,954	204	965			(785)	(785)
Total business-type activities	236,792	231,621	29,336	28,635		52,800	52,800
Total primary government	$ 2,903,343	595,578	1,252,760	123,866	(983,939)	52,800	(931,139)
		General revenues:					
		Taxes:					
		Property			474,947		474,947
		Sales/ use			82,472	573	83,045
		Transient occupancy			6,964		6,964
		Unrestricted investment earnings			72,706	31,890	104,596
		Grants and contributions not restricted to specific programs			230,103		230,103
		Pledged tobacco settlement proceeds			6,716		6,716
		Miscellaneous			101,025		101,025
		Transfers			1,988	(1,988)	
		Total general revenues and transfers			976,921	30,475	1,007,396
		Changes in net assets			(7,018)	83,275	76,257
		Net assets, beginning of year, as restated			1,480,015	919,236	2,399,251
		Net assets, end of year			$ 1,472,997	1,002,511	2,475,508

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

COUNTY OF SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	General	Nonmajor Governmental Funds	Total
Assets:			
Cash and investments	$ 554,709	643,656	1,198,365
Receivables:			
Billed	34,869	15,294	50,163
Interest		5	5
Intergovernmental	176,968	7,494	184,462
Due from other funds	29,413	19,113	48,526
Long-term advances to other funds		28,283	28,283
Long-term receivables	37,634	141,236	178,870
Total assets	$ 833,593	855,081	1,688,674
Liabilities and fund balances:			
Liabilities:			
Warrants payable	$ 20,492	8,043	28,535
Accrued liabilities	63,181	18,948	82,129
Tax and revenue anticipation notes	390,000		390,000
Intergovernmental payable	57,404	29,967	87,371
Due to other funds	55,611	30,812	86,423
Deferred revenues	79,984	118,132	198,116
Long-term advances from other funds	9,888		9,888
Total liabilities	676,560	205,902	882,462
Fund balances:			
Reserved for:			
Encumbrances	13,537	97,489	111,026
Capital asset acquisitions	25,885		25,885
Assets not available	19,900	51,535	71,435
Debt service		84,217	84,217
Future construction		146,656	146,656
Unreserved, reported in:			
General Fund	97,711		97,711
Special revenue funds		265,854	265,854
Capital projects		3,428	3,428
Total fund balances	157,033	649,179	806,212
Total liabilities and fund balances	$ 833,593	855,081	1,688,674

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

COUNTY OF SACRAMENTO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

Fund balances - total governmental funds	$	806,212
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,490,722
Pension asset of the governmental activities is not a financial resource and, therefore, is not reported in the funds.		1,037,569
Bond issuance costs of the governmental activities are not financial resources and, therefore are not reported in the funds.		24,280
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(2,094,080)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		154,442
Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications, office of communications and information technology, and facility planning architecture and real estate to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		53,852
Net assets of governmental activities	$	1,472,997

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, 2008
(amounts expressed in thousands)

	General	Nonmajor Governmental Funds	Total
Revenues:			
Taxes	$ 483,731	80,652	564,383
Use of money and property	35,707	37,201	72,908
Licenses and permits	11,930	37,329	49,259
Intergovernmental	1,310,063	121,430	1,431,493
Charges for sales and services	101,389	78,321	179,710
Fines, forfeitures and penalties	20,856	31,997	52,853
Pledged tobacco settlement proceeds		13,525	13,525
Contributions from property owners		62,050	62,050
Miscellaneous	56,118	44,907	101,025
Total revenues	2,019,794	507,412	2,527,206
Expenditures:			
Current:			
General government	117,248	58,345	175,593
Public assistance	640,319	32,779	673,098
Public protection	648,651	18,055	666,706
Health and sanitation	600,938	43,657	644,595
Public ways and facilities	67	108,907	108,974
Recreation and culture	11,134	38,737	49,871
Education	393	22,023	22,416
Capital outlay		128,542	128,542
Debt service:			
Principal		83,964	83,964
Bond issuance costs		9,949	9,949
Interest and fiscal charges		87,098	87,098
Total expenditures	2,018,750	632,056	2,650,806
Excess (deficiency) of revenues over (under) expenditures	1,044	(124,644)	(123,600)
Other financing sources (uses):			
Transfers in	28,025	156,845	184,870
Transfers out	(71,039)	(100,744)	(171,783)
Issuance of debt		160,241	160,241
Capital leases obligations	308	8,105	8,413
Payments to participating governments		(43,855)	(43,855)
Refunding debt issued		359,165	359,165
Premiums on debt issued		1,440	1,440
Discounts on debt issued		(2,144)	(2,144)
Payment to refunded bonds escrow agent		(350,037)	(350,037)
Total other financing sources (uses)	(42,706)	189,016	146,310
Net change in fund balances	(41,662)	64,372	22,710
Fund balances - beginning	198,695	584,807	783,502
Fund balances - ending	$ 157,033	649,179	806,212

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, 2008
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	$	22,710
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and donated assets exceeded depreciation in the current period.		57,298
Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities. This is the net amount during the year.		2,395
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(85,712)
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.		(69,717)
Some revenues will not be collected for several months after the year ends, and therefore are not considered "available" and are deferred in the governmental funds. Deferred revenues decreased by this amount during the year.		43,474
The net revenues of certain activities of internal service funds is reported with governmental activities.		22,534
Change in net assets of governmental activities	$	(7,018)

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

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COUNTY OF SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 484,282	483,282	483,731	449
Use of money and property	28,577	29,822	35,707	5,885
Licenses and permits	11,964	12,943	11,930	(1,013)
Intergovernmental	1,263,497	1,394,851	1,310,063	(84,788)
Charges for sales and services	134,477	140,588	101,389	(39,199)
Fines, forfeitures and penalties	20,012	21,140	20,856	(284)
Miscellaneous	73,278	86,465	56,118	(30,347)
Total revenues	2,016,087	2,169,091	2,019,794	(149,297)
Expenditures:				
Current:				
General government:				
Legislative and administrative	95,026	99,191	14,216	84,975
Finance	77,125	63,806	55,141	8,665
Counsel	6,504	6,231	5,093	1,138
Human resources	17,940	17,040	15,718	1,322
Elections	12,004	16,404	9,486	6,918
Other	18,219	18,509	17,594	915
Total general government	226,818	221,181	117,248	103,933
Public assistance:				
Administration	251,047	258,194	247,008	11,186
Aid programs	390,234	390,234	360,643	29,591
Other	32,996	33,575	32,668	907
Total public assistance	674,277	682,003	640,319	41,684

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Public protection:				
Judicial	168,880	173,164	159,641	13,523
Police protection	203,788	213,574	211,919	1,655
Detention and correction	218,768	235,793	223,743	12,050
Protection and inspection	4,264	4,590	4,102	488
Other	57,759	56,546	49,246	7,300
Total public protection	653,459	683,667	648,651	35,016
Health and sanitation	627,010	669,399	600,938	68,461
Public ways and facilities	67	67	67	
Recreation and culture	11,140	11,880	11,134	746
Education	385	401	393	8
Total expenditures	2,193,156	2,268,598	2,018,750	249,848
Excess (deficiency) of revenues over (under) expendit	(177,069)	(99,507)	1,044	100,551
Other financing sources (uses):				
Transfers in	27,414	27,414	28,025	611
Transfers out	(71,038)	(71,039)	(71,039)	
Capital leases obligations	308	308	308	
Total other financing sources (uses)	(43,316)	(43,317)	(42,706)	611
Net change in fund balance	$ (220,385)	(142,824)	(41,662)	101,162

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

COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Assets:						
Current assets:						
Cash and investments	$ 119,564	57,478	58,007	6,708	241,757	206,809
Receivables, net of allowance for uncollectibles:						
Billed	9,240	9,205	5,332	71	23,848	7,371
Intergovernmental	2,766	1,235		1,012	5,013	1,253
Deposits with others	86				86	
Due from other funds	410	8	1,446	797	2,661	53,543
Inventories	275				275	2,089
Restricted assets	13,248		3,195		16,443	
Total current assets	145,589	67,926	67,980	8,588	290,083	271,065
Noncurrent assets:						
Restricted assets	429,553	8,941	316,417		754,911	
Long-term advances to other funds						
Long-term receivables				11	11	119
Water facility rights						
Deferred charges	14,685	666	3,691	154	19,196	5,197
Capital assets:						
Land and other nondepreciable assets	113,481	45,307	181,950	1,309	342,047	
Facilities, infrastructure and equipment, net of depreciation	363,491	61,302	226,183	3,417	654,393	45,112
Total capital assets	476,972	106,609	408,133	4,726	996,440	45,112
Total noncurrent assets	921,210	116,216	728,241	4,891	1,770,558	50,428
Total assets	$ 1,066,799	184,142	796,221	13,479	2,060,641	321,493

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

COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Liabilities:						
Current liabilities:						
Warrants payable	$ 1,672	528	603	41	2,844	9,233
Accrued liabilities	4,227	3,784	13,575	460	22,046	18,060
Tax and revenue anticipation notes						
Intergovernmental payable	485	76	5		566	7,473
Due to other funds	3,142	434	403	69	4,048	16,364
Current portion of insurance claims payable						35,921
Current portion of long-term debt obligations	4,970	1,310	1,901	585	8,766	
Current liabilities payable from restricted assets	13,248				13,248	
Unearned revenue	1,735				1,735	3,816
Total current liabilities	29,479	6,132	16,487	1,155	53,253	90,867
Noncurrent liabilities:						
Insurance claims payable						109,903
Long-term debt obligations	560,430	22,747	434,900	2,675	1,020,752	17,769
Long-term advances from other funds						18,395
Arbitrage rebate payable	178				178	
Landfill closure and postclosure care		14,654			14,654	
Total noncurrent liabilities	560,608	37,401	434,900	2,675	1,035,584	146,067
Total liabilities	590,087	43,533	451,387	3,830	1,088,837	236,934
Net assets:						
Invested in capital assets, net of related debt	156,199	84,340	271,933	1,540	514,012	20,326
Restricted for:						
Landfill closure		8,098			8,098	
Debt service	23,064	14			23,078	
Capital projects	56,161		3,195		59,356	
Passenger facility charges	123,802				123,802	
Unrestricted	117,486	48,157	69,706	8,109	243,458	64,233
Total net assets	476,712	140,609	344,834	9,649	971,804	84,559
Total liabilities and net assets	$ 1,066,799	184,142	796,221	13,479		321,493
Adjustment to reflect internal service fund activities related to enterprise funds					30,707	
Net assets of business-type activities					$ 1,002,511	

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

COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues:						
Charges for sales and services	$ 111,284	59,436	42,241	3,214	216,175	419,805
Other	101	1,523	537	1	2,162	14,446
Total operating revenues	111,385	60,959	42,778	3,215	218,337	434,251
Operating expenses:						
Salaries and benefits	30,941	23,603		661	55,205	173,656
Services and supplies	54,266	28,433	17,451	1,700	101,850	155,479
Cost of sales and services	666				666	5,839
Depreciation	23,708	6,382	6,716	380	37,186	14,722
Self-insurance						51,527
Landfill Closure Costs		114			114	
Other	838			1,790	2,628	2,950
Total operating expenses	110,419	58,532	24,167	4,531	197,649	404,173
Operating income (loss)	966	2,427	18,611	(1,316)	20,688	30,078
Nonoperating revenues (expenses):						
Use of money and property	7,519	2,945	21,090	336	31,890	941
Intergovernmental	1,620		97	965	2,682	1,677
Passenger facility charges	26,654				26,654	
Sales / use tax				573	573	
Interest expense	(12,652)	(1,120)	(17,060)	(159)	(30,991)	(1,519)
Other	(315)	2,275	(2,377)		(417)	8,005
Total nonoperating revenues (expenses)	22,826	4,100	1,750	1,715	30,391	9,104
Income before capital contributions and transfers	23,792	6,527	20,361	399	51,079	39,182
Transfers in				132	132	
Transfers out	(1,234)	(722)		(164)	(2,120)	(11,099)
Capital contributions	13,933		14,702		28,635	
Changes in net assets	36,491	5,805	35,063	367	77,726	28,083
Net assets, beginning of year, as restated	440,221	134,804	309,771	9,282		56,476
Net assets, end of year	$ 476,712	140,609	344,834	9,649		84,559
Adjustment to reflect internal service fund activities related to enterprise funds.					5,549	
Change in net assets of business-type activities					$ 83,275	

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

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COUNTY OF SACRAMENTO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	$ 109,764	53,870	34,004	3,169	200,807	70,578
Receipts from interfund services provided				94	94	391,547
Receipts from other operating activities		6,191	537		6,728	78
Payments to suppliers	(36,984)	(22,293)	(6,899)	(3,315)	(69,491)	(206,875)
Payments to employees	(30,490)	(23,410)		(658)	(54,558)	(178,568)
Claims payments						(1,270)
Payments for interfund services used	(18,185)	(4,083)			(22,268)	(29,171)
Other (payments) receipts	137			(106)	31	(2,291)
Net cash provided by (used for) operating activities	24,242	10,275	27,642	(816)	61,343	44,028
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Receipt of advances from other funds						8,824
Intergovernmental revenue	788	2,105	6	1,293	4,192	1,677
Other non-operating revenue						8,977
Non-operating expense						(1,176)
Payment on advance from other fund						(11,444)
Interest paid on advances from other funds						(1,478)
Transfers to other funds	(1,234)	(721)		(32)	(1,987)	(7,073)
Net cash provided by (used for) noncapital financing activities	(446)	1,384	6	1,261	2,205	(1,693)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of long-term obligations	325,209				325,209	
Capital contributions	18,452				18,452	
Acquisition and construction of capital assets	(73,575)	(17,549)	(87,676)	(448)	(179,248)	(14,188)
Principal paid on long-term obligations	(4,705)	(1,275)	(2,017)	(560)	(8,557)	
Interest paid on long-term obligations	(19,647)	(965)	(20,087)	(157)	(40,856)	(40)
Bond issuance costs	(14,773)				(14,773)	
Proceeds from the sale of capital assets	21	634			655	1,043
Passenger facility charges	28,347				28,347	
Deferred charges						3,424
Net cash provided by (used for) capital and related financing activities	259,329	(19,155)	(109,780)	(1,165)	129,229	(9,761)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments	(277,246)		(22,079)		(299,325)	
Proceeds from sales and maturities of investments			212,109		212,109	
Interest received on cash and investments	8,503	2,946	19,674	335	31,458	1
Net cash provided by (used for) investing activities	(268,743)	2,946	209,704	335	(55,758)	1
Net increase in cash and cash equivalents	14,382	(4,550)	127,572	(385)	137,019	32,575
Cash and cash equivalents, beginning of year as restated	270,739	70,969	98,222	7,093	447,023	174,234
Cash and cash equivalents, end of year	$ 285,121	66,419	225,794	6,708	584,042	206,809

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, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					
	Airport	Solid Waste	Water Agency	Nonmajor Enterprise Funds	Total	Activities-Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and investments	$ 119,564	57,478	58,007	6,708	241,757	206,809
Restricted current assets	13,248		3,195		16,443	
Restricted noncurrent assets (net of accrued interest)	429,553	8,941	316,417		754,911	
Less: Long-term investments included in restricted assets	(277,244)		(151,825)		(429,069)	
Cash and cash equivalents	$ 285,121	66,419	225,794	6,708	584,042	206,809
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	$ 966	2,427	18,611	(1,316)	20,688	30,078
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	23,708	6,382	6,716	380	37,186	14,722
Amortization				32	32	
Recoveries for uncollectible accounts	101				101	
Impact fee credits applied			(3,618)		(3,618)	
Other nonoperating revenue	137	32			169	
Gain (Loss) on disposal of fixed assets						(4)
Changes in assets and liabilities:						
Receivables	(3,035)	(1,002)	(3,189)	(45)	(7,271)	(4,293)
Due from other funds		62	(1,430)	53	(1,315)	8,468
Deposits with others	2,141				2,141	
Long-term receivables						(5,164)
Prepaid expenses	(170)				(170)	
Inventories	(232)				(232)	786
Accrued liabilities	395	1,771		53	2,219	(2,370)
Warrants payable	(1,533)	303	10,774	(15)	9,529	1,551
Compensated absences	451	90			541	(5,810)
Due to other funds		204	(222)	39	21	(1,276)
Deferred revenues	1,313				1,313	363
Due to other governments						(2,015)
Due from other governments		2			2	936
Insurance claims payable						7,157
Other post employment benefits		1		3	4	899
Landfill closure and postclosure care		3			3	
Total adjustments	23,276	7,848	9,031	500	40,655	13,950
Net cash provided by (used for) operating activities	$ 24,242	10,275	27,642	(816)	61,343	44,028
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributed assets			14,701		14,701	
Amortization of bonds premium			350		350	
Increase in fair market value of investments			3,061			

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

COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Agency	Investment Trust
Assets:		
Cash and investments	$ 256,960	2,411,973
Receivables, net of allowance for uncollectibles:		
Billed	12,372	
Interest	22,183	
Intergovernmental	2,746	
Due from other funds	2,105	
Long-term receivables		
Total assets	$ 296,366	2,411,973
Liabilities:		
Warrants payable	$ 23,251	
Accrued liabilities	3,371	
Intergovernmental payable	269,744	
Due to other funds		
Total liabilities	296,366	
Net assets held in trust for pool participants		2,411,973
Total liabilities and net assets held in trust for pool participants	$ 296,366	2,411,973

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

COUNTY OF SACRAMENTO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Investment Trust
Additions:	
Contributions on pooled investments	$ 20,303,521
Use of money and property	234,233
Total additions	20,537,754
Deductions:	
Distributions from pooled investments	20,550,771
Net increase in net assets	(13,017)
Net assets held in trust for pool participants, beginning of year	2,424,990
Net assets held in trust for pool participants, end of year	$ 2,411,973

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

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
- Water Agencies Special Revenue Fund

Special Revenue Fund Other:
- Natomas Fire District
- County Service Area Number Ten

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

The Sacramento County Public Financing Authority (PFA) is a public entity created by a Joint Exercise of Powers Agreement effective as of November 2003 between Sacramento County and the Sacramento Housing and Redevelopment Agency (Agency). The PFA is a public entity legally separate and apart from the County, and is

considered a blended component unit of the County. The County Board of Supervisors sits as the Board of Directors of the PFA. The PFA was created for the purpose of obtaining financing for various designated redevelopment and housing projects in the greater Sacramento area. The debts and liabilities of the PFA belong solely to it, and neither the County nor the Agency is any way responsible for those liabilities. However, the PFA has an agreement with the Agency in which the Agency will pay back to the PFA those debt proceeds advanced to them. The PFA meets the criteria set forth in generally accepted accounting principles as a blended component unit of the County because of the financial benefit/burden relationship of their activities and the governing body is the same as the County.

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

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

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

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

Joint Power Authorities or Jointly Governed Organizations

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

AGENCY	PURPOSE
Sacramento Area Council of Governments	Regional planning (primarily transportation)
Sacramento Employment and Training Agency	Coordination of Federal and State funding for job programs
Sacramento Area Flood Control Agency	Regional flood control issues
Sacramento Metropolitan Cable Television Commission	Administration of the franchising and licensing of cable TV services
Sacramento Housing and Redevelopment Agency	Housing/redevelopment projects
Sacramento Transportation Agency	Administration of County-wide transportation projects
Local Agency Formation Commission	Formation of districts and cities within the County
Sacramento/Placerville Transportation	Acquisition of rail lines for a transportation corridor
Sacramento Metropolitan Air Quality District	Monitor and enforce air quality
Solid Waste Authority	Regulate commercial waste collection franchises and regional programs
Library Joint Powers Authority	Library operations
Sacramento County Regional Sanitation District	Waste water conveyance, treatment and disposal
Sacramento County Sanitation District	Sewer Service
Elk Grove-Rancho Cordova-El Dorado Connector Authority	Planning and development of the Elk Grove-Rancho Cordova-El Dorado Connector Project

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

Government-wide and fund financial statements presentation

Government–wide Financial Statements:

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

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

Fund Financial Statements:

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

The Airport fund is used to account for the facilities of the Airport System, including the International, Executive, Franklin Airports, and Mather Airfield. The Solid Waste fund is used to account for the costs of the Solid Waste collection business, including the Solid Waste disposal site and transfer stations. The Water Agency Fund is used to account for the construction of major water supply treatment, transmission and distribution as well as the retail service provider of water to the unincorporated area.

The County also reports the following fund types:

Internal service funds are used to account for the financing of goods, services, or facilities provided by one department to other departments of the County, or to other governmental units, on a cost-reimbursement basis. Internal service funds include Public Works, General Services, Self-Insurance funds covering general liability and property damage, workers' compensation, dental and unemployment, Regional Communication for emergency communications services, Office of Communications and Information Technology, and Facility Planning, Architecture and Real Estate.

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, Court Operations agencies and other.

Measurement focus and basis of accounting

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services including: water, solid waste, airline fees and charges, parking fees and public transit fees. The principal operating revenues for the County's internal services funds are charges for customer services including: fleet operations, purchasing, printing services, central stores, mail services, building maintenance, surplus property disposal, telecommunications, water resources, special district formation, water quality, highways and bridges, real estate,

surveyor, information and permits, self insurance for: liability and property damages, workers' compensation claims and dental and unemployment claims, emergency communication functions, telecommunication and data processing, and capital projects and real property services. Operating expenses for enterprise funds and internal services funds include cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents

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

Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within Sacramento County including the cities, school districts, and various special districts. Property taxes are payable in equal installments, November 1 and February 1. They become delinquent after December 10 and April 10, respectively. The assessment date for fiscal year 2007-08 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 purchased from the various taxing entities will be the primary funding source. The delinquent secured taxes are recorded as a long-term receivable in the debt service fund.

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

Intergovernmental Revenues

Federal and state governments 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 federal and state governments for other programs, such as public assistance, administered by the County. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

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

Interfund Transactions

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

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

Inventories

Inventories of proprietary funds are recorded at the lower of cost computed by the weighted average method or market value. Inventory purchases made by governmental funds are recorded as expenditures at the time of purchase.

Restricted Assets

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

Capital Assets

Capital assets, which include land, structures and improvements, machinery and equipment, and infrastructure 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 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. Infrastructure acquired prior to 1980 has not been reported. 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 and equipment of the primary government, are depreciated using the straight line method over the following estimated used lives:

Assets	Years
Structures and Improvements	4 to 50
Infrastructure	20 to 50
Equipment	3 to 25

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.

Governmental Funds - Governmental funds record expenditures for compensated absences as they are taken by employees. A year-end accrual for compensated absences has not been made in the governmental funds as of June 30, 2008, because the County does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability.

Proprietary Funds - Proprietary funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

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

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

Long-Term Obligations

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

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

Fund Equity

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

Use of Estimates in the Preparation of Financial Statements

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

Liability/Property and Workers Compensation ISF Deficit Net Assets

As of June 30, 2008, the Liability/Property and Workers Compensation ISF have deficit net assets of $6,566 and $46,194, respectively. These deficits in net assets represent the county's unfunded liability for the liability/property and workers compensation self insurance programs. The County is collecting additional amounts from the departments to eliminate the unfunded liability.

Reclassifications

Certain other amounts in the 2007 financial statements have been reclassified to conform with presentation of the 2008 financial statements.

GASB Statement No. 45

Effective July 1, 2007, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers of Post employment Benefits Other Than Pensions. GASB Statement No. 45 establishes standards for the measurement, recognition and display of other post-employment benefits (OPEBs) expenses/expenditures, related assets and liabilities, note disclosures and, if applicable, required supplementary information in the financial reports of state and local government employers.

GASB Statement No. 48

Effective July 1, 2007, the County implemented GASB Statement No. 48 Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. GASB Statement No. 48 establishes accounting and financial reporting standards for transactions in which a government receives/pays resources in exchange for future cash flows generated by collecting specific future revenues, such as Tobacco Settlement Revenues. In addition, this Statement establishes accounting and financial reporting standards that apply to intra-entity transfers of future revenues, such as between the Tobacco Authority and the County.

GASB Statement No. 50

Effective July 1, 2007 the County implemented GASB Statement No. 50 Pension Disclosures. GASB Statement No. 50 establishes and modifies requirements related to financial reporting by pension plans and employers that provide benefit and defined contribution pensions

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

Total fund balances of the County's governmental funds, $806,212 differs from net assets of governmental activities, $1,472,997, reported financial resources. The difference primarily results from the long-term economic focus in the statement of net assets versus the current financial resources focus in the governmental fund balance sheets.

Balance Sheet/Statement of Net Assets

	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Statement of Net Assets
Assets:					
Current assets:					
Cash and investments	$ 1,198,365		206,809		1,405,174
Receivables, net of allowance for uncollectibles:					
Billed	50,163		7,371		57,534
Interest	5				5
Intergovernmental	184,462		1,253		185,715
Due from other funds	48,526		22,836	(100,758)	(29,396)
Inventories			2,089		2,089
Total current assets	1,481,521		240,358	(100,758)	1,621,121
Noncurrent assets:					
Long-term receivables	178,870		119		178,989
Deferred charges		24,280	5,197		29,477
Long-term advances to other funds	28,283			(28,283)	
Pension asset		1,037,569			1,037,569
Capital assets:					
Land and other nondepreciable assets		322,490			322,490
Facilities, infrastructure and equipment, net of depreciation		1,168,232	45,112		1,213,344
Total capital assets		1,490,722	45,112		1,535,834
Total noncurrent assets	207,153	2,552,571	50,428	(28,283)	2,781,869
Total assets	$ 1,688,674	2,552,571	290,786	(129,041)	4,402,990

	Total Governmental Funds	Long-term Assets, Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations	Statement of Net Assets
Liabilities:					
Current liabilities:					
Warrants payable	$ 28,535		9,233		37,768
Accrued liabilities	82,129		18,060		100,189
Tax and revenue anticipation notes	390,000				390,000
Intergovernmental payable	87,371		7,473		94,844
Current portion of accrued interest payable		5,663			5,663
Due to other funds/payable to external parties	86,423		16,364	(100,758)	2,029
Current portion of insurance claims payable			35,921		35,921
Current portion of long-term debt obligations		64,232			64,232
Deferred / unearned revenue	198,116	(140,621)	3,816		61,311
Total current liabilities	872,574	(70,726)	90,867	(100,758)	791,957
Noncurrent liabilities:					
Insurance claims payable			109,903		109,903
Accreted interest		290,913			290,913
Long-term debt obligations		1,719,451	17,769		1,737,220
Long-term advances from other funds	9,888		18,395	(28,283)	
Total noncurrent liabilities	9,888	2,010,364	146,067	(28,283)	2,138,036
Total liabilities	882,462	1,939,638	236,934	(129,041)	2,929,993
Fund balance/net assets:					
Reserved for:					
Encumbrances	111,026			(111,026)	
Capital asset acquisitions	25,885			(25,885)	
Assets not available	71,435			(71,435)	
Debt service	84,217			(84,217)	
Future construction	146,656			(146,656)	
Unreserved:					
Undesignated	366,993			(366,993)	
Invested in capital assets, net of related debt		1,051,311	20,326		1,071,637
Restricted for:					
Debt service		(235,296)		426,467	191,171
Capital projects		(96,673)		176,568	79,895
Fire protection				507	507
Health programs		7		220,692	220,699
Transportation				7,964	7,964
Lighting and landscape maintenance				3,107	3,107
Community facilities				3,769	3,769
Fish and game				26	26
Unrestricted		(106,416)	33,526	(32,888)	(105,778)
Total fund balance / net assets	806,212	612,933	53,852		1,472,997
Total liabilities and fund balance / net assets	$ 1,688,674	2,552,571	290,786	(129,041)	4,402,990

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

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

Cost of capital assets	$ 3,473,987
Accumulated depreciation	(1,983,265)
	1,490,722

Pension asset of the governmental activities is not a financial resource and, therefore, is not reported in the funds.	1,037,569

Bond issuance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net assets.	24,280

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

Compensated absences	(82,808)
Accreted interest payable	(296,576)
Bonds, loans, capital leases, and other payables	(1,700,875)
Unamortized swap premium	(13,821)
	(2,094,080)

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

Deferred revenue	154,442
Total	$ 612,933

(2) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications and office of communications and technology to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets. $ 53,852

The net change in fund balances for governmental funds, $22,710, differs from the change in net assets for governmental activities, $(7,018) reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated below.

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	$ 474,947					474,947
Sales / use	82,472					82,472
Transient occupancy	6,964					6,964
Use of money and property	72,908		(1,143)	941		72,706
Licenses and permits	49,259				(49,259)	
Intergovernmental	1,431,493		56,260	1,677	(1,489,430)	
Charges for sales and services	179,710		(5,728)	82,099	107,876	363,957
Operating grants and contributions			894		1,222,530	1,223,424
Capital grants and contributions					95,231	95,231
Grants and contributions not restricted to specific programs					230,103	230,103
Fines, forfeitures and penalties	52,853				(52,853)	
Pledged tobacco settlement proceeds	13,525		(6,809)			6,716
Contributions from property owners	62,050				(62,050)	
Miscellaneous	101,025					101,025
Donated capital assets		2,148			(2,148)	
Total revenues	2,527,206	2,148	43,474	84,717		2,657,545
Current:						
Expenditures/expenses						
General government	175,593	15,583	988	9,549		201,713
Public assistance	673,098	(28)	1,061	7,551		681,682
Public protection	666,706	15,578	2,702	20,967		705,953
Health and sanitation	644,595	10,009	1,504	5,332		661,440
Public ways and facilities	108,974	40,390	43,442	6,942		199,748
Recreation and culture	49,871	(8,155)	(24)	554		42,246
Education	22,416	15	1	189		22,621
Capital outlay	128,542	(128,542)				
Debt service:						
Principal	83,964		(83,964)			
Bond issuance costs	9,949		(9,949)			
Interest and fiscal charges	87,098		64,050			151,148
Total expenditures/expenses	2,650,806	(55,150)	19,811	51,084		2,666,551
Excess (deficiency) of revenues over (under) expenditures	(123,600)	57,298	23,663	33,633		(9,006)
Other financing sources (uses):						
Transfers in	184,870				(184,870)	
Transfers out	(171,783)			(11,099)	184,870	1,988
Issuance of debt	160,241		(160,241)			
Capital leases obligations	8,413		(8,413)			
Payments to participating governments	(43,855)		43,855			
Refunding debt issued	359,165		(359,165)			
Premiums on debt issued	1,440		(1,440)			
Discounts on debt issued	(2,144)		2,144			
Payment to refunded bonds escrow agent	(350,037)		350,037			
Total other financing sources (uses)	146,310		(133,223)	(11,099)		1,988
Net change in fund balances/net assets	22,710	57,298	(109,560)	22,534		(7,018)
Fund balances/net assets - beginning	783,502	1,433,424	(768,229)	31,318		1,480,015
Fund balances/net assets - ending	$ 806,212	1,490,722	(877,789)	53,852		1,472,997

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

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

Capital expenditures	$ 157,424
Depreciation expense	(72,649)
Donated capital assets	2,148
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-in, disposals, etc.)	(29,625)
	$ 57,298

(4) Governmental funds report the effect of the pension asset when first paid, whereas the amount is deferred and amortized in the statement of activities. This is the amount amortized during the year. $ 2,395

Bond issuance costs are expended in governmental funds when paid, and are capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities. This amount is the net between bond issuance costs ($9,949) incurred and amortization for the year ($802) . $ 9,147

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

Certificate of participation	14,540
Teeter notes	46,403
Tobacco revenue bonds	2,480
Pension Obligation Bonds	19,496
Pension Obligation Bonds Refundings	350,037
PFA revenue bonds	1,045
	$ 434,001

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

Cetificates of Participation	(46,260)
Add premium	1,440
Teeter notes	(65,436)
PFA revenue bonds	(48,713)
Less Discount	(543)
Capital leases obligations	(8,413)
Pension Obligation Bonds	(359,165)
Less Discount	(1,601)
Accreted Interest	(169)
	(528,860)
	(85,712)

Interest expense in the statement of activities differs from the amount reported in governmental funds because accreted interest was calculated for bonds and notes payable, and additional interest expense was recognized on the amortization of bond discounts and premiums, including the swap premium, which are expended within the funds statements. (63,248)

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

Change in compensated absences	(6,469)
	(69,717)

Some revenues will not be collected for several months after the year ends, and therefore are not considered "available" and are deferred in the governmental funds. Deferred revenues decreased by this amount during the year 43,474

Total	$ (109,560)

(5) Internal service funds are used by management to charge the costs of certain activities, related to public works, general services, self-insurance, regional communications and office of communications and technology to individual funds. The adjustments for internal service funds close those funds by charging additional amounts to participating governmental $ 22,534

NOTE 3 – BUDGETARY PRINCIPLES

As required by the laws of the State of California, the County prepares and legally adopts a final balanced operating budget on or before August 30 of each fiscal year. The Board may, by resolution, extend on a permanent basis or for a limited period, the date from August 30 to October 2. The final budget for fiscal year 2007-08 was adopted on September 13, 2007. Until the adoption of a final balanced budget, operations were governed by the proposed budget approved by the Board of Supervisors on May 16, 2007. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

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

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

During fiscal year 2007-08, 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 2007-08, the appropriation limit for the fiscal year 2007-08 budget year was reviewed and determined to be calculated in accordance with Article XIIIB of the California Constitution.

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

NOTE 4 – CASH, INVESTMENTS, AND RESTRICTED ASSETS

All investments are reported on the statement of net assets/balance sheet in accordance with GASB Statement No. 31, at fair value. The County maintains two cash and investment pools. The primary cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net assets/balance sheets as "cash and investments." The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain agency funds accrues to the benefit of the General fund. The County, acting in a fiduciary capacity, established a separate cash and investment pool (Fiscal Agent Pool) to segregate and invest monies in accordance with long-term obligation covenants. The County periodically distributes interest earned by these pools to the funds. The pools are accounted for on an amortized cost basis during the year. The Treasurer's and Fiscal Agent Pools are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer's Pool. (A separately issued report of County Treasurer's Internal and External Pools is available at http://www.finance.saccounty.net/Investments/RptQuarterly.asp)

Cash and investments held by fiscal agents is 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, 2008, all cash held by fiscal agents was covered by federal depository insurance or by collateral held by the County's financial institutions in the County's name.

Investments and GASB 40 Presentation

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

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

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

Specific restrictions of investment are noted below:

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

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

The County was in full compliance with its own more restrictive policy, and therefore was also in compliance with the above cited Government Code sections. Accordingly, the County believes it is not at measurable risk as to the four risk areas cited above.

Interest rate risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2008, of the County's $5.0 billion in investments held by the Treasurer and fiscal agents, over 72.6 % of the investments have a maturity of six months or less. In addition, 93% of the portfolio matures within 2 years. The County does not have a policy specific to interest rate risk but has adopted an investment policy.

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 A3, 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.

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, 2008, one hundred percent (100%) of the County's investments in deposits are held in the County's name and are not exposed to custodial credit risk. There are no general policies relating to custodial credit risk.

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, 2008, approximately 52.3% of total investments at year-end are in U.S. Government and Agency securities, there is no limitation on amounts invested in these types of issues, and 28.0% of the portfolio is invested in commercial paper or guaranteed investment contracts. As of June 30, 2008, more than 5% is invested in Federal Farm Credit Bank/FFCB discount notes $258,417, Federal Home Loan Banks/FHLB Discount Notes of $1,217,688, Federal National Mortgage Association/FNMA Discount Notes $600,335, FHLMC Discount Notes/FHLMC of $548,856, Financial Securities Assurance, Inc., Investment Agreement $324,450, and American International Group, Investment Agreement $396,421.

The schedule on the following page indicates the credit and interest rate risk at June 30, 2008. For purposes of this schedule, NR is defined as not rated. The credit ratings listed are for Standard and Poor's and Moody's Investor Services, respectively. Guaranteed investment contracts are subject to the credit rating disclosure requirements but are normally unrated.

	Credit Rating	Maturity: Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	Fair Value
Imprest cash							$ 333
Cash in banks							1,087
In custody of Treasurer:							
Cash and cash deposits:							
Cash on hand							12
Cash in banks							31,769
Total cash and cash deposits							31,781
Investments held by Treasurer:							
Federal Farm Credit Bonds	Aaa/AAA	$ 25,008	40,241		154,918		220,167
Federal Home Loan Banks	Aaa/AAA		119,568	185,445	269,082		574,095
Federal National Mortgage Association	Aaa/AAA			10,156	108,528		118,684
Federal National Mortgage Association Discount Notes	P-1/A-1+	120,470	346,099	15,082			481,651
FFCB Discount Notes	P-1/A-1+	30,277	7,973				38,250
FHLB Discount Notes	P-1/A-1+	604,447	39,146				643,593
FHLMC Discount Notes	P-1/A-1+	39,975	308,280	1,079			349,334
FHLMC	Aaa/AAA		32,186	117,973	49,363		199,522
Commercial paper	P-1/A-1+	184,455	454,866				639,321
Negotiable certificates of deposit	P-1/A-1+	215,001	510,098	42,519			767,618
Other assets held by Treasurer (primarily Teeter Plan notes)	NR		327		51,509		51,836
Local Agency Investment Fund	NR	100,451					100,451
Mutual funds	AAAm	63,712					63,712
Guaranteed investment contracts	NR	392,335			277,246	98,205	767,786
Total investments held by Treasurer		1,776,131	1,858,784	372,254	910,646	98,205	5,016,020
Total in custody of Treasurer							5,047,801
Investments held by fiscal agents:							
Mutual funds	AAA/Aaa	9,317		2			9,319
Mutual funds	Aaa/AAAmG	6,949					6,949
Guaranteed investment contracts	NR					18,887	18,887
Total investments held by fiscal agents		16,266		2		18,887	35,155
Total investments		$ 1,792,397	1,858,784	372,256	910,646	117,092	
Total cash, investments, and restricted assets							$ 5,084,376

The County did not participate in any security lending transactions or enter into any reverse repurchase agreements during 2007-08. The County's investment with the State's Local Agency Investment Fund (LAIF) is $100,451; this investment is included in the State's Pooled Money Investment Account (a separately issued report of LAIF is available at http://www.treasurer.ca.gov/pmia-laif/index.asp). As of June 30, 2008 the total amount invested by all public agencies in the State's Pooled Money Investment Account is $70.0 billion. Of that $70.0 billion managed by the State Treasurer, 100 percent is invested in non-derivative financial products. The Pooled Money Investment Accrual Portfolio has not invested in, nor will it invest in Derivative Products as defined in FASB 133. The average maturity of PMIA investments was 212 days as of June 30, 2008. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's portion in the pool.

Cash, investments, and restricted assets as shown on the basic financial statements at June 30, 2008, are as follows:

Government-wide statement of net assets:	
Cash and investments	$ 1,646,931
Restricted assets, included in current assets	16,443
Restricted assets, included in noncurrent assets	754,911
Fiduciary funds statement of net assets:	
Agency	256,960
Investment Trust	2,411,973
Total cash, investments, and restricted assets per basic financial statements	5,087,218
Less interest receivable included in restricted assets	(2,842)
Total cash, investments, and restricted assets per summary of County cash deposits and investments	$ 5,084,376

The following are condensed statements of net assets and changes in net assets for the Treasurer's Pool and Fiscal Agent Pool at June 30, 2008:

Statement of net assets	Treasurer's Pool	Fiscal Agent Pool	Total
Net assets held for pool participants	$ 3,564,338	1,483,463	5,047,801
Equity of internal pool participants	$ 1,797,101	838,727	2,635,828
Equity of external pool participants	1,767,237	644,736	2,411,973
Total equity	$ 3,564,338	1,483,463	5,047,801
Statement of changes in net assets			
Net assets at July 1, 2007	$ 3,478,283	1,342,377	4,820,660
Net changes in investments by pool participants	86,055	141,086	227,141
Net assets at June 30, 2008	$ 3,564,338	1,483,463	5,047,801

A summary of the investments held by the Treasurer's and Fiscal Agent Pools at June 30, 2008 are as follows:

	Fair Value	Cost	Interest Rate Range (%)	Maturity Range
Government securities	$ 2,625,296	2,607,608	1.6-7.4	7/08-5/13
Commercial paper	639,321	636,561	2.2-2.9	7/08-11/08
Negotiable certificates of deposit	767,618	767,798	2.1-4.6	7/08-6/09
Other assets held by Treasurer (primarily Teeter Plan notes)	51,836	51,836	1.9-4.1	8/08-6/13
Local Agency Investment Fund	100,451	100,451	3.1	
Mutual Funds	63,712	63,712	1.3-3.8	
Guaranteed investment contracts	767,786	767,786	3.3-6.9	7/08-5/39
Total investments held by Treasurer	$ 5,016,020	4,995,752		

NOTE 5 - LONG-TERM RECEIVABLES

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned.

At June 30, 2008, the various components of long-term receivables were as follows:

	General Fund	Nonmajor Govermental Funds	Total Governmental Funds
Long-term receivables			
Deferred revenues	$ 36,310	89,849	126,159
Fund balances: reserved for assets not available	1,324	51,387	52,711
	$ 37,634	141,236	178,870
Long-term advances to other funds			
Deferred revenues	$	28,283	28,283
	$	28,283	28,283

Deferred revenue and unearned revenue reported were as follows:

	Unavailable	Unearned	Total
Governmental Activities:			
General Fund			
Long-term receivables	$ 36,310	43,674	79,984
Advances	-		-
Total General Fund	36,310	43,674	79,984
Nonmajor Funds:			
Long-term receivables	89,849		89,849
Long-term advances to other funds	28,283	-	28,283
Total Nonmajor Funds	118,132	-	118,132
Total Governmental Funds	154,442	43,674	198,116
Reconciling items:			
Unavailable	(154,442)		(154,442)
Internal Service Funds		3,816	3,816
Swap premiums		13,821	13,821
Total Governmental Activities		61,311	61,311
Business-type activities:			
Airport		1,735	1,735
Total Business-type activities		1,735	1,735
Total Entity Wide		$ 63,046	63,046

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, is as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 109,210	4,999	(3,832)	110,377
Construction in progress	166,881	89,263	(44,031)	212,113
Total capital assets, not being depreciated	276,091	94,262	(47,863)	322,490
Capital assets, being depreciated:				
Buildings and improvements	601,639	19,757	(15,804)	605,592
Infrastructure	2,406,991	70,916	(2,183)	2,475,724
Equipment	258,857	21,110	(16,487)	263,480
Total capital assets, being depreciated	3,267,487	111,783	(34,474)	3,344,796
Less accumulated depreciation for:				
Buildings and improvements	(282,222)	(18,770)	3,262	(297,730)
Infrastructure	(1,590,782)	(46,026)	1,159	(1,635,649)
Equipment	(191,608)	(22,576)	16,111	(198,073)
Total accumulated depreciation	(2,064,612)	(87,372)	20,532	(2,131,452)
Total capital assets, being depreciated, net	1,202,875	24,411	(13,942)	1,213,344
Sub-total governmental activities	$ 1,478,966	118,673	(61,805)	1,535,834
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 78,827	4,084	-	82,911
Construction in progress	179,646	164,737	(85,247)	259,136
Total capital assets, not being depreciated	258,473	168,821	(85,247)	342,047
Capital assets, being depreciated:				
Buildings and improvements	807,652	112,704	(47)	920,309
Equipment	73,875	6,209	(4,925)	75,159
Total capital assets, being depreciated	881,527	118,913	(4,972)	995,468
Less accumulated depreciation for:				
Buildings and improvements	(259,231)	(29,585)	30	(288,786)
Equipment	(48,952)	(8,015)	4,678	(52,289)
Total accumulated depreciation	(308,183)	(37,600)	4,708	(341,075)
Total capital assets, being depreciated, net	573,344	81,313	(264)	654,393
Sub-total business-type activities	$ 831,817	250,134	(85,511)	996,440

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

	Depreciation Expense
Governmental activities:	
General government	$ 7,812
Public assistance	353
Public protection	12,804
Health and sanitation	2,554
Public ways and facilities	45,326
Recreation and culture	3,561
Education	239
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	14,723
Total depreciation expense - governmental activities	$ 87,372
Business-type activities:	
Airport	$ 24,170
Solid Waste	6,334
Parking Enterprise	260
Water Agency	6,716
County Transit	120
Total depreciation expense - business-type activities	$ 37,600

NOTE 7 - INTERFUND TRANSACTIONS

The following summarizes interfund receivables and payables, advances to / from other funds, and transfers as of and for the year ended June 30, 2008:

Due From / To Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	$ 25,367
	Airport	934
	Solid Waste	53
	Water Agency	30
	Internal service	3,029
		29,413
Nonmajor governmental	General	17,087
	Nonmajor governmental	1,884
	Airport	7
	Water Agency	
	Internal service	135
		19,113
Airport	General	22
	Nonmajor governmental	388
		410
Solid Waste	Nonmajor governmental	2
	Airport	
	Internal service	6
		8
Water Agency	Internal service	1,446

Receivable Fund	Payable Fund	Amount
Nonmajor enterprise	General	753
	Nonmajor governmental	41
	Internal service	3
		797
Internal service	General	36,159
	Nonmajor governmental	2,691
	Airport	2,175
	Solid Waste	342
	Water Agency	373
	Nonmajor enterprise	58
	Internal service	11,745
		53,543
Agency	General	1,590
	Nonmajor governmental	439
	Airport	26
	Solid Waste	39
	Nonmajor enterprise	11
		2,105
	Total	$ 106,835

Amounts due the General Fund are related to: 1) Principal and interest due from Public Facilities Fixed Asset Financing Program (nonmajor governmental), 2) To fund community services activities pending reimbursement from federal, state and local government, 3) Sheriff security & Department of Environmental Review and Assessment services provided to the Airports, and 4) Reimbursement due from Liability/Property Internal Service Fund for the final quarter of the fiscal year ending June 30, 2008.

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

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

Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
Nonmajor governmental	General	$ 9,888
	Internal service	18,395
	Subtotal	28,283
	Total	$ 28,283

Amounts advanced from nonmajor governmental funds are related to the Fixed Asset Financing Program which has financed $9,888 for major capital projects (General Fund), and major bulk automobile purchases (internal service funds).

Transfers From / To Other Funds

Between funds within governmental activities:

Transfer From	Transfer To	Amount	
General	Nonmajor governmental	$ 71,038	Transfer to cover debt service payments, economic development and community development programs
Nonmajor governmental	General	27,430	Transfers for Transient Occupancy Tax and Teeter Property Tax
Nonmajor governmental	Nonmajor governmental	73,305	Transfer to cover debt service payments and capital project transfer
Nonmajor governmental	Enterprise	9	Refund of debt service overpayment
Internal service	Nonmajor governmental	10,504	Transfer to cover debt service payments
Internal service	General	595	Transfer to cover debt service payments
Enterprise	Enterprise	123	Transfer to cover debt service payments
Enterprise	Nonmajor governmental	1,998	Transfer to cover debt service payments
	Total	$ 185,002	

NOTE 8 - LEASES

Lease Obligations

During the year ended June 30, 2008, the County entered into the following capital lease agreements:

Building inspection entered a 5 year lease to upgrade Accela Tidemark Automated Permit system, in the amount of $1,708, interest rate of 5.25 percent and annual lease payment of $391 through 2010.

Department of Child Support Services entered a 5 year lease for Cisco network switches in the amount of $308, interest rate of 6.10 percent and annual lease payments of $72 through 2013.

For energy conservation improvements and replacement of obsolete mechanical equipment at various county buildings entered into a 15 year lease in the amount of $3,386, interest rate of 4.66 percent and annual lease payments of $315 through 2022.

For energy conservation improvements and replacement of obsolete mechanical equipment at various county buildings entered into a 15 year lease in the amount of $1,240, interest rate of 4.66 percent and annual lease payments of $115 through 2022.

For energy conservation improvements and replacement of obsolete mechanical equipment at various county buildings entered into a 15 year lease in the amount of $1,088, interest rate of 4.66 percent and annual lease payments of $101 through 2022.

For energy conservation improvements and replacement of obsolete mechanical equipment at various county buildings entered into a 15 year lease in the amount of $117, interest rate of 4.66 percent and annual lease payments of $11 through 2022.

For energy conservation improvements and replacement of obsolete mechanical equipment at various county buildings entered into a 15 year lease in the amount of $566, interest rate of 4.66 percent and annual lease payments of $53 through 2022.

During the year ended June 30, 2007, the County entered into the following capital lease agreements:

For mechanical equipment in the amount of $660 with an interest rate of 4.39 percent and annual lease payments of $15 through April 2022.

For lighting and mechanical equipment in the amount of $3,052 with an interest rate of 4.39 percent and annual lease payments of $70 through April 2022.

Sunrise Recreation and Park District for office trailers in the amount of $166 with an interest rate of 8.25 percent and annual lease payments of $39 through May 2011.

Sunrise Recreation and Park District for an office trailer in the amount of $96 with an interest rate of 10.0 percent and annual lease payments of $23 through November 2010.

Sunrise Recreation and Park District for an office trailer in the amount of $131 with an interest rate of 10.0 percent and annual lease payments of $30 through November 2010.

During the year ended June 30, 2006, the County of Sacramento entered into a capital lease agreement for an energy conservation retro fit project in the amount of $837 with an interest rate of 4.30 percent per annum and semi-annual lease payments of $22 through September 2017.

During the year ended June 30, 2001, the County of Sacramento entered into a capital lease agreement for facilities in the amount of $3,150 with an interest rate of 12.0 percent per annum or the maximum legal rate and semi-annual lease payments of $166 through December 2015.

As of June 30, 2008, the future minimum lease payments under capital leases are as follows:

	Capital Lease Agreements
Year ending June 30	County
2009	$ 1,910
2010	1,910
2011	1,910
2012	1,427
2013	1,427
2014-2018	5,882
2019-2023	3,887
Total minimum lease payments	18,353
Less amount representing interest	(4,420)
Net Present value of minimum lease payments	$ 13,933

The following is a schedule of capital assets under capital leases by major classes at June 30, 2008:

Capital Assets under Capital Leases	
	Governmental Activities
Land	$ 673
Structures and improvements	13,816
Equipment	1,539
	16,028
Less: Accumulated depreciation	
Structures and improvements	$ (983)
Equipment	(62)
	(1,045)
Total	$ 14,983

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, 2008, are as follows:

	Operating Leases Commitment	
Year Ending June 30	Governmental	Proprietary
2009	$ 31,785	8,224
2010	30,036	8,362
2011	26,931	6,885
2012	25,110	5,082
2013	23,403	5,227
2014-2018	97,724	21,443
2019-2023	47,111	
2024-2028	10,173	
	$ 292,273	55,223

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 in the governmental funds, the enterprise funds, and the internal service funds for the year ended June 30, 2008, were $48,469, $839, and $40,894 respectively.

Lease Income and Receivables

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

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

In fiscal year 2008 the Airport System received approximately $7,400, for contingent rental payments in excess of stated minimums. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2008.

Year Ending June 30	Future Minimum Rents
2009	$ 16,888
2010	14,485
2011	13,764
2012	13,049
2013	13,326
2014-2018	7,176
2019-2023	1,060
2024-2028	966
2029-2033	870
2034-2038	15
Total future minimum rentals receivable	$ 81,599

NOTE 9 - SHORT–TERM DEBT ACTIVITY

The County issues tax and revenue anticipation notes in advance of property tax and other revenue collections. The notes are issued to supplement County cash flows until taxes and other revenues are collected.

Short-term debt activity for the year ended June 30, 2008, was as follows:

	Balance July 1, 2007	Increase	Decrease	Balance June 30, 2008
Tax and revenue anticipation notes	$ 360,000	390,000	360,000	390,000

NOTE 10 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2008:

	Restated Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Amounts Due Within One Year
Governmental activities:					
Compensated absences	$ 99,538	82,920	(82,261)	100,197	5,317
Certificates of participation	308,760	46,260	(14,540)	340,480	15,305
Teeter notes	32,302	65,436	(46,403)	51,335	11,636
Pension obligation bonds	944,964	359,165	(343,203)	960,926	26,900
Revenue bonds	305,439	48,713	(3,525)	350,627	3,440
Accreted Interest	3,476	2,325		5,801	
OPEB Liablility		17,948	(13,578)	4,370	
Other long-term debt	3,965		(350)	3,615	3,615
Capital lease obligations	6,895	8,413	(1,375)	13,933	1,232
Deferred amounts					
For issuance premiums	3,365	1,440	(319)	4,486	319
For issuance discounts	(4,675)	(543)	131	(5,087)	131
On refundings	(28,765)	(1,601)	1,654	(28,712)	1,654
Total governmental activities - long-term obligations	$ 1,675,264	630,476	(503,769)	1,801,971	69,549
Business-type activities:					
Compensated absences	$ 4,378	4,327	(3,788)	4,917	124
Revenue bonds	624,855	496,195	(206,125)	914,925	4,470
PFC and subordinate revenue bonds	49,235	89,430	(49,235)	89,430	1,490
Certificates of participation	28,735		(1,835)	26,900	1,895
Reimbursement agreements	92			92	
Usage fee - City	1,613		(1,052)	561	561
OPEB Liablility		923	(698)	225	
Water rights - Smud assignment	4,000			4,000	
Estimated arbitrage taxes payable	98	2,457		2,555	
Deferred amounts					
For issuance premiums	14,877	4,117	(1,965)	17,029	404
For issuance discounts	(1,344)	(2,898)	1,360	(2,882)	
On Refunding	(14,193)	(15,225)	1,464	(27,954)	(85)
Total business-type activities - long-term obligations	$ 712,346	579,326	(261,874)	1,029,798	8,859

A portion of OPEB liabilities and compensated absences is accounted for in accrued liabilities in the Government-wide Statement of Net Assets for governmental activities and business-type activities. Estimated arbitrage taxes payable is accounted for in Arbitrage rebate payable and Long-term debt obligations in the Government-wide Statement of Net Assets for business-type activities.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, $17,389 of internal services funds compensated absences and $899 in OPEB liability are included in the above amounts. Also for the governmental activities, claims and judgments (if applicable) and compensated absences are liquidated by the General Fund.

The government-wide statement of net assets includes $13,248 of the long-term liabilities due within one year for business-type activities in liabilities *payable from restricted assets*. Of this amount, $8,766 represents current portion of long-term debt obligations.

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2008 are as follows:

Governmental Activities:

Certificates of participation:

County of Sacramento Refunding Certificates of Participation, Main Jail Detention Facility, issued April 24, 2003, to advance refund the 1993 Refunding Certificates of Participation (Sacramento Main Detention Facility). Principal payments are due June 1, 2009 through the year 2015, escalating from $3,845 to $5,315, with interest ranging from 2.0 percent to 5.0 percent.	$ 31, 715
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, 2009 through the year 2034, escalating from $310 to $4,145, with interest rates ranging from 2.0 percent to 5.0 percent.	14,075
County of Sacramento 2003 Certificates of Participation (Juvenile Courthouse Project) issued June 19, 2003. Principal payments are due December 1, 2008, through the year 2034, escalating from $720 to $2,160, with interest rates ranging from 2.0 percent to 5.0 percent.	34,070
County of Sacramento, 1999 Refunding Certificate of Participation (1991 Refunding Certificates of Participation, Series B for Cherry Island Golf Course Project) issued December 14, 1999, to advance refund and defease $8,900 of outstanding debt for County of Sacramento 1991 Refunding Certificates of Participation, Series B for Cherry Island Golf Course Project and finance certain improvements to golf courses owned by the County. Principal payments are due July 15, 2008, through the year 2018, escalating from $435 to $730, with interest rates ranging from 4.1 percent to 5.75 percent. A lump sum payment of $3,830 is due July 15, 2018.	
County of Sacramento Certificates of Participation (Administration Center and Courthouse Project) issued October 4, 1990, for the implementation of the County's fixed asset financing program. This program provides long-term financing to County departments for the acquisition and construction of capital assets. Principal payments are due June 1, 2009, through the year 2020, escalating from $3,970 to $8,355. The certificates are collateralized by the Main Jail Detention Facility, and secured by a letter of credit in the original amount of $110,817. See Note 11 – Derivatives – Interest Rate Swap.	
	71,025

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, 2008, through the year 2027, escalating from $2,490 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.		81,525
County of Sacramento Certificates of Participation (1997 Public Facilities Project) issued February 1, 1997, for the acquisition and construction of a dormitory jail and other improvements at the Rio Cosumnes Correctional Center and Bank of America building, purchase / renovation and defeasance of $36,355 of outstanding debt: $2,265 for California Counties Lease Financing Program Certificates of Participation and $34,090 of outstanding debt for County of Sacramento Certificates of Participation (1990 Public Facilities Project). On May 11, 2006 a partial advance refunding was done from the 2006 Certificates of Participation, in the amount of $14,550, to release the Bank of America building from this lease. Principal payments are due February 1, 2009, through the year 2019, escalating from $2,135 to $2,870 with interest ranging from 4.875 percent to 5.375 percent. A lump-sum payment of $13,420 is due February 1, 2019.		17,385
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 advance refunding resulted in a $542 difference between the reacquisition price of $15,092 and the net carrying amount of the old debt $14,550. The difference will be amortized over the life of the remaining 1997 Certificates of Participation debt in accordance with GASB No. 23. The refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The County issued $27,690 in Serial Certificates with interest ranging from 4.0 percent to 4.6 percent, $5,785 of 5 percent Term Certificates due February 1, 2031 and $7,385 of 5 percent Term Certificates due February 1, 2036. Principal payments are due February 1, 2008, through the year 2036, escalating from $770 to $2,095.		38,195
County of Sacramento 2007 Certificates of Participation (Animal Care Facility/Youth Detention Facility – 120 bed expansion) issued July 25, 2007. Principle payment are due October 1, 2009 through the year 2037, escalating from $765 to $2,935, with interest rates ranging from 4.0 percent to 5.0 percent.		
Total certificates of participation		340,480
Add: deferred amount for issuance premium		4,486
Less: deferred amount on refunding	46,260	(418)
	$	344,548

Teeter notes:

County of Sacramento, 2003 Teeter Loan Agreement Note, dated September 16, 2003, to purchase the delinquent property taxes receivable as of June 30, 2003. Annual payments of principal and interest are due August 1 of each year and ending in 2008. 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, 2008. Interest payments will be at a variable rate that averaged 3.705 percent in fiscal year 2007-08 and was 1.920 percent at June 30, 2008.	$ 327
County of Sacramento, 2004 Teeter Loan Agreement Note, dated September 14, 2004, to purchase the delinquent property taxes receivable as of June 30, 2004. Annual payments of principal and interest are due August 1 of each year and ending in 2009. 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, 2009. Interest payments will be at a variable rate that averaged 3.668 percent in fiscal year 2007-08 and was 2.130 percent at June 30, 2008.	163
County of Sacramento, 2005 Teeter Loan Agreement Note, dated October 4, 2005, to purchase the delinquent property taxes receivable as of June 30, 2005. Annual payments of principal and interest are due August 1 of each year and ending in 2010. The amount of principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2010. Interest payments will be at a variable rate that averaged 3.789 percent in fiscal year 2007-08 and was 2.300 percent at June 30, 2008.	1,998
County of Sacramento, 2006 Teeter Loan Agreement Note, dated October 17, 2006, to purchase the delinquent secured property taxes receivable as of June 30, 2006. Annual payments of principal and interest are due August 1 of each year and ending in 2011. The amount of principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2011. Interest payments will be at a variable rate that averaged 3.884 percent in fiscal year 2007-08 and was 2.635 percent at June 30, 2008.	9,166
County of Sacramento, 2007 Teeter Loan Agreement Note, dated November 27, 2007, to purchase the delinquent secured property taxes receivable as of June 30, 2007. Annual payments of principal and interest are due August 1 of each year and ending in 2012. The amount of principal each year shall be the full amount of the County's share of the principal of delinquent tax collections received in the prior year. The unpaid principal shall be due and payable on August 1, 2012. Interest payments will be at a variable rate that averaged 2.387 percent in fiscal year 2007-08 and was 2.970 percent at June 30, 2008.	39,681
Total Teeter notes	$ 51,335

Pension obligation bonds:

County of Sacramento Pension Obligation Bonds issued July 5, 1995, $538,060 of Series 1995 Taxable Pension Funding Bonds to fund the accrued actuarial liability of the County to the Retirement System. The issue is composed of $404,060 of Series 1995A Fixed Rate Bonds, $67,000 of Series 1995B Variable Rate Bonds, and $67,000 of Series 1995C Variable Rate Bonds. Principal payments on the fixed rate bonds are due commencing August 15, 1998, through August 15, 2021, escalating from $13,060 to $78,879. Principal payments on the variable rate bonds are due commencing July 1, 2019, through July 1, 2022, with equal payments of $33,500. Rates on the fixed rate bonds range from 6.625 percent to 7.68 percent. The variable rate bonds had an initial rate of 6.1 percent through July 1, 1998. Thereafter, the variable rate will be determined by the Remarketing Agent as explained below. The variable rate bonds (Series 1995B and Series 1995C) are secured by a letter of credit in the amount of $134,000. Interest on the Series 1995A Fixed Rate Bonds will be payable on February 15 and August 15 of each year commencing August 15, 1995. The Series 1995B Variable Rate Bonds and the Series 1995C Variable Rate Bonds will initially be issued in the Multiannual Mode (the interest rate will be determined by the Remarketing Agent to remain in effect for a rate period of one year or any multiple of one year) with the initial rate period ending on July 1, 1998, and interest payable semiannually on each January 1 and July 1 during the rate period commencing on January 1, 1996. For periods after July 1, 1998, the County has executed an agreement fixing the variable interest rate at 5.935 percent. See Note 11 – Derivatives – Interest Rate Swap. On July 15, 2003 a partial advance refunding and defeasance in the amount of $128,430 from 2003 Taxable Pension Funding Bonds was done to provide budgetary relief over the next three to seven years.	$ 376,270
County of Sacramento Pension Obligation Bonds issued July 15, 2003, $152,321 of Series 2003A & B Taxable Pension Funding Bonds. The net proceeds, $149,630 established an irrevocable escrow fund to defease to maturity a portion of the Series 1995 Taxable Pension Funding Bonds, from August 15, 2003 through August 15, 2008. The issue is composed of $54,879 of Series 2003A, Capital Appreciation Bonds, $97,441 of Series 2003B Convertible Capital Appreciation Bonds to provide budgetary relief (over three to seven years at the time of bonds were issued) due to pension benefit enhancements and losses incurred by the pension system. Principal payments on the Series 2003A bonds are due 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. Rates on Series 2003A range from 2.44 percent to 3.46 percent. The rate on Series 2003B bonds is 5.73 percent. The advance refunding resulted in a $21,200 difference between the reacquisition price and the net carrying amount of the old debt. The difference will be amortized over the life of the refunded debt in accordance with GASB 23. The refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets.	123,942
County of Sacramento Pension Obligation Bonds issued July 24, 2004, $426,131 of Series 2004 C-1, C-2 & C3 Taxable Pension Funding Bonds. The issue is composed of $324,582 of Series C-1, $39,147 of Series C-2 and $62,402 of Series C-3 Convertible Auction Rate Securities. The bonds are issued to fund the accrued actuarial liability of the County to the Retirement System. The initial variable rate on issue C-1 was 3.42 percent through July 10, 2006, the initial variable rate on issue C-2 was 4.61 percent through July 10, 2009, and the initial variable rate on issue C-3 was 5.63 percent through July 10, 2014. The county entered into a swap agreement effective July 10, 2006, on series C-1 variable rate portion fixing the interest rate to 5.901%. See Note 11 Derivatives – Interest rate swaps. Principal payments on the series C-1 bonds are due commencing July 10, 2007, through July 10, 2031, escalating from $817 to $41,521. Principal payment on the series C-2 bonds is due on July 10, 2031, for $39,160. Principal payments on the Series C-3 bonds are due on July 10, 2032 and July 10, 2033 in the	

amount of $30,269 and $32,132. On March 28, 2008 a partial advance refunding and defeasance in the amount of $350,037 from 2004 Pension Funding Bonds (Series C-1) was done.

County of Sacramento Pension Obligation Bonds issued March 28, 2008, $359,165 of Series 2008 Taxable Pension Refunding Bonds. The County is issuing the Series 2008 Bonds to refund and defease $350,037 the fully accreted outstanding amount of its Taxable Pension Funding Bonds, Series 2004 C-1 and to pay the costs of issuance of the Series 2008 Bonds. Principal payments on the Series 2008 bonds are due commencing June 30, 2008 through June 30, 2031, escalating from $400 to $48,585. The advance refunding will result in reducing the debt service payments by $95,519 to obtain an economic gain on the refunding (difference between the present value of the debt service payments on the refunded debt and refund debt) of $53,635. The refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The county entered into a swap agreement effective July 10, 2006, on the 2004 refunded series C-1 fixing the interest rate to 5.901%, which remains in effect for the 2008 Taxable Pension refunding bonds. See Note 11 Derivatives – Interest rate swaps.	101,549
	359,165
Total pension obligation bonds	960,926
Less: deferred amount on refunding	(14,194)
	$ 946,732

Revenue bonds:

Tobacco Securitization Authority issued on December 1, 2005, $255,486 of refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $176,080 of bonds and to provide additional funds to be used by the County on selected projects. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The outstanding balance on the refunded bonds is $172,565 as of June 30, 2008. The Authority issued $219,685 for the Series 2005A-1 Senior Current Interest Bonds. The first Series A-1 Term Bonds are for $45,825 with an interest rate of 4.75 %, final early (Turbo) redemption date of June 1, 2015, with a due date of June 1, 2023. The second Series A-1 Term Bonds are for $87,290 with an interest rate of 5.375%, final Turbo redemption date of June 1, 2024, with a due date of June 1, 2038. The third Series A-1 Term Bonds are for $86,570 with an interest rate of 5.5%, final Turbo redemption date of June 1, 2028, with a due date of June 1, 2045. The Authority issued $12,468 for the Series 2005A-2 Senior Convertible Bonds with an interest rate of 5.4%, final Turbo redemption date of June 1, 2017, with a due date of June 1, 2027. The Authority issued $11,674 for the Series 2005B First Subordinate Capital Appreciation Bonds with an interest rate of 5.9%, final Turbo redemption date of June 1, 2030, with a due date of June 1, 2045. The Authority issued $11,658 for the Series 2005C Second Subordinate Capital Appreciation Bonds with an interest rate of 6.7%, final Turbo redemption date of June 1, 2033, with a due date of June 1, 2045.	$ 250,626

The Sacramento County Financing Authority issued three series of Revenue Bonds issued December 23, 2003 for the purpose of allowing the Authority to finance four redevelopment projects in designated redevelopment project areas in the City and County of Sacramento. The net proceeds were then in turn loaned to the County and City. The sources of repayment of the bonds are tax increment and/or housing set-aside tax increment revenues, depending upon the project. Incremental sales taxes were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $93,765, payable through June 2028. For the current year, principal and interest paid and total incremental tax revenues were $1,045 and $2,359 respectively. Series A - $33,696 Mather/McClellan and Del Paso Heights project areas improvements. The series includes $13,490 in serial bonds, maturing from December

2004 - 2022, with interest rates ranging from 2.0% to 5.0%. In addition, $8,165 in term bonds were issued with a stated rate of 5.125% maturing in December 2028. Another term bond of $9,065 was issued with a stated interest rate of 4.75% which matures in December 2033. Finally, $2,526 in capital appreciation bonds were issued with a stated interest rate ranging from 5.18% to 5.58% that mature from December 2020-2030. Series B - $8,345 Mather/McClellan Housing Project. The issue consists of four term bonds ranging in value from $670 to $4,450. The bonds mature from 2008 through 2033. Stated interest rates range from 3.82%-6.26%. Series C - $12,880 North Sacramento Project, North Sacramento Housing Project, Alkali Flat Project and Alkali Flat Housing Project. This issue contains 18 serial bonds, totaling $8,665 maturing from December 2004 to 2021. Interest rates range from 2.5% to 5.3%. It also has two term bonds ($1,635 and 2,580) maturing in December 2028 and 2033, respectively. Both term bonds have a stated interest rate of 5.0%. $ 51,288

The Sacramento 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. Incremental sales taxes were projected to produce 128 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $103,966, payable through June 2038. For the current year, principal and interest paid and total incremental tax revenues were $0 and $605, respectively. Series A - $24,765 Mather/McClellan (Tax Exempt) Redevelopment Area improvements. The bonds were structured with one serial maturity in 2028 and three term bonds. The $950 2028 serial was priced with a 4.50% coupon to yield 4.66%. The $4,930 2032 term bond was priced with a 4.625% coupon to yield 4.80%. The $18,885 2038 term bond was split into two to appeal to different investor tastes: $5,000 was priced with a 5.0% coupon to yield 4.76%; the balance $13,885 was priced with a 4.625% coupon to yield 4.85%. Series B - $23,780 Mather/McClellan (Taxable) Redevelopment Area and Housing Project. The bonds were structured with serial maturities in 2008 through 2014 and three term bonds – all sold as par bonds with coupon equal to yield. Yields on the $4,500 serials ranged from 3.33% in 2008 to 4.52% in 2014. The $2,815 2018 term bonds were priced to yield 5.317%; the $9,795 2028 term bonds were priced to yield 6.227%; and the $6,670 term bonds were priced to yield 6.577%. The Series A and B bonds were sold with Assured Guaranty bond insurance, and accordingly, Standard and Poor's provided 'AAA' ratings. Principal payments on both Series are due December 1st beginning in 2008 through final maturity in 2038. Interest payments are due on June 1st and December 1st. The tax-exempt Series A Bonds are callable at par beginning on December 1, 2018. The taxable Series B Bonds are subject to optional redemption on any date, with a "make-whole premium" determined at the time of optional redemption on the bases of the value of debt service otherwise due on the redeemed bonds discounted at the comparable Treasury yield plus 12.5 basis points. The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment every five years. The potential liability, if any, to be paid February 2009 will fluctuate based upon the stream of construction draw downs and changing investment yields. As of June 30, 2008, SCPFA has no arbitrage liability. 48,713

Total revenue bonds	350,627
Less: deferred amount for issuance discount	(5,087)
Less: deferred amount for refunding	(14,100)
	$ 331,440

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.	$ 3,615

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, 2008.

	Certificates of Participation		Teeter Plan		Pension Obligation	
Year ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 15,305	13,332	11,636	747	26,900	29,339
2010	16,885	12,793	11,308	1,380	13,185	67,369
2011	17,775	12,211	10,228	982	14,285	69,901
2012	18,725	11,587	10,228	625	13,649	72,600
2013	19,730	10,912	7,935	268	16,636	75,499
2014 - 2018	89,230	43,728			78,541	442,260
2019 - 2023	58,790	30,807			401,113	218,584
2024 - 2028	48,290	19,891			163,167	105,052
2029 - 2033	29,430	10,216			201,316	39,114
2034 - 2038	26,320	2,590			32,134	71
2039 - 2043						
2044 - 2048						
	$ 340,480	168,067	51,335	4,002	960,926	1,119,789

	Revenue Bonds		Other	
Year ending June 30	Principal	Interest	Principal	Interest
2009	$ 3,440	17,008	3,615	
2010	3,055	16,885		
2011	2,970	16,759		
2012	3,885	16,635		
2013	4,210	16,463		
2014 - 2018	23,400	79,319		
2019 - 2023	35,435	72,308		
2024 - 2028	45,019	64,411		
2029 - 2033	53,650	50,355		
2034 - 2038	70,690	35,432		
2039 - 2043	58,035	17,817		
2044 - 2048	51,867	252,352		
	$ 355,656	655,744	3,615	
Less unaccreted interest	(5,029)			
	$ 350,627			

Swap Payments and Associated Debt: Using the rates as of June 30, 2008, debt service requirements of the variable rate debt and the net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

	1990 COP Variable -Rate Bonds		Interest Rate	Total
Year ending June 30	Principal	Interest	Swaps, Net	Debt Service
2009	$	400	874	1,274
2010		400	874	1,274
2011		400	874	1,274
2012		400	874	1,274
2013		400	874	1,274
2014 - 2018		1,999	4,370	6,369
2019 - 2023	30,285	1,033	2,259	33,577
	$ 30,285	5,032	10,999	46,316

	Pension Obligation Bonds 1995 Series B & C Variable-Rate		Interest Rate	
Year ending June 30	Principal	Interest	Swaps, Net	Total
2009	$	3,685	7,953	11,638
2010		3,685	7,953	11,638
2011		3,685	7,953	11,638
2012		3,685	7,953	11,638
2013		3,685	7,953	11,638
2014 - 2018		18,425	39,765	58,190
2044 - 2048	67,000	17,503	37,776	122,279
2049 - 2053	67,000	2,763	9,942	79,705
	$ 134,000	57,116	127,248	318,364

	Pension Obligation Bonds 2004 Series C-1 Variable-Rate		Interest Rate	
Year ending June 30	Principal	Interest	Swaps, Net	Total
2009	$ 400	13,558	12,305	26,263
2010	750	13,543	12,291	26,584
2011	1,950	13,515	12,266	27,731
2012	1,450	13,441	12,199	27,090
2013	4,600	13,387	12,149	30,136
2014 - 2018	21,200	64,763	58,776	144,739
2019 - 2023	62,175	58,252	52,867	173,294
2024 - 2028	134,740	41,524	61,619	237,883
2029 - 2033	131,900	9,349	9,359	150,608
	$ 359,165	241,332	243,831	844,328

Business-type Activities:

Revenue, PFC and Subordinated Revenue Bonds:

On June 12, 2003, Sacramento County Water Financing Authority issued $23,850 of 2003 serial 2003 series and $26,945 of term series 2003 Revenue bonds. The interest rates on the serial bonds range from 2.0 percent to 5.0 percent, the term series bonds interest rate are 4.75 percent and 5.0 percent. The maturity dates on the serial bonds range from June 1, 2005 to June 1, 2023; the maturity on the term bonds range from June 1, 2028 and June 1, 2034. $ 5,310

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. $43,205 was advance refunding of a portion of the 2003 series bonds. The interest rates on the 2007A bonds range from 3.75% to 5.0%. The variable interest rates on the 2007B bonds range from 2.347% - 2.367% and 4.138% - 4.158% at June 30, 200/8 and 2007, respectively. Net proceeds of $44,285 (after payment of $368 for underwriting fees, insurance, and issuance costs, plus $478 in premium and an additional $970 from restricted accounts related to the 2003 and 2007 Revenue Bonds) were used to purchase securities and were deposited in an irrevocable trust with an escrow agent to provide for a portion of future debt service payments on $41,740 of the 2003 Revenue Bonds. As a result, these bonds are considered to be defeased and the liability for the bonds has been removed from the long-term debt. The defeased 2003 Revenue Bonds outstanding at June 30, 2008, was $41,740. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of debt of $1,455. This difference is reported in the accompanying financial statements as a deduction from revenue bonds payable and is being charged to operations through the year 2034. The purpose of this issue was to refund a portion of the 2003 bonds and to finance or reimburse the costs of acquisition and construction of certain additions, betterments, and improvements to the Agency's Water System. This advance refunding was undertaken to reduce the total debt service payments over the next 27 years by $3,467 and resulted in an economic gain of $2,050. Debt service payments are funded with Water Development Fees and Water Service Fees. Concurrently with the sale of the Series 2007 bonds, the agency entered into the Series 2007B Swap. See Note 11 – Derivatives – Interest Rate Swap. 413,420

On May 1, 2008, The County issued $496,195 of Airport System Senior Revenue Bonds, Series A, B and C, and $89,430 of Airport System Subordinate and PFC Revenue Refunding Bonds, Series D and E. Series 2008A fully refunded Series 1992B Bonds, Series 1998A Bonds and advance refunded Series 2002A Bonds. Series 2008A also provided $56.5 million to finance a portion of the costs of Terminal Modernization Program at Sacramento International Airport. Interest rates ranging from 4.85% to 5.0%, due fiscal years 2028-2041 Series 2008B refunded 45.4% of the Series 2006A Bonds as well as providing $266.5 million to finance a portion of the costs of Terminal Modernization Program at Sacramento International Airport. Interest rates ranging from 4.25% to 5.75%, due in fiscal years 2013-2039. Series 2008C advance refunded Series 2002B Bonds. Interest rate is 5.2% and due in fiscal year 2012. Series 2008D fully refunded Series 1998B Bonds. Interest rate is 5.0% and due in fiscal year 2026. Series 2008E fully refunded 54.6% of the Series 2006A Bonds. Interest rates ranging from 4.25% to 5.75%, due in fiscal years 2013-2024. The reacquisition price exceeded the net carrying amount of the old debt by $15,225. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is

shorter than the life of the new debt issued. This current and advance refunding was undertaken in part to adopt a new Master Bond Indenture that was approved by the County of Sacramento Board of Supervisors. This refunding and advance refunding was undertaken to reduce the total debt service payments over the next 25 years by $25,014 and resulted in an economic gain of $11,106. The Series A, B and C Bonds are payable, and secured by, future Net Revenues of the Airport. The Series D and E Bonds are payable and secured by a pledge of the net proceeds of the PFC imposed by the Airport System. The bonds are additionally payable from, and secured by, the net revenues of the Airport System subordinate and junior to the lien of the Series 2008 A, B and C Bonds, and any additional parity revenue bonds that may be issued in the future. 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 System prior to their respective maturity dates. The bonds are redeemable based on the following terms and the redemption may occur from any source other than the Bonds Sinking Fund Account.
Series 2008 A,B,D,E maturing after June 30, 2019, Prices decreasing from 100% in FY 20 at 100% and thereafter.
Series 2008 C, maturing after June 30, 2012, are not subject to optional redemption.

Revenue Bonds	$	496,195
PFC & Subordinated revenue bonds		
Total Revenue Bonds		914,925
Total PFC & Subordinated revenue bonds		~~89,430~~ 1,004,355
Add: deferred amount for issuance premiums		89,430 16,537
Less: deferred amount for issuance discounts		(2,882)
Less: deferred amount on refunding		(25,863)
	$	992,147

Certificates of Participation:

On July 19, 2005, Sacramento County Department of Waste Management & Recycling issued the 2005 Refunding Revenue Certificates of Participation totaling $27,580, with interest rates ranging from 3.0 percent to 5.0 percent. Proceeds from this were used to (i) establish irrevocable escrow funds to refund in full the $15,865 of County of Sacramento Certificates of Participation 1997 Public Facilities Project (Solid Waste Facilities); $8,800 of County of Sacramento Certificates of Participation 1998 Public Facilities Project (Gas to Energy Facilities); and $4,795 of County of Sacramento Certificates of Participation 2002 Public Facilities Project (Solid Waste Facilities); (ii) pay the costs of the bond insurance premium and (iii) purchase a Reserve Fund Surety Bond in the amount of the reserve fund requirement.

As a result, the County of Sacramento Certificates of Participation 1997 Public Facilities Project, the County of Sacramento Certificates of Participation 1998 Public Facilities Project and the County of Sacramento Certificates of Participation 2002 Public Facilities Project are considered to be defeased and the liability for those Certificates of Participation have been removed from the Fund's financial statements. At June 30, 2008, $10,720 of bonds were legally defeased and remain outstanding. 23,715

County of Sacramento, 1999 Refunding Certificate of Participation (1991 Refunding Certificates of Participation, Series A for Parking Enterprise) issued December 14, 1999, to advance refund and defease $7,545 of outstanding debt for County of Sacramento 1991 Refunding Certificates of Participation, Series A for Parking Enterprise. Principal payments are due July 15, 2005, through the year 2012, escalating from $535 to $695, with interest rates ranging from 4.0 percent to 5.1 percent. The County advance refunded Series 1991 Refunding Certificates of Participation, Series A for Parking Enterprise.

Total certificates of participation		26,900
Less: deferred amounts for refunding		(2,091)
Add: deferred amounts for issuance premium	3,185	492
	$	25,301

Reimbursement agreements:

The Sacramento County Water Agency enters into various reimbursement agreements with developers for construction of water supply facilities within the Agency's jurisdiction. Impact fees are established within the zone to pay for the construction of new water supply facilities. A reimbursement agreement is established when the amount of impact fees applied to the water supply facilities exceed the amount of the fees due to the contractors for performing the service of construction for the water supply facilities. Total reimbursement agreements. $ 92

Usage fee – City:

The Water Agency 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 long-term obligation will be repaid over a ten-year period ending fiscal year 2008-09. $ 561

Water rights – SMUD assignment:

The Water Agency has entered into an agreement with Sacramento Municipal Utilities District (SMUD) which provides for the assignment of thirty thousand acre feet of SMUD's CVP water supply to the Water Agency. Under this contract the Water Agency has agreed to pay the United States certain costs that are allocated to the assigned contract amount. At June 30, 2008 the principal balance remaining of the agreement is approximately $4 million. Under the terms of the agreement, the Water Agency will pay approximately $2 million at such time the Water Agency takes delivery of the assigned water, or at such time as the Vineyard Surface Water Treatment Plant becomes operational or October 1, 2011, whichever event occurs first. The remainder due will be paid over ten years beginning on October 1 in the calendar year after payment of the $2 million. $ 4,000

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, 2008.

	Revenue Bonds and PFC Revenue Bonds		COP		Usage Fee - City	
Year ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 5,960	38,166	1,895	1,069	561	36
2010	17,685	47,576	1,960	997		
2011	19,325	46,777	2,040	917		
2012	20,570	45,974	2,120	834		
2013	21,205	45,205	2,205	749		
2014 - 2018	98,800	213,079	8,450	2,747		
2019 - 2023	118,940	187,562	8,230	726		
2024 - 2028	146,375	154,989				
2029 - 2033	189,475	114,207				
2034 - 2038	225,635	64,924				
2039 - 2043	140,385	12,899				
	$ 1,004,355	971,358	26,900	8,039	561	36

Swap Payments and Associated Debt: Using the rates as of June 30, 2008 debt service requirements of the variable rate debt and the net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

	Water Enterprise Series 2007B Revenue Bonds		Interest Rate	
Year ending June 30	Principal	Interest	Swaps, Net	Total
2009	$	5,392	4,208	9,600
2010		5,393	4,234	9,627
2011		5,393	4,234	9,627
2012		5,392	4,234	9,626
2013		5,392	4,288	9,680
2014 - 2018		26,962	21,118	48,080
2019 - 2023	1,905	26,962	21,171	50,038
2024 - 2028	15,120	26,253	20,614	61,987
2029 - 2033	91,315	20,854	16,372	128,541
2034 - 2038	98,905	9,630	7,547	116,082
2039 - 2043	21,675	513	402	22,590
	$ 228,920	138,136	108,422	475,478

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 2007-08.

Maturities for capital lease obligations are disclosed in Note 8. Debt service requirements for compensated absences have not been disclosed, as this information cannot be predicted.

At June 30, 2008 the County's debt limit for general obligation bonds and legal debt margin was $1,691,763.

NOTE 11 – DERIVATIVES - INTEREST RATE SWAP

1990 Certificates of Participation (COP)

Objective of the interest rate swap: As a means to stabilize its variable rate borrowing costs during a historically low fixed-rate interest environment, the County entered into an interest rate swap in connection with its $105,750 1990 Certificates of Participation with Bank of America. The intention of the swap was to effectively change the County's variable interest rate on the certificates to a synthetic fixed rate of 4.534%.

Terms: The certificates and the related swap agreement mature on June 1, 2020, and the swap's original notional amount of $89,950 matched the $89,950 variable-rate certificates. The swap's current notional amount is $ 71,025. During January 1, 2007 through January 1, 2020, the counterparty has the option of ending the swap arrangement and no payments will be made to either party on the fixed and variable rate payment dates, nor will there be a termination payment. If the counterparty exercises this option, it will not constitute an early termination. The swap was entered into on October 9, 2002, with an effective date of January 2, 2003. Starting in fiscal year 2003-04, the notional value of the swap and the principal amount of the associated debt began to decline. Under the swap, the County pays the counterparty a fixed payment of 4.534% and receives a variable payment computed as 67% of the 1-month London Interbank Offered Rate (LIBOR). The certificates' variable rate payments are based on the Weekly Rate provided by Lehman Brothers, the remarketing agent.

Fair value*:* The swap had a negative fair value of $8,212 at June 30, 2008. The fair value was 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 swap. Because the payments on the County's variable-rate certificates adjust to changing interest rates, the certificates do not have a corresponding fair value increase.

Credit risk*:* As of June 30, 2008, the County was not exposed to credit risk resulting from a failure of the counterparty to perform because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. The swap counterparty was rated AA by Fitch Ratings, AA by Standard & Poor's and Aa2 by Moody's Investors Services as of June 30, 2008.

Basis risk*:* The swap exposes the County to basis risk. The basis risk is the difference between the Weekly Rate paid on the variable rate bonds and the floating amount received from the interest rate swap of 67% of 1-Month LIBOR. The Weekly Rate was 1.32% whereas the reset of 1-Month LIBOR was 1.645%, a difference of 0.325%. As of June 30, 2008, the effect of this difference decreases the intended synthetic fixed rate of 4.534% to a rate of 4.209%.

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 certificates 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.

One-time premium: As part of the swap agreement, the County received a one-time premium payment equal to the negative value of the swap agreement on January 2, 2003, totaling $11,300 from the counterparty. The County has recorded this amount in the County's Statement of Net Assets as deferred revenue to be amortized over the term of the agreement.

1995 B&C Pension Obligation Bonds

Objective of the interest rate swap*:* As a means to stabilize its variable rate borrowing costs, the County entered into an interest rate swap in connection with its $134,000 County of Sacramento Taxable Pension Funding Bonds, Series 1995 Series B and C Variable Rate Bonds with Lehman Bros. The intention of the swap was to effectively change the County's variable interest rate on the bonds to a synthetic fixed rate of 5.935%.

Terms: The bonds and the related swap agreement mature on July 1, 2022, and the swap's original notional amount of $134 million matched the $134 million variable-rate bonds. The swap originated on July 1, 1998 with a termination date of July 1, 2002, and the option for the counterparty to extend the agreement at the same original synthetic fixed rate of 5.935%.

On April 5, 2000, the swap arrangement with the original counterparty was transferred to another counterparty, who also served as the remarketing agent for the variable rate bonds, with a new option for the counterparty to extend the term from June 30, 2002 to June 30, 2009. On July 1, 2002, the counterparty executed its option to extend to June 30, 2009, with the same original synthetic fixed rate of 5.935%.

On June 18, 2003, effective June 23, 2003, the County sold the counterparty an option to terminate the swap on any June 30 or December 30 from June 30, 2009 to December 30, 2014. The County received a one-time premium of $8,100 for the option. If the counterparty exercises this option, it will not constitute an early termination.

Starting in fiscal year 2019-20, the notional value of the swap and the principal amount of the associated debt begin to decline. Under the swap, the County pays the counterparty a fixed payment of 5.935% and receives a variable payment equal to the rate of interest (Weekly Rate) determined by the counterparty. The bonds' variable rate payments are based on the Weekly Rate provided by the remarketing agent.

Fair value: The swap had a negative fair value of $22,061 at June 30, 2008. The fair value was 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 swap. Because the payments on the County's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase.

Credit risk: As of June 30, 2008, the County was not exposed to credit risk resulting from a failure of the counterparty to perform because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to the credit risk of the counterparty in the amount of the derivative's fair value. In that event, because of the counterparty's current credit ratings, the counterparty is required to deliver collateral to the County. The swap counterparty was rated A+ by Fitch Ratings, A by Standard & Poor's and A1 by Moody's Investors Services as of June 30, 2008.

Basis risk: There is no effect of the difference in basis risk. The basis risk is the difference between the Weekly Rate paid on the variable rate bonds and the floating amount received from the interest rate swap. The Weekly Rate was 2.75%, whereas the weekly reset was the same of 2.75% as of June 30, 2008. The intended synthetic fixed rate is 5.9375%.

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.

One-time premium: As part of the extended terms negotiated on June 23, 2004, the County received a one-time premium payment equal to the negative value of the swap agreement totaling $8,100 from the counterparty. The County has recorded this amount in the County's Statement of Net Assets as deferred revenue to be amortized over the term of the agreement.

Taxable Pension Funding Bonds – 2004C-1 Swap

Objective of the interest rate swap: On July 21, 2004, for effective date July 10, 2006, the County entered into a swap agreement with Merrill Lynch Capital Services, Inc. in connection with the Series C-1 variable rate portion of the Taxable Pension Funding Bonds, Series 2004 C-1, C-2, and C-3 totaling $426,131. The County did not wish to take the interest rate risk associated with the Series C-1 variable rate bonds and also needed a payment of accrued interest established, since the C-1 bonds were structured to pay its initial variable rate on July 10, 2006, two years after issuance date. In order to protect exposure against higher interest rates in 2006, the County executed a swap agreement with Merrill. The County will pay a fixed rate of 5.901% to Merrill and Merrill will pay a variable rate of the 1-month LIBOR to the County.

Terms: The bonds and the related swap agreement mature on July 10, 2030 and June 10, 2030, respectively. The swap's original notional amount of $347,675 matched the $347,675 accreted value on the variable-rate bonds. The swap was entered into on July 21, 2004, with an effective date of July 10, 2006. Under the swap, the County pays the counterparty a fixed payment of 5.901% and receives a variable payment computed on the 1-Month LIBOR.

On April 4, 2008, the bonds were refunded for $359,165 ($179,850 with a 2026 Term and $179,315 with a 2030 Term, respectively).The refunded bonds' variable rate payments are based on a fixed spread on the 1-Month LIBOR. For the 2026 Term bonds, the rate was 3.775% and for the 2030 Term bonds the rate was 3.925%, as of June 30, 2008.

Fair value: The swap has a negative fair value of $43,087 at June 30, 2008. The fair value was 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 swap. Because the payments on the County's variable-rate certificates adjust to changing interest rates, the bonds do not have a corresponding fair value increase.

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 A by Standard & Poor's and A1 by Moody's Investors Services.

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, the basis risk became fixed. The basis risk for the 2026 Term bonds is 1.30% and for the 2030 Term bonds is 1.45%.

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.

Airports System Revenue Bonds Series 1996A Swap (Refunding to Series 2006 A-1 and A-2)
The 2004 Interest Rate Swap was terminated on April 17, 2008 with a payment made to Morgan Stanley on May 1, 2008 for $5,150.

Water Agency Revenue Bonds, Series 2007B Swap
Objective of the interest rate swap: On April 26, 2007, for effective date May 9, 2007, the Sacramento County Water Agency (SCWA) entered into two swap agreements with Bear Stearns Financial Products Inc. in connection with the Series 2007B variable rate portion of the Revenue Bonds Zone 40 and 41 2007 Water System Project totaling $228,920 ($128,965 for 2034 Term and $99,955 for 2039 Term). The SCWA did not wish to take the interest rate risk associated with the variable rate bonds. In order to protect exposure against higher interest rates in the future, the SCWA executed two swap agreements with Bear Stearns.

Terms: The bonds and the related swap agreement mature on June 1, 2034 and 2039, and the swap's original notional amount of $128,965 for the 2034 term and $99,955 for the 2039 term matched the $228,920 accreted value on the variable-rate bonds. The swap's current notional amount is $228,920. The swap was entered into on April 26, 2007, with an effective date of May 9, 2007. For the 2034 Term swap, the SCWA will pay a fixed rate of 4.193% to Bear Stearns and Bear Stearns will pay a variable rate of the lesser of 67% of USD-LIBOR-BBA plus .55 bps or 12% to the SCWA. For the 2039 Term swap, the SCWA will pay a fixed rate of 4.221% to Bear Stearns and Bear Stearns will pay a variable rate of the lesser of 67% of USD-LIBOR-BBA plus .57 bps or 12% to the SCWA.

Fair Value: The 2034 Term swap has a negative fair value of $8,296 and the 2039 Term swap has a negative fair value of $7,179 at June 30, 2008. The fair value was 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 swap. Because the payments on the Agency's variable-rate certificates adjust to changing interest rates, the bonds do not have a corresponding fair value increase.

Credit Risk: The SCWA is not exposed to credit risk resulting from a failure of the counterparty to perform because the swap's negative fair value. If the swap had positive fair value greater than $10 million, the Water Agency would be exposed to credit risk from the counterparty. The swap counterparty was rated AA- by Standard & Poor's and Aa2 by Moody's Investors Services.

Basis risk: The swaps are not exposed to basis risk since there is no difference between the rate paid on the variable rate bonds and the floating amount received from the interest rate swap.

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

NOTE 12 - SPECIAL ASSESSMENT DEBT AND RELATED ACTIVITIES

At June 30, 2008, special assessment improvement bonds outstanding for all assessment districts totaled $193,539. Since the County is not obligated in any manner for special assessment bonds, the debt is not recorded in these financial statements. However, construction of special assessment projects and the related debt obligation proceeds are accounted for in the Capital Projects Funds. Since the County acts as an agent for the property owners in collecting assessments and forwarding such funds to the bondholders, this activity is reported in the Agency Funds.

The Laguna Stonelake Community Facilities District No. 1 (District) has been authorized to issue $20,000 of Special Tax Bonds. On October 14, 1999 the District issued $13,025. On May 12, 2005 the District issued the $11,525 series 2005 Special Tax Refunding Bonds with interest rates ranging from 2.75% to 4.50%, the proceeds of which were used to defease the outstanding 1999 Bonds with an average interest rate of 6.30%. The 2005 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1999 bonds in original aggregate principal amount of $13,025 are the only bonds that have been issued under such authorization. Thus, at June 30, 2008, $6,975 of authorized bonds remains un-issued. At June 30, 2008, the outstanding balance was $10,665.

The McClellan Park Community Facilities District No. 2004-1 (District) has been authorized to issue $90,000 of Special Tax Bonds. On September 28, 2004 the District issued $10,250 of Special Tax Bonds with interest rates ranging from 3.00% to 6.00%. These bonds constitute the entire bonded indebtedness. Thus, at June 30, 2008, $79,750 of authorized bonds remains un-issued. At June 30, 2008, the outstanding balance was $10,180.

The Laguna Creek ranch/Elliott Ranch Community Facilities District No. 1 (District) has been authorized to issue a total of $63,500 of Special Tax Bonds for both Improvement Areas No. 1 and No. 2 by Board of Supervisors Resolution No. 90-1497 dated August 28, 1990 with $37,500 being the authorized bonded indebtedness for Improvement Area No. 1 and $26,000 being the authorized bonded indebtedness for Improvement Area No. 2. On August 13, 1997 the District issued $21,415 of 1997 Refunding Bonds for Improvement Area No.2 the proceeds of which were used to defease the outstanding 1990 Bonds. On December 30, 1997 the District issued $31,980 of 1997 Refunding Bonds for Improvement Area No. 1, the proceeds of which were used to defease the outstanding 1990 Bonds. The 1997 refunding bonds constitute the entire bonded indebtedness of the District. The defeased 1990 bonds in original aggregate principal amount of $34,000 for Improvement Area No. 1 and $24,155 for Improvement Area No 2 are the only bonds that have been issued under such authorization. Thus, at June 30, 2008, $3,500 of authorized Improvement Area No. 1 bonds and $1,845 of authorized Improvement Area No. 2 bonds remain un-issued. As of June 30, 2008 the outstanding balance was $22,310 for Improvement Area No. 1 and $15,730 for Improvement Area No. 2.

The Metro Air Park Community Facilities District No. 1998-1 (District) has been authorized to issue $7,250 of Special Tax Bonds. On December 30, 1998 the District issued $5,310 of Special Tax Bonds with an interest rate of 7.00%. These bonds constitute the entire bonded indebtedness as of June 30, 2008. Thus as of June 30, 2008, $1,940 of authorized bonds remains un-issued. The outstanding balance at June 30, 2008 was $4,285.

The Metro Air Park Community Facilities District 2000-1 (District) has been authorized to issue $200,000 of Special Tax Bonds. On April 8, 2004 the District issued $63,460 Series 2004A Special Tax Bonds with an interest rate of 7.00%. On December 14, 2007 the District issued $40,200 Series 2007B Special Tax Bonds with an interest rate of 7.00%. The Series 2004A & the Series 2007B bonds, a total of $103,660, constitute the entire bonded indebtedness as of June 30, 2008. Thus as of June 30, 2008, $96,340 of authorized bonds remains un-issued. The outstanding balance at June 30, 2008 for the 2004A bonds was $61,955 and for the 2007B bonds was $40,200.

The County of Sacramento Community Facilities District No. 2005-2 (North Vineyard Station No. 1) (District) has been authorized to issue $30,000 of Special Tax Bonds. On September 6, 2007 the District issued $14,415 of Special Tax Bonds with interest rates ranging from 4.40% to 6.00%. These bonds constitute the entire bonded indebtedness. Thus, at June 30, 2008, $15,585 of authorized bonds remains un-issued. At June 30, 2008, the outstanding balance was $14,415.

The Park Meadows Community Facilities District No. 1 (District) has been authorized to issue $1,200 of Special Tax Bonds. On June 28, 2000 the District issued Current Interest Bonds in the amount of $230 at the interest rate of 7.75%, and Convertible Capital Appreciation Bonds in the original principal amount of $892 at the interest rate of 8.25%. These bonds constitute the entire bonded indebtedness as of June 30, 2008. At June 30, 2008, the outstanding balance was $871.

Sunrise Recreation and Park District (District) issued $7,435 of Certificates of Participation bonds on July 12, 2007 for a portion of the District's cost of recreation and park construction at or near the Antelope Community Park. Interest rates for this range from 3.95% to 4.50%. At June 30, 2008, the outstanding balance was $7,435.

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

1911 Bond Series 1989-01, Street Improvement Bonds, issued July 24, 1989 for $654, with an interest rate of 7.80%. At June 30, 2008 the outstanding balance was $1.

1911 Bond Series CSD-110, Sewer Improvement Bonds, issued December 14, 1993 for $191 with an interest rate of 7.00%. At June 30, 2008, the outstanding balance was $13.

1915 Act Bonds for Sunrise/Cordova 98 refunding issued July 21, 1998 for $22,685, with an interest rate of 5.40%. At June 30, 2008 the outstanding balance was $4,685.

1915 Act Bonds for Hampton Village A.D. issued April 11, 1995 for $2,283, with an interest rate of 6.90%. At June 30, 2008, the outstanding balance was $490.

1915 Act Bonds for Bradshaw / U.S. 50 Corridor A.D. issued August 10, 1995 for $2,301 with an interest rate of 7.20%. At June 30, 2008, the outstanding balance was $1,175.

NOTE 13 – PLEDGE OF DELINQUENT PROPERTY TAX REVENUES

The County has pledged a portion of delinquent property tax revenues to re-pay $51,335 in Teeter notes in accordance with the alternative method of distribution of property tax levies and assessments. The notes were issued on September 20, 2002; September 16, 2003; September 14, 2004; October 4, 2005; October 17, 2006 and November 27, 2007. 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 $51,335 and interest of $4,002 remain on the notes and are payable through August 1, 2012. For the current year, total principal and interest paid was $46,403 and $1,717 respectively.

NOTE 14 - INTEREST COSTS

The County's total interest costs relating to outstanding debt excluding interest costs on interfund advances (see Note 7) for the year ended June 30, 2008, is as follows:

Debt service funds	$ 87,098	Total interest capitalized	$ 3,787
Enterprise funds	34,778		
Internal service funds	1,519	Total interest charged to expense/expenditures	119,608
	$ 123,395		$ 123,395

During fiscal year 2007-08, interest costs of $3,787 relating to bonds issued for the construction of projects were capitalized for enterprise funds.

NOTE 15 - COMMITMENTS

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

Governmental Funds – The County's governmental funds has entered into contracts for the construction of certain projects totaling $210,737 at June 30, 2008.

Airport – Airport Systems had approximately $11,089 in outstanding construction contract commitments at June 30, 2008.

Solid Waste Enterprise Fund - Waste Management and Recycling Department has entered into equipment and construction agreements totaling $15,046 at June 30, 2008.

Water Agency – The Agency has entered into contracts for the construction of certain projects totaling $247,240 at June 30, 2008

NOTE 16 - CLOSURE AND POSTCLOSURE CARE COST

The County uses GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs". This statement is based on state and federal laws and regulations that place specific requirements on the County regarding closure and postclosure maintenance and monitoring functions for the Waste Management and Recycling Department for 30 years after closure.

Waste Management and Recycling Department reported closure and postclosure care liabilities at June 30, 2008, as follows:

Solid Waste (Enterprise Fund)	$ 14,654

Waste Management and Recycling Department will recognize Kiefer landfill costs of $28,736 as the remaining capacity in the landfill is used in future years. Waste Management and Recycling Department included Kiefer landfill postclosure care liabilities at June 30, 2008, of $11,364 and at June 30, 2007, of $11,322 for a change in liability of $42. At June 30, 2008, the capacity of the landfill used to date was 28% and the estimated remaining landfill life is 65 years.

Waste Management and Recycling Department included Elk Grove landfill postclosure care liabilities at June 30, 2008, of $3,044 and at June 30, 2007, of $3,162 for a change in liability of $118. The landfill is 100 percent full and the postclosure 30-year liability period runs through June 2024. At June 30, 2008, the reported liabilities represent postclosure costs for the remaining 16 years.

The fund reported Grand Island Landfill postclosure care liabilities at June 30, 2008 of $472 and at June 30, 2007, of $483 for a change in liability of $11. The landfill is 100% full and the postclosure 30-year liability period runs through June 2029. At June 30, 2008 the reported liabilities represent postclosure costs for the remaining 21 years.

These future closure and postclosure costs are based on what it would cost to perform all closure and postclosure care in 2008. Actual costs may be higher due to inflation, changes in technology, and/or changes in regulations.

The County is required by state and federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. For Waste Management and Recycling Department, management has accumulated sufficient assets to finance Kiefer Landfill closure costs as required by applicable laws at June 30, 2008 and 2007. The Board of Supervisors has approved pledges of revenues to provide financial assurance for the postclosure maintenance costs of both the Kiefer and Elk Grove Landfills. The Board of Supervisors will be asked to approve a pledge of revenues to provide financial assurance for the postclosure maintenance costs of the Grand Island Landfill in fiscal year ending June 30, 2008. Management expects that any increase to future closure and postclosure costs will be paid from charges to future users.

NOTE 17 - RETIREMENT PLAN

All County full-time and part-time employees participate in the Sacramento County Employees' Retirement System ("SCERS" or the "System"), a multiple-employer, cost-sharing, public employee retirement system. For purposes of County financial statements, SCERS is considered a sole employer plan because the County's contributions substantially make up the total contributions of the plan. Membership in the System primarily consists of employees of the County. The System provides retirement, disability, and death benefits based on the employee's years of service, age and average final compensation. Employees vest after 5 years of service and may receive retirement benefits at age 50. A summary of System membership at June 30, 2008 is available on the System's web site at www.scers.org. The System's Comprehensive Annual Financial Report, including a separate audit of the financial statements for the fiscal year ended June 30, 2008, is available on the System's web site or can be obtained by contacting the County's Department of Finance.

Funding Policy

Contributions to the plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. The System's funding policy provides for periodic contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Members of the System are required to contribute between 1.79% and 14.44% of their annual covered salary. The County is obligated by state law to make all required contributions to the plan, ranging from 12.91% to 37.23% of covered payroll. The required contributions include current service cost and amortization of prior service cost over a 30-year closed amortization period with 25 years remaining as of June 30, 2008. Employer contribution rates are determined using the entry age normal funding method based on a level percentage of payroll. The System also uses this actuarial method to amortize the unfunded liability, if applicable.

Contributions for the year ending June 30, 2008 totaled $188,787. Included in this total are employer contributions of $148,163 and member contributions of $40,624. All contributions were made in accordance with actuarially determined contribution requirements based on the actuarial valuation performed at June 30, 2008.

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

The County's annual pension cost and required and actual contributions were determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 3.50 % annual general inflation, (b) 7.75% investment rate of return (net of administrative expenses), and (c) Projected salary increases of 4.95% to 11.55% for miscellaneous; 3.75% to 9.65% for safety (includes inflation at 3.4%, plus real across the board salary increase of 0.25% plus merit and longevity increases). The actuarial value of SCERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period (smoothed fair value). SCERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years, with 25 years remaining on a closed basis. The County's annual pension cost and pension assets for the year ended June 30, 2008, were as follows:

Annual required contribution	$ 148,163
Interest on beginning net pension asset	(79,532)
Adjustment to the annual required contribution	77,136
Annual pension cost	145,767
Contributions made	148,163
Increase in net pension asset	2,396
Net pension asset, beginning of year	1,035,173
Net pension asset, end of year	$ 1,037,569

Three-year trend information:

Fiscal year Ended	Annual Pension Cost (APC)	Contribution	Percentage Of APC Contributed	Net Pension Asset
6/30/06	119,172	127,109	107%	1,029,831
6/30/07	140,089	145,432	104%	1,035,174
6/30/08	145,768	148,163	102%	1,037,568

Funding Status and Progress
As of June 30, 2008, the most recent actuarial valuation date, the plan was 93.2 percent funded. The actuarial accrued liability for benefits was $6,363,355, and the actuarial value of assets was $5,930,758, resulting in an unfunded actuarial accrued liability (UAAL) of $432,597. The covered payroll (annual payroll of active employees covered by the plan) was $902,971 and the ratio of the UAAL to the covered payroll was 47.9 percent.

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

NOTE 18 – POST EMPLOYMENT HEALTH CARE BENEFITS
Plan Description The County provides medical insurance and dental insurance, and subsidy/offset payments as authorized by the Board of Supervisors on an annual basis. The Board of Supervisors must approve the benefit annually or it is terminated

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

Annuitants who retired for any reason on or before May 31, 2007 are eligible to receive a County-paid medical or dental insurance subsidy/offset payment during calendar year 2008. Annuitants who retire after May 31, 2008 are not entitled to any subsidy/offset payments.

The amount of any medical subsidy/offset payments made available to annuitants (who retire on or before May 31, 2008) shall be calculated based upon the annuitant's SCERS service credit. The amount of any dental subsidy/offset payments made available to annuitants shall be set by the Board of Supervisors.

Neither Sacramento County Employees Retirement System (SCERS) nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership.

The amount of subsidy/offset payment, if any, payable on account of enrollment in a county sponsored retiree medical and/or dental insurance plan shall be established within the sole discretion of the Board of Supervisors. For the calendar year 2008, the amount of the subsidy/off set payments is as follows:

Years of SCERS service credit	Amount of subsidy/offset payment
Less than 10 years	$122
10 years but less than 15 years	152
15 years but less than 20 years	182
20 years but less than 25 years	212
25 years or more	244
Dental Coverage	100% of the retiree-only premium*

*The actual premium rate for the retiree dental plan is approved by the Board of Supervisors in conjunction with the approval of all other retiree health plans on an annual basis. The dental subsidy/offset payment by the County for the calendar year 2008 was $25.00 per month.

Approximately four thousand six hundred employees meet the eligibility requirement and receive the insurance subsidy as of June 30, 2008.

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	$ 18,871
Interest on beginning net pension asset	0
Adjustment to the annual required contribution	0
Annual OPEB cost	18,871
Contributions made	14,276
Increase in OPEB obligation	4,595
Net OPEB Obligation, beginning of year	0
Net OPEB Obligation, end of year	$ 4,595
Covered payroll (active plan members)	$ 810,248
UAAL as a percentage of covered payroll	30.3 %

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2008 were as follows:

Fiscal year Ended	Annual OPEB Cost	Contribution	Percentage Of OPEB Cost Contributed	Net OPEB Obligation
6/30/08	$ 18,871	$ 14,276	76%	$ 4,595

Funding Status and Progress

As of June 30, 2007, the most recent actuarial valuation date the plan was 0% funded. The actuarial accrued liability was $245,592 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $245,592. The schedule of funding progress is presented as RSI following the notes to the financial statements.

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. Because this is the first valuation under GASB 45, there is no historical information provided in the Schedule of Funding Progress. The Schedule will, in subsequent fiscal years, present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

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

In the June 30, 2007, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 4.5% discount rate and a medical trend rate of 9% for fiscal year 2007-2008, reduced by decrements of 0.5 % each year to an ultimate rate of 5%. The UAAL is being amortized as a closed level dollar amount. The remaining amortization period at June 30, 2007 was 30 years.

Additional Disclosure:
The County implemented GASB Statement 45 prospectively for the fiscal year ended June 30, 2008.

NOTE 19 - SELF-INSURANCE

The County self-insures for property damage, general liability, workers' compensation, unemployment, and dental insurance claims. Self-insurance programs are accounted for in internal service funds, and interfund premium charges are treated as interfund services. Interfund premiums are based primarily upon the insured funds' claims experience and are adjusted for any excess or deficit net assets within the self-insurance funds. At June 30, 2008, governmental and proprietary funds owed premium charges to the Liability/Property, Workers' Compensation, and Other Self- Insurance funds. It is the County's policy to fund the governmental funds' liability for premium charges by making provisions in budgets of succeeding years. The self-insurance internal service funds recognize revenue and the owing funds expense/expenditure when the owing funds make payment to 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.

Reconciliation of Claims Liabilities

	Liability/Property		Worker's Compensation		Dental & Unemployment	
	2008	2007	2008	2007	2008	2007
Unpaid claims and claim adjustment expenses at beginning of the fiscal year						
Current portion	$ 12,097	12,062		23,690		
Noncurrent	23,527	22,942	23,277	82,644		
Total beginning balance	35,624	35,004	80,763	106,334		
			104,040			
Incurred claims and claim adjustment expenses:						
Provision for insured events for current year	9,734	9,461		23,185	1,291	1,147
Increase (decrease) in provision for insured events of prior fiscal years	1,757	7,080	20,748	(4,927)		
Total incurred claims and claim adjustment expenses	11,491	16,541	17,997	18,258	1,291	
			38,745			1,147
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	730	710		2,829	1,291	1,147
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	13,077	15,211	2,863	17,723		
Total payments	13,807	15,921	27,406	20,552	1,291	
			30,269			1,147
Total unpaid claims and claim adjustment expenses at end of the fiscal year June 30, 2007.	$ 33,308	35,624	112,516	104,040		
Current portion of unpaid claims and claim adjustments	$ 11,100	12,097		23,277		
Non current portion of unpaid claims and claim adjustments	22,208	23,527	24,821	80,763		
			87,695			
Total current and non current unpaid claims and claim adjustment expenses at end of the fiscal year.	$ 33,308	35,624	112,516	104,040		

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

Coverage	Amount	Deductible Provision	
Airport Liability & Hanger keepers	$ 500,000	$25	Each occurrence
Property Program:			
Property Insurance (All Risk)	2,291,000 *	50	Each occurrence
Flood	2,291,000 *	2% / 100 minimum	Per Building / Each occurrence
Earthquake (EQ)	25,000 *	5% / 100 minimum	Per building / Each occurrence
Sheriff Vehicle Physical Damage	26,441 *	10	Each occurrence
Boiler/Machinery	100,000	5 (25 at Water Treatment Plant locations)	Each occurrence
Crime:			
Faithful Performance	10,000	25	Each occurrence
Employee Dishonesty	10,000	25	Each occurrence
Forgery/Money/Computer Fraud	10,000	25	Each occurrence
Sheriff's Helicopters/Airplanes			
Liability	25,000	None	Not applicable
Hull (Physical Damage)	7,841	Various	2.5% In-motion / $1 not-in-motion
Fiduciary Retirement Liability	10,000	50	Each claim
General Liability (Excess)	25,000	2,000	Self-insured retention
Pollution Liability	10,000	500	Each occurrence
Workers' Compensation (Excess)	300,000	2,000	Self-insured retention
Employers' Liability	15,000	2,000	Self-insured retention

Airport Liability and Hangerkeepers - Coverage is subject to War & Terrorism exclusion. The County has not purchased the buy-back coverage due to the expense and limited coverage.

*Property – County property is covered for Terrorism Coverage subject to a $200,000,000 occurrence and annual aggregate limit. Effective 3/31/08 EQ is capped at $25 million. All Risk total is at $2.291 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Flood total is at $2.291 billion (total of Towers I, II, IV and V primary and excess on an actual at risk and tower-capped basis). Workers' Compensation (Excess) - Effective 7/1/02 the limit was reduced from statutory (unlimited) to $50 million and the self-insured retention (SIR) was increased from $1.5 million to $2 million. Effective 7/1/07, the Workers' Compensation (Excess) limit total was increased to $300 million. Employers' Liability (Excess) limit is at $15 million ($5 million on Excess Workers' Compensation policy plus $10 million on the Excess Liability policy).

NOTE 20– RESTRICTED NET ASSETS

Restricted Net Assets are assets that are subject to constraints either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provision or enabling legislation. Restricted net assets as of June 30, 2008 are as follows:

	Governmental Activities	Business-type Activities	Total
Landfill closure	$	8,098	8,098
Debt service	191,171	23,078	214,249
Capital projects	79,895	59,356	139,251
Passenger facility charges		123,802	123,802
Fire protection	507		507
Health programs	220,692		220,692
Transportation	7,964		7,964
Lighting and landscape ma	3,107		3,107
Community facilities	3,769		3,769
Fish and game	26		26

Net assets restricted by enabling legislation are comprised of $123,802 (passenger facility charges), $3,107 (lighting and landscape maintenance) and $3,769 (community facilities) in the Statement of Net Assets at June 30, 2008.

Restricted Net Assets include:

- *Landfill closure* – accounts for the accumulation of resources necessary to finance closure and post closure care costs in the future.
- *Debt service* – established to finance and account for the payment of interest and principal on bonds or other long-term borrowing.
- *Capital projects* – accounts for financial resources to be used in the acquisition or construction of major capital facilities.
- *Passenger facilities charges* – accounts for fees collected from airline passengers which are used to finance airport projects.
- *Fire protection* – accounts for property taxes used to fund the provision of fire protection services provided by the Natomas Fire District to approximately 40 square miles of the unincorporated area.

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

NOTE 21 – NET ASSETS/FUND BALANCES

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

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

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

As of June 30, 2008, reservations of fund balance are described below:

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

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

- *General uses* – to reflect management's intent to fund County operations and to improve cash reserves.
- *Cash flow* – to reflect the impact on cash flows of budget uncertainties.
- *Teeter plan notes* – to reflect an amount equal to the amount of the final payment on the Teeter note.
- *Future services* – to reflect management's intent to provide funding for unspecified services and capital projects.
- *Future pension obligations* –to reflect management's intent to improve cash reserves to pay for the incremental increase in future pension obligation bond payments over the next 13 years.

NOTE 22- FUND BALANCES

Fund balances, which are not available for appropriation or are not considered "expendable available financial resources", are reserved. Unreserved fund balances that have been earmarked by the Board of Supervisors for specified purposes are considered designated. Such reserved and designated fund balances at June 30, 2008 are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Reserved			
Encumbrances	$ 13,537	97,489	111,026
Capital asset acquisitions	25,885		25,885
Assets not available:			
Teeter plan tax loss	16,250		16,250
TRANS interest	416		416
Teeter plan delinquencies	1,555		1,555
Imprest cash	255	148	403
Long term receivables and advances to other funds	1,324	51,387	52,711
Special deposits	100		100
Debt service		84,217	84,217
Future construction		146,656	146,656
Total Reserved Fund Balances	59,322	379,897	439,219
Unreserved/Designated			
General uses	10,800	4,429	15,229
Cash flow	32,422	3,203	35,625
Teeter plan notes	3,251		3,251
Future Pension Obligation	35,844		35,844
Future services	1,791	148,594	150,385
Total Unreserved/Designated Fund Balances	84,108	156,226	240,334
Total Unreserved/Undesignated Fund Balances	13,603	113,056	126,659
Total Unreserved	97,711	269,282	366,993
Total Fund Balances	$ 157,033	649,179	806,212

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

NOTE 23 – 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.

NOTE 24 – FUTURE GASB PRONOUNCEMENTS

In November 2006, the GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, effective for periods beginning after December 15, 2007. GASB Statement No. 49 establishes standards for accounting and financial reporting for pollution remediation obligations. A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. Pollution remediation activities include: pre-cleanup activities; cleanup activities; external government oversight and enforcement related activities and operation and maintenance of the remedy, including required monitoring of the remediation effort (post remediation monitoring). Post remediation obligations do not include pollution prevention or control obligations with respect to current operations. This Statement amends paragraphs 42 and 43 of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, paragraph 14 of NCGA Statement 4, Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences, paragraph 5 of NCGA Interpretation 6, Notes to Financial Statements Disclosure, paragraph 1 of GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, and paragraphs 9,11,14 and footnote 7 of GASB Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financials Statements, to provide specific reporting guidance for pollution remediation obligations including disclosure requirements. The County has not determined what impact, if any, this pronouncement will have on the financial statements.

In June 2007, GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, effective for periods beginning after June 15, 2009. GASB Statement No. 51 establishes standards for accounting and financial reporting for intangible assets. This Statement requires that an intangible asset be recognized in the Statement of Net Assets only if it is identifiable. Additionally, this Statement establishes a specific-conditions approach to recognizing intangible assets that are internally generated. This Statement also provides guidance on recognizing internally generated software as an intangible asset. This Statement also establishes guidance specific to intangible assets related to amortization. This Statement provides guidance on determining the useful life of intangible assets when the length of their life is limited by contractual or legal provisions. The provisions of this Statement generally are required to be applied retroactively for intangible assets acquired in fiscal years ending after June 30, 1980. The County has not determined what impact, if any, this pronouncement will have on the financial statements.

In November 2007, GASB issued Statement No. 52, Land and Other Real Estate Held as Investments by Endowments, effective for periods beginning after June 15, 2008. GASB Statement No. 52 establishes standards for accounting and financial reporting for land and other real estate as investments by endowments. The provisions of this Statement do not apply to the County of Sacramento.

In June 2008, GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for periods beginning after June 15, 2009. GASB Statement No. 53 establishes standards for accounting and financial reporting for Derivative Instruments. This Statement addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive are reported at fair value. Much of this Statement describes the methods of evaluating effectiveness. The disclosures required by Technical Bulletin No. 2003-1, Disclosure

Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets, have been incorporated into this Statement. The County has not determined what impact, if any, this pronouncement will have on the financial statements.

NOTE 25 - RESTATEMENT OF NET ASSETS

During the fiscal year ended June 30, 2008, the Water Agency (enterprise fund) discovered that certain Water Rights and infrastructure assets acquired prior to July 1, 2007 were omitted from capital assets. As a result, beginning net assets were overstated by the amortization and depreciation that should have been recognized in prior years. Additionally, it was discovered that capital assets were overstated at June 30, 2007 due to a piece of equipment that was posted in duplicate. As a result, beginning net assets for fiscal year ended June 30, 2008 have been restated.

During the fiscal year ended June 30, 2008, Solid Waste (enterprise fund) determined that there were adjustments needed in prior periods to better reflect the financial activity for those periods in accounts receivable, capital assets, depreciation, amortization and certain operating expenses. Overall, net assets originally reported as of July 1, 2006 of $127,105 have increased to $131,111 and the net assets originally reported as of June 30, 2007 of $131,049 have been increased to $134,804.

	Business Type Activities	Water Agency	Solid Waste
Net assets, as previously reported	$ 915,900	310,190	131,049
Adjustments	3,336	(419)	3,755
Total restatement	3,336	(419)	3,755
Net assets at June 30, 2007, as restated	$ 919,236	309,771	134,804

During the fiscal year ended June 30, 2008, the Tobacco Securitization Authority (nonmajor governmental funds) implemented GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. As a result, the full amount of the Tobacco Settlement Revenues purchased from the County of Sacramento is recorded as Tobacco Settlement Rights. Net Assets at June 30, 2007 were restated to reflect the adoption of the accounting pronouncement.

	Governmental Activities	Nonmajor Governmental Activities
Net assets, as previously reported	$ 1,692,925	206,236
Implementation of GASB 48	(212,910)	(212,910)
Total restatement	(212,910)	(212,910)
Net assets at June 30, 2007, as restated	$ 1,480,015	(6,674)

NOTE 26 - SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

On July 8, 2008, the County issued $440,000 in 2008 Tax and Revenue Anticipation Notes: $25,000 at a rate of 2.75% and $415,000 at a rate of 2.50% to mature on August 7, 2009. The notes are issued to supplement County cash flows until taxes and other revenues are collected. On July 9, 2008, the 2007 Tax and Revenue Anticipation notes in the amount of $390,000 matured and were redeemed.

Teeter Plan

On December 9, 2008, the County issued its 2007 Teeter Note and purchased under the Teeter Plan the delinquent secured property tax receivables at June 30, 2008, in the amount of $80,006 from the local taxing entities and selected special assessment districts in Sacramento County. The financing of this purchase was accomplished by a five-year legal, secured medium-term note obligation of the County that was purchased by the Treasurer's Pool. The terms of the note include a variable interest rate, adjusted on a quarterly basis, equal to the rate of interest on the Constant Maturity U.S. Treasury Note for the number of years corresponding to the remaining term of the note. The County agreed to make principal and interest payments on the note annually on or before August 1 each year, commencing August 1, 2008. Such payments may be made more frequently, but not more often than quarterly. The note matures August 1, 2013.

Note 1 (Property Taxes) and Note 10 further describe the Teeter Note issues.

Taxable Pension Funding Bonds 2004C-2 Swap

This is a forward swap effective July 10, 2009. The fair market valuation for this forward swap is as if the transaction was in progress as of June 30, 2008.

Objective of the interest rate swap: On trade date June 22, 2006, for effective date July 10, 2009, the County entered into a swap agreement with Morgan Stanley, Inc. in connection with the Series C-2 variable rate portion of the Taxable Pension Funding Bonds, Series 2004 C-1, C-2, and C-3 totaling $426,131. The County did not wish to take the interest rate risk associated with the Series C-2 variable rate bonds, since the C-2 bonds are structured to pay its initial variable rate on July 10, 2009 through an auction rate process, four years after issuance date. In order to protect exposure against higher interest rates in 2009, the County executed a swap agreement with Morgan Stanley. The County will pay a fixed rate of 5.802% to Morgan Stanley and Morgan Stanley will pay a variable rate of the 5 year USD-ISDA SWAP rate minus 50 basis points to the County.

Terms: The bonds and the related swap agreement mature on July 10, 2031, and the swap's original notional amount of $49,225 matched the $49,225 accreted value on the variable-rate bonds. The swap's current notional amount is $49,225. The swap was entered into on June 22, 2006, with an effective date of July 10, 2009. Under the swap, the County pays the counterparty a fixed payment of 5.802% and receives a variable payment computed on the 5-year USD-ISDA SWAP rate. The bonds' variable rate payments will be based on the Convertible Auction Rate but are fixed at 4.611% until July 10, 2009.

On July 22, 2008, the Board of Supervisors delegated authority to the Director of Finance and Chief Operations Officer to make the determination and authority to terminate the swap if or when there is no material negative fiscal impact to the County. The proposed termination is a result of the uncertainties in the auction rate market. The County plans to restructure the bonds before the initial auction date of July 10, 2009. By terminating the swap, it affords the County greater flexibility when analyzing the restructuring of the C-2 bonds.

Fair value: If the swap was in effect, it would have a negative fair value of $4,660 at June 30, 2008. The fair value is 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 swap. Because the payments on the County's variable-rate certificates adjust to changing interest rates, the bonds do not have a corresponding fair value increase.

Credit risk: If the swap was in effect, the County would not be exposed to credit risk resulting from a failure of the counterparty to perform because the swap had a negative fair value. The swap counterparty was rated A+ by Standard & Poor's and Aa3 by Moody's Investors Services.

Basis risk: If the swap were in place, it would be exposed to basis risk. The basis risk is the difference between the rate paid on the variable rate bonds and the floating amount received from the interest rate swap of the 5 year USD-ISDA. If the variable rate was 4.611% (current rate of interest on bonds), and the 5 year USD-ISDA SWAP minus 50 basis points was 3.758%, there would be a difference of .853%. As of June 30, 2008, the intended synthetic fixed rate would then be 6.655%, or 5.802% plus 0.853%.

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 certificates 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.

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

Investment Contracts

MBIA for Sacramento County Public Financing Authority – As a result of MBIA's current ratings of A2/A- by Moody's Investors Services and Standard & Poor's, collateral is required on the investment agreement. On July 29, 2008, AAA rated securities totaling at least 104% of the investment balance were delivered pursuant to a custody agreement between US Bank National Association as custodian and US Bank National Association, trustee for the Agency and in accordance with the investment agreement between MBIA and US Bank National Association, (January 6, 2004).

AIG for Water Project – Because of AIG Match Funding Corporation's current ratings of A2/A- by Moody's Investors Services and Standard & Poor's, collateral is required on the investment agreement. On May 23,2008, AAA/Aaa rated securities totaling at least 105% of the investment balance were delivered pursuant to a custody agreement between Wells Fargo Bank as custodian and Union Bank, trustee for the Agency and in accordance with the investment agreement between AIG Matched Funding Corporation and Union Bank.

MBIA for 2003 COP (Juvenile Court) – Because of MBIA's current ratings of A2/A- by Moody's Investors Services and Standard & Poor's, collateral is required on the investment agreement. On July 2, 2008, AAA/Aaa rated securities totaling at least 105% of the investment balance were delivered pursuant to a custody agreement between Wells Fargo Bank as custodian and the County of Sacramento, and in accordance with the investment agreement between MBIA and the County of Sacramento.

MBIA for 2006 COP – Because of MBIA's current ratings of A2/A- by Moody's Investors Services and Standard & Poor's, collateral is required on the investment agreement. On July 2, 2008, AAA/Aaa rated securities totaling at least 105% of the investment balance were delivered pursuant to a custody agreement between Wells Fargo Bank as custodian and the County of Sacramento, and in accordance with the investment agreement between MBIA and the County of Sacramento.

MBIA for 2007 COP (Animal/Youth) – Because of MBIA's current ratings of A2/A- by Moody's Investors Services and Standard & Poor's, collateral is required on the investment agreement. On June 19, 2008, AAA/Aaa rated securities totaling at least 105% of the investment balance were delivered pursuant to a custody agreement between Wells Fargo Bank as custodian and the County of Sacramento, and in accordance with the investment agreement between MBIA and the County of Sacramento. Then on July 2, 2008, the percentage of collateral required and delivered increased to 110% of the investment balance.

Water Agency

Because of FSA's current ratings of AAA/Aa3 by Moody's and S&P, collateral is required on the investment agreement. On December 8, 2008, AAA rated securities totaling at least 105% in FNMA/FHLMC securities and 104% in US Treasury bill of the investment balance were delivered pursuant to a custody agreement between Bank of New York Mellon as custodian and Union Bank, as trustee for the Agency, and in accordance with the investment agreement between FSA and Union Bank.

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMNTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

Schedule of funding progress for SCERS

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ AAL	Annual Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
6/30/06	4,848,953	5,214,915	365,962	93.0%	782,572	46.8%
6/30/07	5,406,461	5,788,336	381,875	93.4%	832,484	45.9%
6/30/08	5,930,758	6,363,355	432,597	93.2%	902,971	47.9%

Source: Sacramento County Employees' Retirement System Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2008.

See accompanying independent auditor's report

Notes to the Required Supplementary Information

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

COUNTY OF SACRAMENTO
REQUIRED SUPPLEMNTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

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

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

Source: Segal Group, Inc., "County of Sacramento Actuarial Valuation and Review of Other Post Employment Benefits (OPEB) as of June 30, 2007, In accordance with GASB No. 45."

See accompanying independent auditors report.

Notes to the Required Supplementary Information

1. This information is intended to help users assess the OPEB funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.
2. The information presented relates solely to the County and not to SCERS as a whole.
3. Because this is the first valuation under GASB 45, there is no historical information provided. In the future, information from the three most recent valuations will be presented.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NONMAJOR GOVERNMENTAL FUNDS SECTION

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Assets:				
Cash and investments	$ 348,853	85,739	209,064	643,656
Receivables:				
Billed	14,837		457	15,294
Interest			5	5
Intergovernmental	5,091		2,403	7,494
Tobacco settlement rights				
Due from other funds	19,012		101	19,113
Restricted assets				
Long-term advances to other funds	28,283			28,283
Long-term receivables	101	141,135		141,236
Total assets	$ 416,177	226,874	212,030	855,081
Liabilities and fund balances:				
Liabilities:				
Warrants payable	$ 7,704		339	8,043
Accrued liabilities	16,033		2,915	18,948
Intergovernmental payable	25,454	31	4,482	29,967
Due to other funds	28,254	1,491	1,067	30,812
Deferred revenues	28,334	89,798		118,132
Long-term advances from other funds				
Total liabilities	105,779	91,320	8,803	205,902
Fund balances:				
Invested in capital assets, net of related debt				
Reserved for:				
Encumbrances	44,346		53,143	97,489
Assets not available	198	51,337		51,535
Debt service		84,217		84,217
Future construction			146,656	146,656
Unreserved:				
Designated	152,802		3,428	156,230
Undesignated	113,052			113,052
Total fund balances	310,398	135,554	203,227	649,179
Total liabilities and fund balances	$ 416,177	226,874	212,030	855,081

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	$ 80,652			80,652
Use of money and property	22,963	5,772	8,466	37,201
Licenses and permits	37,329			37,329
Intergovernmental	103,036	12,153	6,241	121,430
Charges for sales and services	74,502		3,819	78,321
Fines, forfeitures and penalties	33	27,890	4,074	31,997
Pledged tobacco settlement proceeds	13,525			13,525
Contributions from property owners	7,435		54,615	62,050
Miscellaneous	17,393		27,514	44,907
Total revenues	356,868	45,815	104,729	507,412
Expenditures:				
Current:				
General government	58,345			58,345
Finance				
Public assistance	32,779			32,779
Public protection	18,055			18,055
Protection and inspection				
Health and sanitation	43,657			43,657
Public ways and facilities	106,665		2,242	108,907
Recreation and culture	38,737			38,737
Education	22,023			22,023
Capital outlay	25,618		102,924	128,542
Debt service:				
Principal		83,964		83,964
Bond issuance costs		9,949		9,949
Interest and fiscal charges		87,098		87,098
Total expenditures	345,879	181,011	105,166	632,056
Excess (deficiency) of revenues over (under) expenditures	10,989	(135,196)	(437)	(124,644)
Other financing sources (uses):				
Transfers in	17,453	99,045	40,347	156,845
Transfers out	(32,668)	(64,127)	(3,949)	(100,744)
Capital leases obligations	1,708		6,397	8,105
Issuance of debt		160,241		160,241
Payments to participating governments		(43,855)		(43,855)
Refunding debt issued		359,165		359,165
Premiums on debt issued		1,440		1,440
Discounts on debt issued		(2,144)		(2,144)
Payment to refunded bonds escrow agent		(350,037)		(350,037)
Total other financing sources (uses)	(13,507)	159,728	42,795	189,016
Net change in fund balances	(2,518)	24,532	42,358	64,372
Fund balances - beginning, restated	312,916	111,022	160,869	584,807
Fund balances - ending	$ 310,398	135,554	203,227	649,179

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NONMAJOR GOVERNMENTAL FUNDS SECTION

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Park Districts and Park Service Areas - Accounts for the operation of three Board of Supervisors-governed park districts, and for administrative and program assistance provided by the Department of Parks and Recreation to four County service areas.

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

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

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

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

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

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

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

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

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

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

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COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Road	First 5 Commission	Library	Transportation Sales Tax	Transient Occupancy Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Assets:							
Cash and investments	$ 7,336	106,269	10,214	9,792	5,274	3,406	
Receivables, net of allowance for uncollectibles:							
Billed	2,803	2,915		627	1,250	398	
Intergovernmental	132			664		214	
Tobacco settlement rights							
Due from other funds	408	1	1	717		10	17,684
Restricted assets							
Long-term advances to other funds							28,283
Long-term receivables					101		
Land and other nondepreciable assets							
Facilities, infrastructure and equipment, net of depreciation							
Less accumulated depreciation							
Total assets	$ 10,679	109,185	10,215	11,800	6,625	4,028	45,967
Liabilities and fund balances:							
Liabilities:							
Warrants payable	$ 885		5,027	378	56	62	52
Accrued liabilities	3,379	2,841		3,641	197	23	3
Intergovernmental payable	1,178		1	3,900		1,112	
Due to other funds	652	2,063	86	502	3,832	339	16,287
Deferred revenues					51		28,283
Long-term advances from other funds							
Total liabilities	6,094	4,904	5,114	8,421	4,136	1,536	44,625
Fund balances:							
Reserved for:							
Encumbrances	7,837	6,448	15	17,899	373		1,728
Assets not available			2		50		
Unreserved:							
Designated	3,203	80,994				2,336	
Undesignated	(6,455)	16,839	5,084	(14,520)	2,066	156	(386)
Total fund balances	4,585	104,281	5,101	3,379	2,489	2,492	1,342
Total liabilities and fund balances	$ 10,679	109,185	10,215	11,800	6,625	4,028	45,967

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco	Community Services	Golf
Assets:							
Cash and investments	$ 2,727	9,825	54,767	19,010	42,600		182
Receivables, net of allowance for uncollectibles:							
Billed	444	624	225	2,765			233
Intergovernmental		32		69		2,615	
Tobacco settlement rights							
Due from other funds	3			14		43	1
Restricted assets							
Long-term advances to other funds							
Long-term receivables							
Land and other nondepreciable assets							
Facilities, infrastructure and equipment, net of depreciation							
Less accumulated depreciation							
Total assets	$ 3,174	10,481	54,992	21,858	42,600	2,658	416
Liabilities and fund balances:							
Liabilities:							
Warrants payable	$ 10	284	4	124	11	628	15
Accrued liabilities	49	689		205		224	41
Intergovernmental payable		451	42	51	900	85	
Due to other funds	8	94	118	373	361	1,247	134
Deferred revenues							
Long-term advances from other funds							
Total liabilities	67	1,518	164	753	1,272	2,184	190
Fund balances:							
Reserved for:							
Encumbrances	241	1,143	931	2,618	420	111	3
Assets not available						146	
Unreserved:							
Designated		1,602			40,807		319
Undesignated	2,866	6,218	53,897	18,487	101	217	(96)
Total fund balances	3,107	8,963	54,828	21,105	41,328	474	226
Total liabilities and fund balances	$ 3,174	10,481	54,992	21,858	42,600	2,658	416

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Assets:						
Cash and investments	$ 33,420	29,061	851	6,572	7,547	348,853
Receivables, net of allowance for uncollectibles:						
Billed		434		1,476	643	14,837
Intergovernmental	1,012			353		5,091
Tobacco settlement rights						
Due from other funds	114			12	4	19,012
Restricted assets						
Long-term advances to other funds						28,283
Long-term receivables						101
Land and other nondepreciable assets						
Facilities, infrastructure and equipment, net of depreciation						
Less accumulated depreciation						
Total assets	$ 34,546	29,495	851	8,413	8,194	416,177
Liabilities and fund balances:						
Liabilities:						
Warrants payable	$ 119	7		36	6	7,704
Accrued liabilities	936		70	311	3,424	16,033
Intergovernmental payable	16,661			19	1,054	25,454
Due to other funds	798	5		316	1,039	28,254
Deferred revenues						28,334
Long-term advances from other funds						
Total liabilities	18,514	12	70	682	5,523	105,779
Fund balances:						
Reserved for:						
Encumbrances	4,394	141		39	5	44,346
Assets not available						198
Unreserved:						
Designated		17,686		5,842	13	152,802
Undesignated	11,638	11,656	781	1,850	2,653	113,052
Total fund balances	16,032	29,483	781	7,731	2,671	310,398
Total liabilities and fund balances	$ 34,546	29,495	851	8,413	8,194	416,177

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Road	First 5 Commission	Library	Transportation Sales Tax	Transient Occupancy Tax	Building Inspection	Public Facilities Fixed Asset Financing Program
Revenues:							
Taxes	$ 443		21,186	34,460	6,964		
Use of money and property	604	4,412	179	295	154	132	
Licenses and permits	1,377					13,831	
Intergovernmental	42,623	18,502	275	13,419		808	
Charges for sales and services	387			13		31	33,624
Fines, forfeitures and penalties							
Pledged tobacco settlement proceeds							
Contributions from property owners							
Miscellaneous	2,757	8		292	355	440	
Total revenues	48,191	22,922	21,640	48,479	7,473	15,242	33,624
Expenditures:							
Current:							
General government							
Public assistance							
Public protection						15,448	
Health and sanitation		18,223					
Public ways and facilities	61,064			43,148			
Recreation and culture					3,581		
Education			22,023				
Capital outlay							25,618
Total expenditures	61,064	18,223	22,023	43,148	3,581	15,448	25,618
Excess (deficiency) of revenues over (under) expenditures	(12,873)	4,699	(383)	5,331	3,892	(206)	8,006
Other financing sources (uses):							
Transfers in							
Transfers out		(70)			(3,832)		(6,922)
Capital leases obligations						1,708	
Total other financing sources (uses)		(70)			(3,832)	1,708	(6,922)
Net change in fund balances	(12,873)	4,629	(383)	5,331	60	1,502	1,084
Fund balances - beginning	17,458	99,652	5,484	(1,952)	2,429	990	258
Fund balances - ending	$ 4,585	104,281	5,101	3,379	2,489	2,492	1,342

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Lighting and Landscape Maintenance Districts	Park Districts and Park Service Areas	Water Agencies	Stormwater Utility	Tobacco	Community Services	Golf
Revenues:							
Taxes	$ 390	8,217	7,122				
Use of money and property	76	2,034	2,358	841	1,627	357	4,279
Licenses and permits			3,540				
Intergovernmental	5	1,513	91	888		19,832	
Charges for sales and services	2,782	6,064	2,388	22,324		472	4,160
Fines, forfeitures and penalties							
Pledged tobacco settlement proceeds							
Contributions from property owners		7,435					
Miscellaneous	1,619	3,144		925	7	1,858	158
Total revenues	4,872	28,407	15,499	24,978	1,634	22,519	8,597
Expenditures:							
Current:							
General government	3,627			33,800	8,348		
Public assistance						32,779	
Public protection							
Health and sanitation			7,299				
Public ways and facilities							
Recreation and culture		27,415					7,711
Education							
Capital outlay							
Total expenditures	3,627	27,415	7,299	33,800	8,348	32,779	7,711
Excess (deficiency) of revenues over (under) expenditures	1,245	992	8,200	(8,822)	(6,714)	(10,260)	886
Other financing sources (uses):							
Transfers in				6,852		10,429	172
Transfers out			(6,852)			(253)	(982)
Capital leases obligations							
Total other financing sources (uses)			(6,852)	6,852		10,176	(810)
Net change in fund balances	1,245	992	1,348	(1,970)	(6,714)	(84)	76
Fund balances - beginning	1,862	7,971	53,480	23,075	48,042	558	150
Fund balances - ending	$ 3,107	8,963	54,828	21,105	41,328	474	226

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Economic Development	Roadway Fee District	Tobacco Securitization Authority	Environmental Management	Other	Total
Revenues:						
Taxes	$				1,870	80,652
Use of money and property	3,734	1,363	24	281	213	22,963
Licenses and permits	106	6,087		12,388		37,329
Intergovernmental	2,957			11	2,112	103,036
Charges for sales and services	1,300	1		692	264	74,502
Fines, forfeitures and penalties					33	33
Pledged tobacco settlement proceeds			13,525			13,525
Contributions from property owners						7,435
Miscellaneous	3,571	155		2,104		17,393
Total revenues	11,668	7,606	13,549	15,476	4,492	356,868
Expenditures:						
Current:						
General government	12,359				211	58,345
Public assistance						32,779
Public protection					2,607	18,055
Health and sanitation			196	14,212	3,727	43,657
Public ways and facilities		2,442			11	106,665
Recreation and culture					30	38,737
Education						22,023
Capital outlay						25,618
Total expenditures	12,359	2,442	196	14,212	6,586	345,879
Excess (deficiency) of revenues over (under) expenditures	(691)	5,164	13,353	1,264	(2,094)	10,989
Other financing sources (uses):						
Transfers in						17,453
Transfers out	(82)		(13,279)	(396)		(32,668)
Capital leases obligations						1,708
Total other financing sources (uses)	(82)		(13,279)	(396)		(13,507)
Net change in fund balances	(773)	5,164	74	868	(2,094)	(2,518)
Fund balances - beginning	16,805	24,319	707	6,863	4,765	312,916
Fund balances - ending	$ 16,032	29,483	781	7,731	2,671	310,398

COUNTY OF SACRAMENTO
ROAD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 562	816	443	(373)
Use of money and property	3,316	3,720	604	(3,116)
Licenses and permits	610	610	1,377	767
Intergovernmental	46,416	67,195	42,623	(24,572)
Charges for sales and services	433	433	387	(46)
Miscellaneous	3,845	6,418	2,757	(3,661)
Total revenues	55,182	79,192	48,191	(31,001)
Expenditures:				
Current:				
Public ways and facilities	59,853	93,544	61,064	32,480
Net change in fund balance	$ (4,671)	(14,352)	(12,873)	1,479

COUNTY OF SACRAMENTO
FIRST 5 COMMISSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 1,500	1,500	4,412	2,912
Intergovernmental	18,353	18,353	18,502	149
Miscellaneous			8	8
Total revenues	19,853	19,853	22,922	3,069
Expenditures:				
Current:				
Health and sanitation	33,322	33,261	18,223	15,038
Excess (deficiency) of revenues over (unde	(13,469)	(13,408)	4,699	18,107
Other financing uses:				
Transfers out	(70)	(70)	(70)	
Net change in fund balance	$ (13,539)	(13,478)	4,629	18,107

COUNTY OF SACRAMENTO
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 21,275	21,275	21,186	(89)
Use of money and property	70	70	179	109
Intergovernmental	280	280	275	(5)
Total revenues	21,625	21,625	21,640	15
Expenditures:				
Current:				
Education	26,382	26,950	22,023	4,927
Net change in fund balance	$ (4,757)	(5,325)	(383)	4,942

COUNTY OF SACRAMENTO
TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 42,052	30,442	34,460	4,018
Use of money and property	700	300	295	(5)
Intergovernmental	33,288	48,281	13,419	(34,862)
Charges for sales and services			13	13
Miscellaneous	429	1,337	292	(1,045)
Total revenues	76,469	80,360	48,479	(31,881)
Expenditures:				
Current:				
Public ways and facilities	104,078	111,482	43,148	68,334
Net change in fund balance	$ (27,609)	(31,122)	5,331	36,453

COUNTY OF SACRAMENTO
TRANSIENT-OCCUPANCY TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 6,900	6,900	6,964	64
Use of money and property	40	40	154	114
Miscellaneous	350	350	355	5
Total revenues	7,290	7,290	7,473	183
Expenditures:				
Current:				
Recreation and culture	4,548	4,578	3,581	997
Total expenditures	4,548	4,578	3,581	997
Excess (deficiency) of revenues over (unde	2,742	2,712	3,892	1,180
Other financing uses:				
Transfers out	(3,832)	(3,832)	(3,832)	
Net change in fund balance	$ (1,090)	(1,120)	60	1,180

COUNTY OF SACRAMENTO
BUILDING INSPECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 80	80	132	52
Licenses and permits	13,275	14,775	13,831	(944)
Intergovernmental	1,360	1,360	808	(552)
Charges for sales and services	18	18	31	13
Miscellaneous	194	234	440	206
Total revenues	14,927	16,467	15,242	(1,225)
Expenditures:				
Current:				
Protection and inspection	14,857	16,830	15,448	1,382
Total expenditures	14,857	16,830	15,448	1,382
Excess (deficiency) of revenues over (unde	70	(363)	(206)	157
Other financing sources (uses):				
Capital leases obligations	1,708	1,708	1,708	
Total other financing sources (uses)	1,708	1,708	1,708	
Net change in fund balance	$ 1,778	1,345	1,502	157

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for sales and services	$ 77,134	77,134	33,624	(43,510)
Total revenues	77,134	77,134	33,624	(43,510)
Expenditures:				
Capital outlay	70,517	70,643	25,618	45,025
Excess of revenues over expenditures	6,617	6,491	8,006	1,515
Other financing sources (uses):				
Transfers out	(6,922)	(6,922)	(6,922)	
Total other financing sources (uses)	(6,922)	(6,922)	(6,922)	
Net change in fund balance	$ (305)	(431)	1,084	1,515

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 166	166	390	224
Use of money and property	36	132	76	(56)
Intergovernmental	3	3	5	2
Charges for sales and services	2,620	2,625	2,782	157
Miscellaneous	780	1,098	1,619	521
Total revenues	3,605	4,024	4,872	848
Expenditures:				
General government	4,267	4,552	3,627	925
Net change in fund balance	$ (662)	(528)	1,245	1,773

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes	$ 8,145	8,085	8,217	132
Use of money and property	1,690	1,887	2,034	147
Intergovernmental	2,318	3,389	1,513	(1,876)
Charges for sales and services	6,898	8,133	6,064	(2,069)
Miscellaneous	2,905	3,144	3,144	
Contributions from property owners		7,242	7,435	193
Total revenues	21,956	31,880	28,407	(3,473)
Expenditures:				
Current:				
Recreation and culture	34,500	38,234	27,415	10,819
Net change in fund balance	$ (12,544)	(6,354)	992	7,346

COUNTY OF SACRAMENTO
WATER AGENCIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 7,056	7,056	7,122	66
Use of money and property	2,305	2,305	2,358	53
Licenses and permits	8,108	8,108	3,540	(4,568)
Intergovernmental	127	127	91	(36)
Charges for sales and services	11,254	11,254	2,388	(8,866)
Total revenues	28,850	28,850	15,499	(13,351)
Expenditures:				
Current:				
Health and sanitation	19,615	20,177	7,299	12,878
Excess of revenues over expenditures	9,235	8,673	8,200	(473)
Other financing sources (uses):				
Transfers out	(6,852)	(6,852)	(6,852)	
Total other financing sources (uses)	(6,852)	(6,852)	(6,852)	
Net change in fund balance	$ 2,383	1,821	1,348	(473)

COUNTY OF SACRAMENTO
STORMWATER UTILITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 1,027	1,027	841	(186)
Intergovernmental	150	150	888	738
Charges for sales and services	22,802	22,802	22,324	(478)
Miscellaneous	636	1,386	925	(461)
Total revenues	24,615	25,365	24,978	(387)
Expenditures:				
Current:				
General government	46,338	44,386	33,800	10,586
Excess of revenues over expenditures	(21,723)	(19,021)	(8,822)	10,199
Other financing sources (uses):				
Transfers in	10,429	6,852	6,852	
Total other financing sources (uses)	10,429	6,852	6,852	
Net change in fund balance	$ (11,294)	(12,169)	(1,970)	10,199

COUNTY OF SACRAMENTO
TOBACCO SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 1,492	1,492	1,627	135
Miscellaneous			7	7
Total revenues	1,492	1,492	1,634	142
Expenditures:				
Current:				
General government				
Finance	2,791	9,689	8,348	1,341
Net change in fund balance	$ (1,299)	(8,197)	(6,714)	1,483

COUNTY OF SACRAMENTO
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 385	385	357	(28)
Intergovernmental	20,725	21,551	19,832	(1,719)
Charges for sales and services	450	450	472	22
Miscellaneous	2,274	2,320	1,858	(462)
Total revenues	23,834	24,706	22,519	(2,187)
Expenditures:				
Current:				
Public assistance	34,521	32,779	32,779	
Deficiency of revenues under expenditures	(10,687)	(8,073)	(10,260)	(2,187)
Other financing sources (uses):				
Transfers in	10,429	10,429	10,429	
Transfers out	-	(2,769)	(253)	2,516
Total other financing sources (uses)	10,429	7,660	10,176	2,516
Net change in fund balance	$ (258)	(413)	(84)	329

COUNTY OF SACRAMENTO
GOLF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 4,540	4,579	4,279	(300)
Charges for sales and services	4,234	4,234	4,160	(74)
Miscellaneous	21	90	158	68
Total revenues	8,795	8,903	8,597	(306)
Expenditures:				
Current:				
Recreation and culture	7,948	6,749	7,711	(962)
Excess of revenues over expenditures	847	2,154	886	(1,268)
Other financing uses:				
Transfers out	(962)	(2,173)	(982)	1,191
Transfers in	172	172	172	
Total other financing sources (uses)	(790)	(2,001)	(810)	1,191
Net change in fund balance	$ 57	153	76	(77)

COUNTY OF SACRAMENTO
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 3,050	3,050	3,734	684
Licenses and permits	127	127	106	(21)
Intergovernmental	5,010	5,010	2,957	(2,053)
Charges for sales and services	825	825	1,300	475
Miscellaneous	9,505	9,689	3,571	(6,118)
Total revenues	18,517	18,701	11,668	(7,033)
Expenditures:				
Current:				
General government	31,480	36,739	12,359	24,380
Deficiency of revenues under expenditures	(12,963)	(18,038)	(691)	17,347
Other financing sources (uses):				
Transfers out		(82)	(82)	
Total other financing sources (uses)		(82)	(82)	
Net change in fund balance	$ (12,963)	(18,120)	(773)	17,347

COUNTY OF SACRAMENTO
ROADWAY FEE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 522	722	1,363	641
Licenses and permits	5,500	5,500	6,087	587
Charges for sales and services			1	1
Miscellaneous	132	169	155	(14)
Total revenues	6,154	6,391	7,606	1,215
Expenditures:				
Current:				
Public ways and facilities	6,974	13,025	2,442	10,583
Net change in fund balance	$ (820)	(6,634)	5,164	11,798

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 31	31	24	(7)
Pledged tobacco settlement proceeds	12,705	12,705	13,525	820
Total revenues	12,736	12,736	13,549	813
Expenditures:				
Current:				
Health and sanitation	196	196	196	
Excess of revenues over expenditures	12,540	12,540	13,353	813
Other financing uses:				
Transfers out	(13,279)	(13,279)	(13,279)	
Net change in fund balance	$ (739)	(739)	74	813

COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 214	214	281	67
Licenses and permits	12,278	12,278	12,388	110
Intergovernmental	309	540	11	(529)
Charges for sales and services	795	795	692	(103)
Miscellaneous	1,882	1,882	2,104	222
Total revenues	15,478	15,709	15,476	(233)
Expenditures:				
Current:				
Health and sanitation	16,097	16,336	14,212	2,124
Excess (deficiency) of revenues over (unde	(619)	(627)	1,264	1,891
Other financing uses:				
Transfers out		(396)	(396)	
Net change in fund balance	$ (619)	(1,023)	868	1,891

COUNTY OF SACRAMENTO
OTHER SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	$ 1,551	1,551	1,870	319
Use of money and property	21	21	213	192
Intergovernmental	2,665	2,377	2,112	(265)
Charges for sales and services	686	696	264	(432)
Fines, forfeitures and penalties	40	40	33	(7)
Total revenues	4,963	4,685	4,492	(193)
Expenditures:				
Current:				
General government	419	758	211	547
Public protection	1,581	2,749	2,607	142
Health and sanitation	2,645	3,727	3,727	
Public ways and facilities	2,380	11	11	
Recreation and culture	50	50	30	20
Total expenditures	7,075	7,295	6,586	709
Net change in fund balance	$ (2,112)	(2,610)	(2,094)	516

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NONMAJOR GOVERNMENTAL FUNDS SECTION

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Main Jail - Services the debt related to the Certificates of Participation associated with the Main Jail.

Cherry Island Golf Course - Established in fiscal year 1987-88 to service the Certificates of Participation associated with the Cherry Island Golf Course.

Fixed Asset Financing Program - Services all debt associated with the acquisition of fixed assets for the Public Facilities Financing Corporation.

Public Facilities Financing Program - Services the debt associated with the Public Facilities Financing Corporation's 1994, 1997, 2003, 2006 and 2007 Public Facilities Financing funds.

Juvenile Courthouse - Services all debt associated with the 2003 borrowing which financed the Juvenile Courthouse.

Pension Obligation Bonds - Services the debt related to Pension Obligation Bonds issued to pay off the unfounded pension liability the County owed the Sacramento County Employees' Retirement System.

Teeter Plan - Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the "Teeter Plan."

Tobacco Securitization Authority - Established in 2001-02 fiscal year to service debt associated with the securitization of tobacco settlement agreement payments.

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

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

		Public Facilities Financing Corporation							
	Main Jail	Cherry Island Golf Course	Fixed Asset Financing Program	1994 Public Facilities	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	Juvenile Courthouse
Assets:									
Cash and investments	$ 1,091	1,042		11,641	3,369	1,286	4,290	5,432	2,799
Long-term receivables									
Total assets	$ 1,091	1,042		11,641	3,369	1,286	4,290	5,432	2,799
Liabilities and fund balances:									
Liabilities:									
Intergovernmental payable									
Due to other funds	$ 187	876		21					
Deferred revenues									
Total liabilities	187	876		21					
Fund balances:									
Reserved for:									
Assets not available									
Debt service	904	166		11,620	3,369	1,286	4,290	5,432	2,799
Total fund balances	904	166		11,620	3,369	1,286	4,290	5,432	2,799
Total liabilities and fund balances	$ 1,091	1,042		11,641	3,369	1,286	4,290	5,432	2,799

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Assets:					
Cash and investments	$ 6,308	20,012	21,848	6,621	85,739
Long-term receivables		51,337		89,798	141,135
Total assets	$ 6,308	71,349	21,848	96,419	226,874
Liabilities and fund balances:					
Liabilities:					
Intergovernmental payable	31				31
Due to other funds		407			1,491
Deferred revenues				89,798	89,798
Total liabilities	31	407		89,798	91,320
Fund balances:					
Reserved for:					
Assets not available		51,337			51,337
Debt service	6,277	19,605	21,848	6,621	84,217
Total fund balances	6,277	70,942	21,848	6,621	135,554
Total liabilities and fund balances	$ 6,308	71,349	21,848	96,419	226,874

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Public Facilities Financing Corporation								
	Main Jail	Cherry Island Golf Course	Fixed Asset Financing Program	1994 Public Facilities	1997 Public Facilities	2003 Public Facilities	2006 Public Facilities	2007 Public Facilities	Juvenile Courthouse
Revenues:									
Use of money and property	$ 242	111		828	1,208	118	370	225	191
Intergovernmental		738							
Fines, forfeitures and penalties									
Total revenues	242	849		828	1,208	118	370	225	191
Expenditures:									
Debt service:									
Principal	3,655	415	3,710	2,380	2,025	295	1,355		705
Bond issuance costs								812	
Interest and fiscal charges	1,560	3,447	3,212	6,496	1,003	666	1,775	1,411	1,514
Total expenditures	5,215	3,862	6,922	8,876	3,028	961	3,130	2,223	2,219
Deficiency of revenues under expenditures	(4,973)	(3,013)	(6,922)	(8,048)	(1,820)	(843)	(2,760)	(1,998)	(2,028)
Other financing sources (uses):									
Transfers in	5,310	773	6,922	6,147	2,794	961	3,106		2,218
Transfers out	(500)	(128)		(1,888)	(1,350)	(225)		(40,270)	(440)
Issuance of debt								46,260	
Payments to participating governments									
Refunding debt issued									
Premiums on debt issued								1,440	
Discounts on debt issued									
Payment to refunded bonds escrow agent									
Total other financing sources (uses)	4,810	645	6,922	4,259	1,444	736	3,106	7,430	1,778
Net change in fund balances	(163)	(2,368)		(3,789)	(376)	(107)	346	5,432	(250)
Fund balances - beginning	1,067	2,534		15,409	3,745	1,393	3,944		3,049
Fund balances - ending	$ 904	166		11,620	3,369	1,286	4,290	5,432	2,799

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Pension Obligation Bonds	Teeter Plan	Tobacco Securitization Authority	Sacramento County Public Financing Authority	Total
Revenues:					
Use of money and property	$ 1,340	80	864	195	5,772
Intergovernmental	7,594			3,821	12,153
Fines, forfeitures and penalties		27,890			27,890
Total revenues	8,934	27,970	864	4,016	45,815
Expenditures:					
Debt service:					
Principal	19,496	46,403	2,480	1,045	83,964
Bond issuance costs	7,525			1,612	9,949
Interest and fiscal charges	49,803	1,717	11,530	2,964	87,098
Total expenditures	76,824	48,120	14,010	5,621	181,011
Deficiency of revenues under expenditures	(67,890)	(20,150)	(13,146)	(1,605)	(135,196)
Other financing sources (uses):					
Transfers in	57,535		13,279		99,045
Transfers out		(19,326)			(64,127)
Issuance of debt		65,436		48,545	160,241
Payments to participating governments				(43,855)	(43,855)
Refunding debt issued	359,165				359,165
Premiums on debt issued					1,440
Discounts on debt issued	(1,601)			(543)	(2,144)
Payment to refunded bonds escrow agent	(350,037)				(350,037)
Total other financing sources (uses)	65,062	46,110	13,279	4,147	159,728
Net change in fund balances	(2,828)	25,960	133	2,542	24,532
Fund balances - beginning	9,105	44,982	21,715	4,079	111,022
Fund balances - ending	$ 6,277	70,942	21,848	6,621	135,554

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
MAIN JAIL DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		242	242
Expenditures:				
Debt service:				
Principal	3,655	3,655	3,655	
Interest and fiscal charges	2,033	2,221	1,560	661
Total expenditures	5,688	5,876	5,215	661
Deficiency of revenues under expenditures	(5,688)	(5,876)	(4,973)	903
Other financing sources:				
Transfers in	5,310	5,310	5,310	
Transfers out	(500)	(500)	(500)	
Net change in fund balance	$ (878)	(1,066)	(163)	903

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
CHERRY ISLAND GOLF COURSE DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		111	111
Intergovernmental	738	738	738	
Total revenues	738	738	849	111
Expenditures:				
Debt service:				
Principal	415	415	415	
Interest and fiscal charges	3,436	4,234	3,447	787
Total expenditures	3,851	4,649	3,862	787
Deficiency of revenues under expenditures	(3,113)	(3,911)	(3,013)	898
Other financing sources:				
Transfers in	773	773	773	
Transfers out	(128)	(128)	(128)	
Net change in fund balance	$ (2,468)	(3,266)	(2,368)	898

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
FIXED ASSET FINANCING PROGRAM DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures:				
Debt service:				
Principal	$ 3,710	3,710	3,710	
Interest and fiscal charges	3,212	3,212	3,212	
Total expenditures	6,922	6,922	6,922	
Deficiency of revenues under expenditures	(6,922)	(6,922)	(6,922)	
Other financing sources (uses):				
Transfers in	6,922	6,922	6,922	
Net change in fund balance	$			

COUNTY OF SACRAMENTO
PUBLIC FACILITIES FINANCING CORPORATION
1994 PUBLIC FACILITIES DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$	240	828	588
Expenditures:				
Debt service:				
Principal	2,380	2,380	2,380	
Interest and fiscal charges	9,809	10,656	6,496	4,160
Total expenditures	12,189	13,036	8,876	4,160
Deficiency of revenues under expenditures	(12,189)	(12,796)	(8,048)	4,748
Other financing sources:				
Transfers in	6,147	6,147	6,147	
Transfers out	(1,888)	(1,888)	(1,888)	
Net change in fund balance	$ (7,930)	(8,537)	(3,789)	4,748

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$	247	1,208	961
Expenditures:				
Debt service:				
Principal	3,041	3,021	2,025	996
Interest and fiscal charges	63	2,691	1,003	1,688
Total expenditures	3,104	5,712	3,028	2,684
Deficiency of revenues under expenditures	(3,104)	(5,465)	(1,820)	3,645
Other financing sources (uses):				
Transfers in	2,794	2,794	2,794	
Transfers out	(1,350)	(1,350)	(1,350)	
Net change in fund balance	$ (1,660)	(4,021)	(376)	3,645

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$	45	118	73
Expenditures:				
Debt service:				
Principal	295	295	295	
Interest and fiscal charges	824	934	666	268
Total expenditures	1,119	1,229	961	268
Deficiency of revenues under expenditures	(1,119)	(1,184)	(843)	341
Other financing sources:				
Transfers in	961	961	961	
Transfers out	(225)	(225)	(225)	
Net change in fund balance	$ (383)	(448)	(107)	341

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$	116	370	(254)
Expenditures:				
Debt service:				
Principal	2,025	2,025	1,355	670
Interest and fiscal charges	1,596	2,282	1,775	507
Total expenditures	3,621	4,307	3,130	1,177
Deficiency of revenues under expenditures	(3,621)	(4,191)	(2,760)	1,431
Other financing sources (uses):				
Transfers in	3,106	3,106	3,106	
Net change in fund balance	$ (515)	(1,085)	346	1,431

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues:				
Use of money and property	$	10	225	(215)
Expenditures:				
Debt service:				
Principal				
Interest and fiscal charges	(40,270)	6,625	1,411	5,214
Bond issuance costs		815	812	3
Total expenditures	(40,270)	7,440	2,223	5,217
Deficiency of revenues under expenditures	40,270	(7,430)	(1,998)	5,432
Other financing sources (uses):				
Transfers in				
Transfers out	(40,270)	(40,270)	(40,270)	
Issuance of debt		46,260	46,260	
Premiums on debt issued		1,440	1,440	
Total other financing sources	(40,270)	7,430	7,430	
Net change in fund balance	$		5,432	5,432

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$	94	191	97
Expenditures:				
Debt service:				
Principal	705	705	705	
Interest and fiscal charges	1,788	2,002	1,514	488
Total expenditures	2,493	2,707	2,219	488
Deficiency of revenues under expenditures	(2,493)	(2,613)	(2,028)	585
Other financing sources:				
Transfers in	2,218	2,218	2,218	
Transfers out	(440)	(440)	(440)	
Net change in fund balance	$ (715)	(835)	(250)	585

COUNTY OF SACRAMENTO
PENSION OBLIGATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 250	750	1,340	590
Intergovernmental	7,594	7,594	7,594	
Total revenues	7,844	8,344	8,934	590
Expenditures:				
Debt service:				
Principal	19,438	19,496	19,496	
Interest and fiscal charges	50,283	55,648	49,803	5,845
Bond issuance costs		7,525	7,525	
Total expenditures	69,721	82,669	76,824	5,845
Deficiency of revenues under expenditures	(61,877)	(74,325)	(67,890)	6,435
Other financing sources:				
Transfers in	57,535	57,535	57,535	
Refunding debt issued	359,165	359,165	359,165	
Discounts on debt issued		(1,601)	(1,601)	
Payment to refunded bonds escrow agent		(350,037)	(350,037)	
Total other financing sources	416,700	65,062	65,062	
Net change in fund balance	$ 354,823	(9,263)	(2,828)	6,435

COUNTY OF SACRAMENTO
TEETER PLAN DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		80	80
Fines, forfeitures and penalties		55,047	27,890	(27,157)
Total revenues		55,047	27,970	(27,077)
Expenditures:				
Debt service:				
Principal	34,252	46,409	46,403	6
Interest and fiscal charges	(9,998)	1,777	1,717	60
Total expenditures	24,254	48,186	48,120	66
Deficiency of revenues under expenditures	(24,254)	6,861	(20,150)	(27,011)
Other financing sources (uses):				
Transfers in	(220)	(220)		220
Transfers out	(19,309)	(19,326)	(19,326)	
Issuance of debt	65,436	65,436	65,436	
Total other financing sources (uses)	45,907	45,890	46,110	220
Net change in fund balance	$ 21,653	52,751	25,960	(26,791)

COUNTY OF SACRAMENTO
TOBACCO SECURITIZATION AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 864	864	864	
Expenditures:				
Debt service:				
Principal	2,480	2,480	2,480	
Interest and fiscal charges	11,530	11,530	11,530	
Total expenditures	14,010	14,010	14,010	
Deficiency of revenues under expenditures	(13,146)	(13,146)	(13,146)	
Other financing sources (uses):				
Transfers in	13,279	13,279	13,279	
Total other financing sources (uses)	13,279	13,279	13,279	
Net change in fund balance	$ 133	133	133	

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 195	195	195	
Intergovernmental	3,821	3,821	3,821	
Total revenues	4,016	4,016	4,016	
Expenditures:				
Debt service:				
Principal	1,045	1,045	1,045	
Bond issuance costs	1,612	1,612	1,612	
Interest and fiscal charges	2,964	2,964	2,964	
Total expenditures	5,621	5,621	5,621	
Deficiency of revenues under expenditures	(1,605)	(1,605)	(1,605)	
Other financing sources (uses):				
Issuance of debt	48,545	48,545	48,545	
Discounts on debt issued	(543)	(543)	(543)	
Payments to participating governments	(43,855)	(43,855)	(43,855)	
Total other financing sources (uses)	4,147	4,147	4,147	
Net change in fund balance	$ 2,542	2,542	2,542	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NONMAJOR GOVERNMENTAL FUNDS SECTION

CAPITAL PROJECT FUNDS

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CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

2006 Public Facilities - Accounts for construction of various projects including; a new Fleet Maintenance Facility, improvements to the Voter Registration Facility and Sheriff Station House Facility.

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

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

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

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

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

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

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

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	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	$ 208	1,840	46,625	113	174	5,631	6,231
Receivables, net of allowance for uncollectibles:							
Billed		429					
Interest							5
Intergovernmental					17		
Due from other funds							
Total assets	$ 208	2,269	46,625	113	191	5,631	6,236
Liabilities and fund balances:							
Liabilities:							
Warrants payable	$	2		1		235	2
Accrued liabilities							
Intergovernmental payable	28	1,163					
Due to other funds		12	47	1	1		4
Total liabilities	28	1,177	47	2	1	235	6
Fund balances:							
Reserved for:							
Encumbrances			256				
Future construction	180	1,092	46,322	111	190	5,396	2,802
Unreserved:							
Designated							3,428
Total fund balances	180	1,092	46,578	111	190	5,396	6,230
Total liabilities and fund balances	$ 208	2,269	46,625	113	191	5,631	6,236

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

			Public Facilities Financing Corporation				
	Accumulated Capital Outlay	Community Fee Districts	1997 Public Facilities	2006 Public Facilities	2007 Public Facilities	Tobacco Litigation Settlement	McClellan CFD
Assets:							
Cash and investments	$ 29,165	16,427	2,938	625	22,080	71,030	2,141
Receivables, net of allowance for uncollectibles:							
Billed		28					
Interest							
Intergovernmental	2,372	14					
Due from other funds	101						
Total assets	$ 31,638	16,469	2,938	625	22,080	71,030	2,141
Liabilities and fund balances:							
Liabilities:							
Warrants payable	$ 82	17					
Accrued liabilities	2,843	72					
Intergovernmental payable	1,655	1,620					
Due to other funds	399	582					2
Total liabilities	4,979	2,291					2
Fund balances:							
Reserved for:							
Encumbrances	51,075	1,811					
Future construction	(24,416)	12,367	2,938	625	22,080	71,030	2,139
Unreserved:							
Designated							
Total fund balances	26,659	14,178	2,938	625	22,080	71,030	2,139
Total liabilities and fund balances	$ 31,638	16,469	2,938	625	22,080	71,030	2,141

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	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	$ 298	786	2,736	16	209,064
Receivables, net of allowance for uncollectibles:					
Billed					457
Interest					5
Intergovernmental					2,403
Due from other funds					101
Total assets	$ 298	786	2,736	16	212,030
Liabilities and fund balances:					
Liabilities:					
Warrants payable	$				339
Accrued liabilities					2,915
Intergovernmental payable				16	4,482
Due to other funds			19		1,067
Total liabilities			19	16	8,803
Fund balances:					
Reserved for:					
Encumbrances	1				53,143
Future construction	297	786	2,717		146,656
Unreserved:					
Designated					3,428
Total fund balances	298	786	2,717		203,227
Total liabilities and fund balances	$ 298	786	2,736	16	212,030

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	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	$ 4	53	1,370	5	16	89	251
Intergovernmental							510
Charges for sales and services							
Fines, forfeitures and penalties							
Contributions from property owners			40,200				
Miscellaneous		23	3,802	137	51		
Total revenues	4	76	45,372	142	67	89	761
Expenditures:							
Public ways and facilities						798	1,444
Capital outlay		470	20,772	140	61		
Total expenditures		470	20,772	140	61	798	1,444
Excess (deficiency) of revenues over (under) expenditures	4	(394)	24,600	2	6	(709)	(683)
Other financing sources (uses):							
Transfers in							
Transfers out							
Capital leases obligations							
Total other financing sources (uses)							
Net change in fund balances	4	(394)	24,600	2	6	(709)	(683)
Fund balances - beginning	176	1,486	21,978	109	184	6,105	6,913
Fund balances - ending	$ 180	1,092	46,578	111	190	5,396	6,230

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

			Public Facilities Financing Corporation				
	Accumulated Capital Outlay	Community Fee Districts	1997 Public Facilities	2006 Public Facilities	2007 Public Facilities	Tobacco Litigation Settlement	McClellan CFD
Revenues:							
Use of money and property	$ 780	619	321		1,294	3,170	216
Intergovernmental	5,673	58					
Charges for sales and services	62	2,835					
Fines, forfeitures and penalties	4,074						
Contributions from property owners							
Miscellaneous	23,376						101
Total revenues	33,965	3,512	321		1,294	3,170	317
Expenditures:							
Public ways and facilities							
Capital outlay	26,177	1,865	990	1,414	19,484	13,776	4,296
Total expenditures	26,177	1,865	990	1,414	19,484	13,776	4,296
Excess (deficiency) of revenues over (under) expenditures	7,788	1,647	(669)	(1,414)	(18,190)	(10,606)	(3,979)
Other financing sources (uses):							
Transfers in	77				40,270		
Transfers out	(3,949)						
Capital leases obligations	6,397						
Total other financing sources (uses)	2,525				40,270		
Net change in fund balances	10,313	1,647	(669)	(1,414)	22,080	(10,606)	(3,979)
Fund balances - beginning	16,346	12,531	3,607	2,039		81,636	6,118
Fund balances - ending	$ 26,659	14,178	2,938	625	22,080	71,030	2,139

COUNTY OF SACRAMENTO
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	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	$ 8	35	235		8,466
Intergovernmental					6,241
Charges for sales and services	178	744			3,819
Fines, forfeitures and penalties					4,074
Contributions from property owners			14,415		54,615
Miscellaneous	24				27,514
Total revenues	210	779	14,650		104,729
Expenditures:					
Public ways and facilities					2,242
Capital outlay	91	1,455	11,933		102,924
Total expenditures	91	1,455	11,933		105,166
Excess (deficiency) of revenues over (under) expenditures	119	(676)	2,717		(437)
Other financing sources (uses):					
Transfers in					40,347
Transfers out					(3,949)
Capital leases obligations					6,397
Total other financing sources (uses)					42,795
Net change in fund balances	119	(676)	2,717		42,358
Fund balances - beginning	179	1,462			160,869
Fund balances - ending	$ 298	786	2,717		203,227

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		4	4
Net change in fund balance	$		4	4

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 10	10	53	43
Miscellaneous	3	3	23	20
Total revenues	13	13	76	63
Expenditures:				
Capital outlay	1,130	1,532	470	1,062
Net change in fund balance	$ (1,117)	(1,519)	(394)	1,125

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 (ADJUSTED TO BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 55	55	1,370	1,315
Contributions from property owners	40,200	40,200	40,200	
Miscellaneous	250	250	3,802	3,552
Total revenues	40,505	40,505	45,372	4,867
Expenditures:				
Capital outlay	17,354	25,484	20,772	4,712
Net change in fund balance	$ 23,151	15,021	24,600	9,579

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		5	5
Miscellaneous	130	130	137	7
Total revenues	130	130	142	12
Expenditures:				
Capital outlay	241	238	140	98
Net change in fund balance	$ (111)	(108)	2	110

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		16	16
Miscellaneous	62	58	51	(7)
Total revenues	62	58	67	9
Expenditures:				
Capital outlay	261	258	61	197
Net change in fund balance	$ (199)	(200)	6	206

COUNTY OF SACRAMENTO
MELLO-ROOS COMMUNITY FACILITIES ACT 1982
LAGUNA COMMUNITY FACILITIES DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (ADJUSTED TO BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 100	100	89	(11)
Total revenues	100	100	89	(11)
Expenditures:				
Public ways and facilities	5,863	5,989	798	5,191
Net change in fund balance	$ (5,763)	(5,889)	(709)	5,180

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 (ADJUSTED TO BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 40	40	251	211
Intergovernmental			510	510
Miscellaneous	449	449		(449)
Total revenues	489	489	761	272
Expenditures:				
Public ways and facilities	4,896	4,564	1,444	3,120
Net change in fund balance	$ (4,407)	(4,075)	(683)	3,392

COUNTY OF SACRAMENTO
ACCUMULATED CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (ADJUSTED TO BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 125	125	780	655
Intergovernmental	10,869	10,484	5,673	(4,811)
Charges for sales and services	48	48	62	14
Fines, forfeitures and penalties	3,900	3,900	4,074	174
Miscellaneous	26,691	29,392	23,376	(6,016)
Total revenues	41,633	43,949	33,965	(9,984)
Expenditures:				
Capital outlay	36,455	58,860	26,177	32,683
Excess (deficiency) of revenues over (under) expenditures	5,178	(14,911)	7,788	22,699
Other financing sources (uses):				
Transfers in	77	77	77	
Transfers out	(3,949)	(7,898)	(3,949)	3,949
Capital leases obligations		6,397	6,397	
Total other financing sources (uses)	(3,872)	(1,424)	2,525	3,949
Net change in fund balance	$ 1,306	(16,335)	10,313	26,648

COUNTY OF SACRAMENTO
COMMUNITY FEE DISTRICTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (ADJUSTED TO BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 75	75	619	544
Intergovernmental			58	58
Charges for sales and services	5,049	5,049	2,835	(2,214)
Total revenues	5,124	5,124	3,512	(1,612)
Expenditures:				
Capital outlay	17,015	17,655	1,865	15,790
Net change in fund balance	$ (11,891)	(12,531)	1,647	14,178

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		321	321
Total revenues			321	321
Expenditures:				
Capital outlay	1,281	3,606	990	2,616
Net change in fund balance	$ (1,281)	(3,606)	(669)	2,937

COUNTY OF SACRAMENTO
2006 PUBLIC FACILITIES FINANCING CORPORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures:				
Capital outlay	$ 375	2,037	1,414	623
Net change in fund balance	$ (375)	(2,037)	(1,414)	623

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		1,294	1,294
Expenditures:				
Capital outlay	40,270	40,270	19,484	20,786
Deficiency of revenues under expenditures	(40,270)	(40,270)	(18,190)	22,080
Other financing sources (uses):				
Transfers in	40,270	40,270	40,270	
Transfers out				
Total other financing sources (uses)	40,270	40,270	40,270	
Net change in fund balance	$		22,080	22,080

COUNTY OF SACRAMENTO
TOBACCO LITIGATION SETTLEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		3,170	3,170
Expenditures:				
Capital outlay	29,068	81,632	13,776	67,856
Deficiency of revenues under expenditures	(29,068)	(81,632)	(10,606)	71,026
Net change in fund balance	$ (29,068)	(81,632)	(10,606)	71,026

COUNTY OF SACRAMENTO
McCLELLAN CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 50	50	216	166
Miscellaneous	90	90	101	11
Total revenues	140	140	317	177
Expenditures:				
Capital outlay	4,681	6,258	4,296	1,962
Net change in fund balance	$ (4,541)	(6,118)	(3,979)	2,139

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$ 50		8	8
Charges for sales and services	332	410	178	(232)
Miscellaneous			24	24
Total revenues	382	410	210	(200)
Expenditures:				
Capital outlay	449	547	91	456
Net change in fund balance	$ (67)	(137)	119	256

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, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		35	35
Charges for sales and services	739	739	744	5
Total revenues	739	739	779	40
Expenditures:				
Capital outlay	2,157	2,201	1,455	746
Net change in fund balance	$ (1,418)	(1,462)	(676)	786

COUNTY OF SACRAMENTO
NORTH VINEYARD SSP CFD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$		235	235
Charges for sales and services			-	
Contributions from property owners	13,706	13,706	14,415	709
Total revenues	13,706	13,706	14,650	944
Expenditures:				
Capital outlay	12,150	12,150	11,933	217
Net change in fund balance	$ 1,556	1,556	2,717	1,161

COUNTY OF SACRAMENTO
COUNTY PARKS – NO. 2006-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Use of money and property	$			
Charges for sales and services				
Total revenues				
Expenditures:				
Capital outlay				
Net change in fund balance	$			

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

NONMAJOR ENTERPRISE FUNDS SECTION

NONMAJOR ENTERPRISE FUNDS

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

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

COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
Assets:			
Current assets:			
Cash and investments	$ 6,181	527	6,708
Receivables, net of allowance for uncollectibles:			
Billed		71	71
Intergovernmental	1	1,011	1,012
Due from other funds	797		797
Total current assets	6,979	1,609	8,588
Noncurrent assets:			
Long-term receivables		11	11
Deferred charges	154		154
Capital assets:			
Land and other nondepreciable assets	1,309		1,309
Facilities, infrastructure and equipment, net of depreciation	2,984	433	3,417
Total capital assets	4,293	433	4,726
Total noncurrent assets	4,447	444	4,891
Total assets	$ 11,426	2,053	13,479
Liabilities:			
Current liabilities:			
Warrants payable	$ 41		41
Accrued liabilities	140	320	460
Due to other funds	65	4	69
Current portion of long-term debt obligations	585		585
Total current liabilities	831	324	1,155
Noncurrent liabilities:			
Long-term debt obligations	2,675		2,675
Total noncurrent liabilities	2,675		2,675
Total liabilities	3,506	324	3,830
Net assets:			
Invested in capital assets, net of related debt	1,107	433	1,540
Unrestricted	6,813	1,296	8,109
Total net assets	7,920	1,729	9,649
Total liabilities and net assets	$ 11,426	2,053	13,479

COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
Operating revenues:			
Charges for sales and services	$ 3,040	174	3,214
Other	1		1
Total operating revenues	3,041	174	3,215
Operating expenses:			
Salaries and benefits	661		661
Services and supplies	1,531	169	1,700
Depreciation	260	120	380
Other	139	1,651	1,790
Total operating expenses	2,591	1,940	4,531
Operating income (loss)	450	(1,766)	(1,316)
Nonoperating revenues (expenses):			
Use of money and property	299	37	336
Intergovernmental		965	965
Sales / use tax		573	573
Interest expense	(159)		(159)
Other			
Total nonoperating revenues	140	1,575	1,715
Income before transfers	590	(191)	399
Transfers in	132		132
Transfers out	(164)		(164)
Changes in net assets	558	(191)	367
Net assets, beginning of year	7,362	1,920	9,282
Net assets, end of year	$ 7,920	1,729	9,649

COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	$ 3,040	129	3,169
Payments to suppliers	(1,496)	(1,819)	(3,315)
Payments to employees	(658)		(658)
Receipts from interfund services provided	94		94
Other (payments) receipts	(106)		(106)
Net cash provided by (used for) operating activities	874	(1,690)	(816)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue		1,293	1,293
Transfers to other funds	(32)		(32)
Net cash provided by (used for) noncapital financing activities	(32)	1,293	1,261
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(134)	(314)	(448)
Principal paid on long-term obligations	(560)		(560)
Interest paid on long-term obligations	(157)		(157)
Net cash used for capital and related financing activities	(851)	(314)	(1,165)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on cash and investments	298	37	335
Net cash provided by investing activities	298	37	335
Net increase in cash and cash equivalents	289	(674)	(385)
Cash and cash equivalents, beginning of year	5,892	1,201	7,093
Cash and cash equivalents, end of year	$ 6,181	527	6,708

COUNTY OF SACRAMENTO
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Parking Enterprise	County Transit	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	$ 450	(1,766)	(1,316)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	260	120	380
Amortization	32		32
Changes in assets and liabilities:			
Receivables		(45)	(45)
Due from other funds	49	4	53
Warrants payable	(15)		(15)
Accrued liabilities	56	(3)	53
Due to other funds	39		39
Other post employment benefits	3		3
Total adjustments	424	76	500
Net cash provided by (used for) operating activities	$ 874	(1,690)	(816)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

Facility Planning, Architecture and Real estate - Accounts for the County's facility planning, architecture and real estate

COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

			Self Insurance						
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications	Office of Communications and Information	Facility Planning Architecture and Real Estate	Total
Assets:									
Current assets:									
Cash and investments	$ 80,176	44,001	11,405	37,400	3,433	9,028	11,782	9,584	206,809
Receivables, net of allowance for uncollectibles:									
Billed	4,560	2	2,809						7,371
Intergovernmental	700	98	387	33	3		28	4	1,253
Due from other funds	2,446	921	16,505	30,601	1,373		800	897	53,543
Inventories		2,089							2,089
Total current assets	87,882	47,111	31,106	68,034	4,809	9,028	12,610	10,485	271,065
Noncurrent assets:									
Long-term advances to other funds									
Long-term receivables				119					119
Deferred charges	5,197								5,197
Capital assets:									
Land and other nondepreciable assets									
Facilities, infrastructure and equipment, net of depreciation	1,635	35,707				4,670	3,075	25	45,112
Total capital assets	1,635	35,707				4,670	3,075	25	45,112
Total noncurrent assets	6,832	35,707		119		4,670	3,075	25	50,428
Total assets	$ 94,714	82,818	31,106	68,153	4,809	13,698	15,685	10,510	321,493
Liabilities and fund balances:									
Current liabilities:									
Warrants payable	$ 442	628	3,428	526		6	903	3,300	9,233
Accrued liabilities	3,353	11,343	385	30		13	2,311	625	18,060
Intergovernmental payable	7,459	14							7,473
Due to other funds	12,150	1,901	534	1,156	24	8	363	228	16,364
Current portion of insurance claims payable			11,100	24,821					35,921
Deferred revenues			17	119		2,939	741		3,816
Total current liabilities	23,404	13,886	15,464	26,652	24	2,966	4,318	4,153	90,867
Noncurrent liabilities:									
Insurance claims payable			22,208	87,695					109,903
Long-term debt obligations	10,944	2,921				30	2,895	979	17,769
Long-term advances from other funds		18,395							18,395
Total noncurrent liabilities	10,944	21,316	22,208	87,695		30	2,895	979	146,067
Total liabilities	34,348	35,202	37,672	114,347	24	2,996	7,213	5,132	236,934
Net assets:									
Invested in capital assets, net of related debt	780	11,776				4,670	3,075	25	20,326
Unrestricted	59,586	35,840	(6,566)	(46,194)	4,785	6,032	5,397	5,353	64,233
Total net assets	60,366	47,616	(6,566)	(46,194)	4,785	10,702	8,472	5,378	84,559
Total liabilities and net assets	$ 94,714	82,818	31,106	68,153	4,809	13,698	15,685	10,510	321,493

COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

			Self Insurance						
	Public Works	General Services	Liability/Property	Worker's Compensation	Other	Regional Communications	Office of Communications and Information Technology	Facility Planning Architecture and Real Estate	Total
Operating revenues:									
Charges for sales and services	$ 148,106	88,797	18,429	40,632	1,376	4,249	53,729	64,487	419,805
Other	6,253	5,957	1,707	424			27	78	14,446
Total operating revenues	154,359	94,754	20,136	41,056	1,376	4,249	53,756	64,565	434,251
Operating expenses:									
Salaries and benefits	100,906	40,290				470	23,117	8,873	173,656
Services and supplies	43,323	34,884				907	23,125	53,240	155,479
Cost of sales and services		5,839							5,839
Depreciation	935	10,818				1,499	1,461	9	14,722
Self-insurance			11,491	38,745	1,291				51,527
Other		1,484	156	489	15			806	2,950
Total operating expenses	145,164	93,315	11,647	39,234	1,306	2,876	47,703	62,928	404,173
Operating income	9,195	1,439	8,489	1,822	70	1,373	6,053	1,637	30,078
Nonoperating revenues (expenses):									
Use of money and property		1	564			375	1		941
Intergovernmental	1,677								1,677
Interest expense	(40)	(1,472)						(7)	(1,519)
Other	8,038	765				(452)	(346)		8,005
Total nonoperating revenues (expenses)	9,675	(706)	564			(77)	(345)	(7)	9,104
Income before transfers	18,870	733	9,053	1,822	70	1,296	5,708	1,630	39,182
Transfers in									
Transfers out	(4,026)	(2,810)				(17)	(3,913)	(333)	(11,099)
Changes in net assets	14,844	(2,077)	9,053	1,822	70	1,279	1,795	1,297	28,083
Net assets, beginning of year	45,522	49,693	(15,619)	(48,016)	4,715	9,423	6,677	4,081	56,476
Net assets, end of year	$ 60,366	47,616	(6,566)	(46,194)	4,785	10,702	8,472	5,378	84,559

COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

			Self Insurance						
	Public Works	General Services	Liability/ Property	Worker's Compensation	Other	Regional Communications	Office of Communications and Information Technology	Facility Planning Architecture and Real Estate	Total
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from customers and users	$ 5,182	5,954	391	454		4,251	54,346		70,578
Receipts from interfund services provided	144,802	108,800	21,543	48,569	1,962			65,871	391,547
Receipts from other operating activities								78	78
Payments to suppliers	(46,754)	(40,013)	(14,398)	(26,755)		(1,490)	(24,515)	(52,950)	(206,875)
Payments to employees	(106,179)	(40,012)				(466)	(23,139)	(8,772)	(178,568)
Claims payments					(1,270)				(1,270)
Payments for interfund services used	13	(21,452)	(1,838)	(4,025)	(16)			(1,853)	(29,171)
Other (payments) receipts		(1,485)						(806)	(2,291)
Net cash provided by (used for) operating activities	(2,936)	11,792	5,698	18,243	676	2,295	6,692	1,568	44,028
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:									
Receipt of advances from other funds		8,824							8,824
Intergovernmental revenue	1,677								1,677
Other non-operating revenue	8,038		564			375			8,977
Non-operating expense	(378)					(452)	(346)		(1,176)
Payment on advances from other funds	(4,026)	(7,324)						(94)	(11,444)
Interest paid on advances from other funds		(1,471)						(7)	(1,478)
Transfers to other funds		(2,810)				(17)	(3,913)	(333)	(7,073)
Net cash provided by (used for) noncapital financing activities	5,311	(2,781)	564			(94)	(4,259)	(434)	(1,693)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:									
Acquisition and construction of capital assets		(11,825)				(213)	(2,150)		(14,188)
Interest paid on long-term obligations	(40)								(40)
Proceeds from the sale of capital assets		1,038					5		1,043
Deferred charges		3,424							3,424
Net cash used for capital and related financing activities	(40)	(7,363)				(213)	(2,145)		(9,761)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Interest received on cash and investments		1							1
Net increase (decrease) in cash and cash equivalents	2,335	1,649	6,262	18,243	676	1,988	288	1,134	32,575
Cash and cash equivalents, beginning of year	77,841	42,352	5,143	19,157	2,757	7,040	11,494	8,450	174,234
Cash and cash equivalents, end of year	$ 80,176	44,001	11,405	37,400	3,433	9,028	11,782	9,584	206,809

COUNTY OF SACRAMENTO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Public Works	General Services	Self Insurance: Liability/ Property	Self Insurance: Worker's Compensation	Self Insurance: Other	Regional Communications	Office of Communications and Information Technology	Facility Planning Architecture and Real Estate	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES									
Operating income	$ 9,195	1,439	8,489	1,822	70	1,373	6,053	1,637	30,078
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:									
Depreciation	935	10,818				1,499	1,461	9	14,722
Gain (Loss) on disposal of fixed assets							(4)		(4)
Changes in assets and liabilities:									
Receivables	(1,071)	(2)	(3,806)		586				(4,293)
Due from other funds	840	(473)	1,281	6,815			(147)	152	8,468
Due from other governments	1,020	(95)			(1)			12	936
Long-term receivables	(5,164)								(5,164)
Inventories		786							786
Warrants payable	(249)	(270)	1,539	4		(207)	279	455	1,551
Accrued liabilities	(1,154)	180	(1,002)	(26)		1	(202)	(167)	(2,370)
Due to other funds	13	(883)	516	1,152	21	3	(1,467)	(631)	(1,276)
Due to other governments	(2,028)	13							(2,015)
Deferred revenues						(378)	741		363
Compensated absences	(5,897)	118				3	(104)	70	(5,810)
Other post employment benefits	624	161				1	82	31	899
Insurance claims payable			(1,319)	8,476					7,157
Total adjustments	(12,131)	10,353	(2,791)	16,421	606	922	639	(69)	13,950
Net cash provided by (used for) operating activities	$ (2,936)	11,792	5,698	18,243	676	2,295	6,692	1,568	44,028

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

AGENCY FUNDS

AGENCY FUNDS

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

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

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

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008
(amounts expressed in thousands)

	Law Enforcement	Unapportioned Tax Collection	Other	Total
Assets:				
Cash and investments	$ 25,294	28,432	203,234	256,960
Receivables, net of allowance for uncollectibles:				
Billed	1,213	10,190	969	12,372
Interest			22,183	22,183
Intergovernmental		1,830	916	2,746
Due from other funds	(797)	898	2,004	2,105
Long-term receivables				
Total assets	$ 25,710	41,350	229,306	296,366
Liabilities:				
Warrants payable	$ 2,120	5,876	15,255	23,251
Accrued liabilities	941	679	1,751	3,371
Intergovernmental payable	22,649	34,795	212,300	269,744
Due to other funds				
Total liabilities	$ 25,710	41,350	229,306	296,366

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Law Enforcement				
Assets:				
Cash and investments	$ 28,263		2,969	25,294
Receivables, net of allowance for uncollectibles:				
Billed		1,213		1,213
Due from other funds	4		801	(797)
Total assets	$ 28,267	1,213	3,770	25,710
Liabilities:				
Warrants payable	$ 3,549		1,429	2,120
Accrued liabilities	779	162		941
Intergovernmental payable	23,939		1,290	22,649
Total liabilities	$ 28,267	162	2,719	25,710

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Unapportioned Tax Collection				
Assets:				
Cash and investments	$ 29,398		966	28,432
Receivables, net of allowance for uncollectibles:				
Billed	8,288	1,902		10,190
Intergovernmental	350	1,480		1,830
Due from other funds	247	651		898
Total assets	$ 38,283	4,033	966	41,350
Liabilities:				
Warrants payable	$ 6,162		286	5,876
Accrued liabilities	188	491		679
Intergovernmental payable	31,933	2,862		34,795
Total liabilities	$ 38,283	3,353	286	41,350

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Other				
Assets:				
Cash and investments	$ 180,370	22,864		203,234
Receivables, net of allowance for uncollectibles:				
Billed	736	233		969
Interest	39,361		17,178	22,183
Intergovernmental	742	174		916
Due from other funds	1,383	621		2,004
Long-term receivables	150		150	-
Total assets	$ 222,742	23,892	17,328	229,306
Liabilities:				
Warrants payable	$ 8,196	7,059		15,255
Accrued liabilities	18,359		16,608	1,751
Intergovernmental payable	196,187	16,113		212,300
Total liabilities	$ 222,742	23,172	16,608	229,306

COUNTY OF SACRAMENTO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Totals				
Assets:				
Cash and investments	$ 238,031	22,864	3,935	256,960
Receivables, net of allowance for uncollectibles:				
Billed	9,024	3,348		12,372
Interest	39,361		17,178	22,183
Intergovernmental	1,092	1,654		2,746
Due from other funds	1,634	1,272	801	2,105
Long-term receivables	150		150	
Total assets	$ 289,292	29,138	22,064	296,366
Liabilities:				
Warrants payable	$ 17,907	7,059	1,715	23,251
Accrued liabilities	19,326	653	16,608	3,371
Intergovernmental payable	252,059	18,975	1,290	269,744
Total liabilities	$ 289,292	26,687	19,613	296,366

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

INVESTMENT TRUST FUNDS

INVESTMENT TRUST FUNDS

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

Fiscal Agent Pool - Accounts for separate investment pools and maintains accounts for assets of various long-term obligations.

COUNTY OF SACRAMENTO
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008
(amounts expressed in thousands)

	Treasurer's Pool	Fiscal Agent Pool	Total
Assets:			
Cash and investments	$ 1,767,237	644,736	2,411,973
Net assets held in trust for pool participants	$ 1,767,237	644,736	2,411,973

COUNTY OF SACRAMENTO
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

	Treasurer's Pool	Fiscal Agent Pool	Total
Additions:			
Contributions on pooled investments	$ 10,222,372	10,081,149	20,303,521
Use of money and property	114,836	119,397	234,233
Total additions	10,337,208	10,200,546	20,537,754
Deductions:			
Distributions from pooled investments	10,267,480	10,283,291	20,550,771
Net increase in net assets	69,728	(82,745)	(13,017)
Net assets held in trust for pool participants, beginning of year	1,697,509	727,481	2,424,990
Net assets held in trust for pool participants, end of year	$ 1,767,237	644,736	2,411,973

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

STATISTICAL SECTION

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

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

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

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

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

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

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

COUNTY OF SACRAMENTO
NET ASSETS BY COMPONENT
FISCAL YEARS 2001-02 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Governmental activities							
Invested in capital assets, net of related debt	$ 763,070	798,416	938,655	962,902	1,058,751	1,099,603	1,071,637
Restricted	503,532	516,881	515,322	522,755	408,290	425,187	507,138
Unrestricted	(559,029)	23,216	(143,379)	(110,031)	13,152	(44,775)	(105,778)
Total governmental activities net assets	$ 707,573	1,338,513	1,310,598	1,375,626	1,480,193	1,480,015	1,472,997
Business-type activities							
Invested in capital assets, net of related debt	$ 893,543	990,082	328,285	415,890	461,723	512,575	514,012
Restricted	99,202	114,904	85,685	96,802	115,208	138,764	214,334
Unrestricted	460,371	490,131	233,611	251,377	258,055	264,560	274,165
Total business-type activities net assets	$ 1,453,116	1,595,117	647,581	764,069	834,986	915,899	1,002,511
Primary government							
Invested in capital assets, net of related debt	$ 1,656,613	1,788,498	1,266,940	1,378,792	1,520,474	1,612,178	1,585,649
Restricted	602,734	631,785	601,007	619,557	523,498	563,951	721,472
Unrestricted	(98,658)	513,347	90,232	141,346	271,207	219,785	168,387
Total primary government net assets	$ 2,160,689	2,933,630	1,958,179	2,139,695	2,315,179	2,395,914	2,475,508

Note: 1) Trend data is only available for the last seven fiscal years due to the implementation of GASB 34.
2) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted and unrestricted. Net assets are considered restricted when a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

COUNTY OF SACRAMENTO
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Expenses							
Governmental activities:							
General government	$ 135,129	110,633	173,913	191,798	208,862	217,194	201,713
Public assistance	716,295	708,491	684,036	707,374	731,099	736,120	681,682
Public protection	578,910	599,659	588,881	610,098	617,770	727,876	705,953
Health and sanitation	318,859	393,575	466,430	386,881	457,310	527,305	661,440
Public ways and facilities	66,447	66,861	63,478	120,551	160,495	139,424	199,748
Recreation and culture	38,664	31,878	26,481	44,951	32,678	37,522	42,246
Education	29,638	26,951	27,944	13,033	13,156	14,806	22,621
Interest and fiscal charges	58,667	64,724	84,493	87,191	96,182	108,249	151,148
Total governmental activities	1,942,609	2,002,772	2,115,656	2,161,877	2,317,552	2,508,496	2,666,551
Business-type activities:							
Airport	80,794	88,445	101,219	99,249	104,486	113,018	125,793
Regional Sanitation District	107,357	105,620					
Solid Waste	63,477	68,111	82,216	65,805	62,395	61,106	60,149
Sanitation District Number One	43,444	42,333					
Water Agency	13,171	14,188	20,326	33,649	37,313	40,200	45,992
Parking Enterprise	3,231	3,188	2,767	2,929	2,606	2,630	2,904
County Transit	323	756	9,210	1,688	1,888	2,179	1,954
Total business-type activities	311,797	322,641	215,738	203,320	208,688	219,133	236,792
Total primary government	$ 2,254,406	2,325,413	2,331,394	2,365,197	2,526,240	2,727,629	2,903,343
Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 111,437	94,355	139,026	135,191	142,140	134,274	90,743
Public assistance	21,633	3,944	9,016	6,583	4,705	10,621	11,340
Public protection	78,962	83,624	99,670	114,352	140,842	145,372	126,058
Health and sanitation	33,866	36,200	52,132	17,883	25,471	41,289	43,888
Public ways and facilities	20,849	19,752	37,552	64,759	81,903	82,266	76,590
Recreation and culture	10,623	10,431	11,749	14,783	13,373	14,694	15,065
Education	622	4	1,147	144	72	256	273
Operating grants and contributions	961,467	980,076	998,332	1,099,378	1,096,348	1,104,969	1,223,424
Capital grants and contributions	18,629	23,892	98,317	37,506	31,523	41,993	95,231
Total governmental activities	1,258,088	1,252,278	1,446,941	1,490,579	1,536,377	1,575,734	1,682,612

Note: 1) Trend data is only available for the last seven fiscal years due to the implementation of GASB 34.
2) As of the year ended June 30, 2004, the Sacramento County Sanitation District One and Sacramento County Regional Sanitation District are no longer component units of the County of Sacramento.

COUNTY OF SACRAMENTO
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Business-type activities:							
Charges for services:							
Airport	72,109	75,936	87,885	97,753	104,566	107,997	115,050
Regional Sanitation District	124,419	146,688					
Solid Waste	65,519	69,716	84,983	71,384	66,877	64,676	65,302
Sanitation District Number One	34,720	43,517					
Water Agency	27,798	38,009	46,874	*50,707	60,283	54,894	47,800
Parking Enterprise	2,492	2,350	2,588	2,676	2,921	3,047	3,265
County Transit	133	337	8,589	227	257	556	204
Operating grants and contributions	15,259	18,112	18,498	27,435	26,246	29,451	29,336
Capital grants and contributions	51,682	40,247	26,153	38,838	16,272	21,895	28,635
Total business-type activities	394,131	434,912	275,570	289,020	277,422	282,516	289,592
Total primary government	$ 1,652,219	1,687,190	1,722,511	1,779,599	1,813,799	1,858,250	1,972,204
Net (expense)/revenue							
Governmental activities	$ (684,521)	(750,494)	(668,715)	(671,298)	(781,175)	(932,762)	(983,939)
Business-type activities	82,334	112,271	59,832	85,700	68,734	63,383	52,800
Total primary government net expense	$ (602,187)	(638,223)	(608,883)	(585,598)	(712,441)	(869,379)	(931,139)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property	$ 240,640	262,647	278,254	356,956	415,320	447,032	474,947
Sales/Use	85,988	83,275	106,649	52,717	79,862	80,267	82,472
Transient occupancy	8,651	7,891	5,928	6,087	6,623	6,823	6,964
Unrestricted investment earnings	53,747	47,065	32,187	42,032	67,522	75,053	72,706
Grants and contributions not restricted to specific programs	297,805	293,767	262,321	184,671	224,467	199,811	230,103
Pledged tobacco settlement proceeds	171,966		13,388	12,880	12,082	12,795	6,716
Miscellaneous	101,582	93,239	102,038	102,281	85,701	109,194	101,025
Transfers				(7,782)	(638)	1,609	1,988
Total general revenues and transfers	960,379	787,884	800,765	749,842	890,939	932,584	976,921

*Restated

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

COUNTY OF SACRAMENTO
CHANGE IN NET ASSETS
FISCAL YEARS 2001-02 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Business-type activities:							
Property tax	4,672	5,381					
Sales/Use tax	492	576	556	683	614	951	573
Unrestricted investment earnings	28,332	18,859	5,180	8,257	13,215	18,188	31,890
Grants and contributions not restricted to specific programs	2,528	2,850	3,000				
Miscellaneous	2,827	2,064					
Transfers				7,782	638	(1,609)	(1,988)
Total general revenues and transfers	38,851	29,730	8,736	16,722	14,467	17,530	30,475
Total primary government	$ 999,230	817,614	809,501	766,564	905,406	950,114	1,007,396
Change in Net Assets							
Governmental activities	$ 275,858	37,390	132,050	78,544	109,764	(178)	(7,018)
Business-type activities	121,185	142,001	68,568	102,422	83,201	80,913	83,275
Total primary government	$ 397,043	179,391	200,618	180,966	192,965	80,735	76,257

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

COUNTY OF SACRAMENTO
FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General fund										
Reserved	$ 40,894	32,756	47,861	47,679	41,199	43,108	41,725	47,478	48,850	59,322
Unreserved	76,525	112,266	111,369	86,506	114,666	96,064	160,227	205,520	149,845	97,711
Total general fund	$ 117,419	145,022	159,230	134,185	155,865	139,172	201,952	252,998	198,695	157,033
All other governmental funds										
Reserved	$ 155,560	172,998	284,055	378,181	453,180	394,234	280,763	308,644	330,439	379,897
Unreserved, reported in:										
Special revenue funds	72,507	120,223	134,320	252,921	244,638	265,170	271,060	277,814	250,264	265,854
Capital projects funds					(41,212)	(22,306)	(32,955)	(2,507)	4,104	3,428
Total all other governmental funds	$ 228,067	293,221	418,375	631,102	656,606	637,098	518,868	583,951	584,807	649,179

Intentionally Blank

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenues										
Taxes	$ 247,684	286,658	299,486	335,279	353,813	363,967	442,560	501,805	534,122	564,383
Use of money and property	47,920	48,719	56,624	53,433	46,880	31,854	41,993	66,851	74,172	72,908
Licenses and permits	47,635	48,848	49,124	53,652	49,686	50,416	51,029	50,125	46,035	49,259
Intergovernmental	972,292	1,073,438	1,201,519	1,275,495	1,298,846	1,274,924	1,294,614	1,370,473	1,374,776	1,431,493
Charges for services	137,733	166,662	150,290	177,646	153,983	189,526	149,159	181,786	181,628	179,710
Fines, forfeitures, and penalties	20,379	35,500	35,141	23,335	33,853	44,531	41,729	41,014	46,177	52,853
Contributions and donations	999	725	757	249		59,845	13,225			62,050
Pledged tobacco settlement proceeds						13,388	9,276	12,138	12,705	13,525
Miscellaneous	51,592	80,860	83,438	101,582	112,639	102,210	102,077	85,701	109,194	101,025
Total revenues	1,526,234	1,741,410	1,876,379	2,020,671	2,049,700	2,130,661	2,145,662	2,309,893	2,378,809	2,527,206
Expenditures										
General government	136,096	144,134	131,054	119,803	85,265	132,386	157,852	177,477	177,952	175,593
Public assistance	590,582	622,744	654,084	708,598	701,080	673,037	786,505	730,185	731,883	673,098
Public protection	387,386	449,893	493,346	558,193	583,457	560,442	850,786	627,594	687,371	666,706
Health and sanitation	186,453	226,113	261,329	308,869	379,561	436,181	432,221	417,330	501,490	644,595
Public ways and facilities	64,902	73,871	105,469	99,462	82,695	99,212	80,330	96,068	102,617	108,974
Recreation and culture	22,175	26,754	32,857	35,875	37,211	33,830	36,652	36,133	41,972	49,871
Education	21,743	27,085	30,731	28,619	26,283	26,554	15,572	17,051	20,082	22,416
Capital outlay	53,696	68,706	99,529	83,492	94,519	164,198	93,384	110,519	100,052	128,542
Debt service:										
Principal	28,303	25,682	27,475	35,235	37,301	28,245	113,618	41,053	53,880	83,964
Bond issuance cost					2,400	4,678	6,131	4,043		9,949
Advanced refunding escrow					5,584			15,659		
Interest and fiscal charges	42,833	50,321	49,465	45,948	47,608	52,088	54,684	51,336	72,229	87,098
Total expenditures	1,534,169	1,715,303	1,885,339	2,024,094	2,082,964	2,210,851	2,627,735	2,324,448	2,489,528	2,650,806
Excess (deficiency) of revenues over (under) expenditures	$ (7,935)	$ 26,107	$ (8,960)	$ (3,423)	$ (33,264)	$ (80,190)	$(482,073)	$ (14,555)	$ (110,719)	$ (123,600)

COUNTY OF SACRAMENTO
CHANGES IN FUND BALANCES OF GOVERMENTAL FUNDS
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Other financing sources (uses)										
Transfers in	76,380	81,821	84,261	94,836	80,108	98,175	84,294	194,272	116,773	184,870
Transfers out	(76,380)	(81,821)	(84,261)	(94,836)	(80,108)	(98,175)	(89,451)	(188,214)	(103,130)	(171,783)
Capital leases obligations					10,390			837	4,105	8,413
Long-term obligations	4,349	33,178	17,761	19,976	67,446	70,901	444,677			
Issuance of debt								47,500	39,524	160,241
Payments to participating governments						(48,653)				(43,855)
Tobacco settlement proceeds				171,966						
Refunding certificates issued					43,790	152,321				
Refunding of debt issued								270,036		359,165
Premium on bonds issued					4,130					
Premium on debt issued								338		1,440
Discount on bonds issued						(206)				
Discount on debt issued								(4,680)		(2,144)
Purchase of delinquent property tax		(12,563)								
Payments to refunded bond escrow agent		(8,900)			(45,308)	(149,630)		(182,672)		(350,037)
Total other financing sources (uses)	4,349	11,715	17,761	191,942	80,448	24,733	439,520	137,417	57,272	146,310
Net change in fund balances	$ (3,586)	37,822	8,801	$ 188,519	47,184	(55,457)	(42,553)	122,862	(53,447)	22,710
Debt service as a percentage of noncapital expenditures*	4.80%	4.62%	4.31%	4.25%	4.31%	4.04%	6.70%	4.24%	5.39%	6.86%

* Debt service as a percentage of noncapital expenditures was revised for fiscal years 2001 to 2006.

COUNTY OF SACRAMENTO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
FISCAL YEARS 1998-99 THROUGH 2007-08
(modified accrual basis)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales/Use Tax	Transient Tax	Total
1998-99	$ 166,068	74,890	6,726	247,684
1999-00	196,689	82,992	6,977	286,658
2000-01	203,314	87,701	8,471	299,486
2001-02	240,640	85,988	8,651	335,279
2002-03	262,647	83,275	7,891	353,813
2003-04	278,254	79,785	5,928	363,967
2004-05	356,956	52,717	6,087	415,760
2005-06	415,320	79,862	6,623	501,805
2006-07	447,032	80,267	6,823	534,122
2007-08	474,947	82,472	6,964	564,383

COUNTY OF SACRAMENTO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

Fiscal Year	Secured (1)	Unsecured (2)	Unitary (3)	Exemptions - Welfare-Other (4)	Total Taxable Assessed Value	Total Direct Tax Rate (5)
1998-99	$ 53,778,895	3,479,037	1,723,719	-1,893,772	57,183,605	1.000%
1999-00	57,328,048	3,629,760	1,759,319	-2,075,975	60,641,152	1.000%
2000-01	61,967,062	3,850,668	1,681,486	-2,268,825	65,230,391	1.000%
2001-02	67,219,202	3,948,912	1,969,703	-2,436,887	70,700,930	1.000%
2002-03	74,042,245	4,025,888	2,050,186	-2,402,913	77,715,406	1.000%
2003-04	81,527,736	4,167,021	1,658,892	-2,789,971	84,563,678	1.000%
2004-05	91,856,798	4,192,998	1,530,186	-2,888,011	94,691,971	1.000%
2005-06	105,593,291	4,479,276	1,542,700	-3,313,984	108,301,283	1.000%
2006-07	121,280,525	4,805,476	1,538,907	-3,498,437	124,126,471	1.000%
2007-08	132,394,422	5,297,882	1,658,758	-4,009,995	135,341,067	1.000%

(1) Secured property is generally real property which includes land, improvements, structures, crops, vines, and mobile homes
(2) Secured 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 1998-99 THROUGH 2007-08
(rate per $100 of assessed value)

Fiscal Year	Basic Tax Rate Countywide	Overlapping General Obligation Bonds Rates			Total County Average Tax Rate
		Cities	Special District	Schools	
	(A)	(B)	(C)	(D)	
1998-99	1.000	0.0214	0.0172	0.0527	1.0914
1999-00	1.000	0.0168	0.0159	0.0504	1.0831
2000-01	1.000	0.0120	0.0148	0.0563	1.0831
2001-02	1.000	0.0101	0.0102	0.0544	1.0746
2002-03	1.000	0.0091	0.0091	0.0550	1.0732
2003-04	1.000	0.0074	0.0087	0.0485	1.0645
2004-05	1.000	0.0057	0.0081	0.0466	1.0603
2005-06	1.000	0.0048	0.0055	0.0411	1.0514
2006-07	1.000	0.0046	N/A	0.0447	1.0493
2007-08	1.000	0.0041	N/A	0.0322	1.0363

(A) In June 1978 California voter approved Proposition 13, which restricted property taxes to a County-wide rate of 1% per $100 of assessed value plus voter approved indebtedness. The distribution of County-wide basic tax rate of 1% is based on the County's AB 8 Apportionment factors.

(B) Rate represents a weighted average of five incorporated cities within the County for the fiscal years ending 1998-99 through 1999-2000. Rate represents a weighted average of six incorporated cities (after inclusion of the City of Elk Grove which incorporated in 2000-2001) within the County for the fiscal years ending 2000-2001 through 2002-2003. Rate represents a weighted average of seven incorporated cities (after inclusion of the City of Rancho Cordova which incorporated in 2003-2004) within the County for the fiscal years ending 2003-2004 and thereafter.

(C) Rate represents a weighted average of the various special districts with general obligation bond rates.

(D) Rate represents a weighted average of the various school districts with general obligation bond rates.
FY 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, 2008 AND 1999
(amounts expressed in thousands)

	JUNE 30, 2008			JUNE 30, 1999		
Taxpayer (a)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AT & T Communications	$ 6,726	1	0.56 %	$ 1,248	9	0.24 %
Intel Corporation	6,529	2	0.55	2,407	3	0.46
Oates Marvin, Et Al.	4,471	3	0.38			
Hines Interests LP	4,464	4	0.37			
Pacific Gas and Electric	4,450	5	0.37	3,079	2	0.59
Rosetta Resources CA LLC	4,242	6	0.36			
Reynan & Bardis	3,996	7	0.34			
Elliott Homes, Inc	3,227	8	0.27			
Beazer Homes	2,780	9	0.23			
Donahue Schriber	2,580	10	0.22			
Pacific Bell				7,339	1	1.40
BGP Russell Ranch LLC				2,279	4	0.44
Grupe Development Associates - 2				1,791	5	0.34
Aerojet General Corporation				1,501	6	0.29
Campbell Soup				1,499	7	0.29
Speiker Properties				1,251	8	0.24
Sutter Community Hospitals				1,181	10	0.23

Note: (a) Pacific Bell merged with AT&T in November of 2005.

Source: Sacramento County Department of Finance

COUNTY OF SACRAMENTO
COUNTY WIDE 1% - SECURED AND UNITARY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
1998-99	$ 523,535	$ 514,689	98.31%	$ 8,846	$ 523,535	100%
1999-00	558,022	548,746	98.34	9,276	558,022	100
2000-01	603,051	593,371	98.39	9,680	603,051	100
2001-02	638,752	629,045	98.48	9,707	638,752	100
2002-03	722,729	710,458	98.30	12,271	722,729	100
2003-04	802,626	791,023	98.55	11,603	802,626	100
2004-05	899,246	886,226	98.55	13,020	899,246	100
2005-06	1,033,339	1,009,552	97.70	23,787	1,033,339	100
2006-07	1,191,030	1,146,704	96.28	44,326	1,191,030	100
2007-08	1,285,759	1,224,126	95.21	61,633	1,285,759	100

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

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

Source: County's internal financial documents

COUNTY OF SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands, except per capita amount)

	Governmental Activities						Business-Type Activities								
Fiscal Year	Certificates of Participation	Teeter Notes	Pension Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt	Revenue Bonds	PFC and Subordinate Revenue Bonds	Certificates of Participation	General Obligation Bonds	Capital Leases	Other Debt	Total Primary Government	Percentage of Personal Income	Per Capita
1998-99	$ 300,775	18,802	532,985		711	12,406	539,373		40,656	34,573			1,480,281	4.90%	1,257
1999-00	294,350	16,643	529,045		1,247	9,394	792,852		38,358				1,681,889	5.25%	1,390
2000-01	372,500	17,409	523,160		4,166	6,448	875,201		36,795	26,524		4,064	1,866,267	5.33%	1,482
2001-02	369,315	17,239	515,125		3,550	3,134	816,955	55,625	40,815				1,821,758	4.89%	1,423
2002-03	410,090	14,974	504,700		13,310	2,435	929,250	54,470	39,330				1,968,559	5.09%	1,503
2003-04	402,465	15,019	528,591	235,961	13,115	2,105	275,015	53,260	36,565				1,562,096	3.83%	1,170
2004-05	309,115	15,024	954,722	230,109	12,976	3,275	268,955	51,985	34,255				1,880,416	4.30%	1,373
2005-06	322,605	20,647	954,722	307,690	3,122	3,875	260,370	50,645	30,510			1,995	1,956,181	4.22%	1,411
2006-07	308,760	32,302	944,964	308,915	6,895	3,965	624,855	49,235	28,735			1,705	2,310,331	4.78%	1,642
2007-08	340,480	51,335	960,926	356,428	13,933	3,615	914,925	89,430	26,900			653	2,758,625	N/A	1,937

Note: 1) The County of Sacramento has not had any General Obligation Bonds since 2002

See the "Demographic and Economic Statistics" table for population figures.

2)

COUNTY OF SACRAMENTO
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Assessed Value of Property	$57,183,605	60,641,152	65,230,391	70,700,930	77,715,406	84,563,678	94,691,971	108,301,283	124,126,471	135,341,067
Debt Limit, 1.25% of Assessed Value (Statutory Limitation)	714,795	758,014	815,380	883,762	971,443	1,057,046	1,183,650	1,353,766	1,551,581	1,691,763
Amount of Debt Applicable to Limit:										
General Obligation Bonds										
Less: Resources Restricted to Paying Principal										
Total net debt applicable to limit										
Legal debt margin	714,774	758,006	815,359	883,759	971,446	1,035,388	1,163,625	1,353,766	1,551,581	1,691,763
Total net debt applicable to the limit as a percentage of the limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: 1) Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25 percent of full cash value to full cash value. Hence, the 5 percent limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25 percent of assessed value.

2) The legal debt margin is the County's available borrowing authority under State finance statues and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source: County's internal documents and financial statements

COUNTY OF SACRAMENTO
PLEDGED-REVENUE COVERAGE
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands)

	Airport Revenue Bond Coverage						Parking Authority Revenue Bond Coverage					
		Less:	Net					Less:	Net			
Fiscal	Gross	Operating	Available	Debt Service Requirements (c)			Gross	Operating	Available	Debt Service Requirements (c) (d)		
Year	Revenue (a)	Expenses (b)	Revenue	Principal	Interest	Coverage	Revenue	Expenses (b)	Revenue	Principal	Interest	Coverage
1998-99	$ 64,281	41,887	22,394	950	10,315	1.99	2,574	1,533	1,041			
1999-00	78,480	45,104	33,376	4,565	11,996	2.02	2,188	1,222	966			
2000-01	84,937	49,297	35,640	4,055	11,796	2.25	2,387	1,591	796			
2001-02	83,865	56,135	27,731	4,250	11,586	1.75	2,492	1,645	847			
2002-03	89,255	63,338	25,917	4,470	14,164	1.39	2,346	1,267	1,079			
2003-04	90,324	66,843	23,481	4,845	14,367	1.22	2,388	1,897	491			
2004-05	104,769	67,525	37,245	6,425	14,082	1.82	2,452	2,228	224			
2005-06	111,467	72,669	38,798	6,705	11,882	2.09	2,888	2,021	867			
2006-07	116,610	78,637	37,973	7,660	11,801	1.95	3,201	2,085	1,116			
2007-08	122,133	87,770	34,363	4,705	11,516	2.12	3,340	2,331	1,009			

	Water Agency (e)					
		Less:	Net			
Fiscal	Operating	Operating	Available	Debt Service Requirements (c)		
Year	Revenue	Expenses (b)	Revenue	Principal	Interest	Coverage
2002-03	$ 38,009	10,382	27,627	-	-	-
2003-04	46,005	13,724	32,281	-	2,118	15.24
2004-05	50,707	12,957	37,750	910	2,184	12.20
2005-06	45,037	15,881	29,156	925	2,166	9.43
2006-07	39,661	23,098 *	16,563	945	2,148	10.42
2007-08	42,778	24,167	18,611	965	3,387	4.28

* Restated as of June 30, 2007 to reflect the acquisition of water rights from the U.S. Bureau of Reclamation which had been omitted.

Note: Solid Waste Authority does not have Revenue bonds

(a) Per bond resolution, Revenues include all Airport System revenues exclude certain interest earnings and restricted revenues.

(b) Total operating expenses exclusive of depreciation and amortization

(c) Includes principal and interest of Revenue bonds only. Does not include General obligation bonds or Certificates of participation.

(d) Water Agency Revenue bonds were issued June 12, 2003

Source: County's internal financial documents

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS 1998-99 THROUGH 2007-08
(amounts expressed in thousands except per capita amount)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate (%)
1998-99	1,178	$ 30,179,191	25,433	210	5.3
1999-00	1,210	32,018,953	26,535	214	4.8
2000-01	1,259	35,016,668	28,460 *	222	4.2
2001-02	1,280	37,225,183	29,386 *	228	4.7
2002-03	1,310	38,649,539	29,682 *	233	5.2
2003-04	1,335	40,789,349 *	30,668 *	235	5.2
2004-05	1,370	43,742,244 *	32,382 *	238	4.5
2005-06	1,386	46,375,880 *	34,014	239	4.7
2006-07	1,407	48,313,850	35,197	238	5.3
2007-08	1,424	**N/A	**N/A	239	6.5

*Bureau of Economic Analysis revised population and per capita personal income estimates back to the year 2000
**Not Available until April 2009

Source: California State Department of Finance; Bureau of Economic Analysis, Sacramento County Office of Education, and California State Employment Development Department.

COUNTY OF SACRAMENTO
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2008 AND 1999

	JUNE30, 2008			JUNE30, 1999		
Employer (a)	Employees (b)	Rank	Percentage of Total County Employment	Employees (c)	Rank	Percentage of Total County Employment
Sutter / California Health Services	10,405	1	1.59%	12,499	1	2.24%
Kaiser Permanente	9,319	2	1.43%	9,799	2	1.76%
Raley's Inc. / Bel Air	7,565	3	1.16%	6,270	4	1.12%
Intel Corporation	7,000	4	1.07%	4,800	7	0.86%
University of California, Davis (UCD) Medical Center	6,404	5	0.98%			
CHW / Mercy Health Care	5,119	6	0.78%	8,382	3	1.50%
AT & T California	4,828	7	0.74%			
Hewlett-Packard	3,800	8	0.58%	5,500	5	0.99%
Target Corporation	3,482	9	0.53%			
Wells Fargo & Co.	3,167	10	0.48%			
Pacific Bell				4,844	6	0.87%
McClatchy Newspapers, Inc.				3,970	8	0.71%
Packard Bell NEC				3,800	9	0.68%
United Parcel Service				2,913	10	0.52%
Total	61,089		9.34%	62,777		11.25%

(a) Pacific Bell merged with AT&T in November 2005

(b) Source: Sacramento Business Journal Annual Book of Lists

(c) Source: Sacramento Area Commerce and Trade Organization

COUNTY OF SACRAMENTO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2002-03 THROUGH 2007-08

	Full-time Equivalent Employees as of June 30					
Function	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**
General Government	1,857	823	729	901	924	1,004
Public Assistance	2,067	1,903	2,552	3,059	3,115	2,648
Public Protection	4,657	4,115	4,204	5,011	5,161	4,543
Health & Sanitation	2,816	2,594	1,334	1,729	1,760	3,150
Recreation and Culture	257	196	155	212	214	212
Education	4	4	5	2	3	3
Total	11,658	9,635	8,979	10,914	11,177	11,560

Note: 1) County Employees by function/program is only available for the last seven fiscal years due to the change in the County's functions as a result of the implementation of GASB 44.

Source: County of Sacramento Department Records

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COUNTY OF SACRAMENTO
OPERATING INDICATIORS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2007-08

	Fiscal Year						
Function	**2001-02**	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**
General Government							
Assessor:							
Number of Parcels Assessed	444,833	451,693	465,104	468,547	467,629	495,090	507,471
Gross Total Amount of Secured Roll (amount expressed in thousands)	67,219,202	74,042,245	81,527,736	91,856,798	105,593,291	120,869,403	132,409,139
Gross Total Amount of Unsecured Roll (amount expressed in thousands)	3,948,912	4,025,888	4,167,021	4,192,998	4,479,276	4,805,562	5,297,882
Clerk recorders:							
Number of recorded documents	522,591	692,854	713,726	688,483	607,272	488,272	402,951
Public Assistance							
Human assistance total caseload	83,102	90,461	96,484	103,295	100,585	117,576	122,804
Percent served of children in poverty	81.30%	91.00%	90.00%	90.00%	92.40%	95.00%	95.00%
Senior nutruition, meals served	486,075	529,441	473,232	473,232	441,772	592,904	624,290
Housing Services provided	8,045	8,647	13,400	13,400	12,211	12,032	13,011
Employee Non-Exempt Recipients CalWORKs	51%	62%	61%	56%	50%	33%	29%
Public Protection							
DA:							
Filed Felonies	10,338	11,010	11,570	11,571	11,371	11,837	11,179
Filed misdemeanors	20,151	22,450	21,703	20,306	20,397	21,197	21,347
Probation:							
Cases supervised	Not Available	11,312	10,148	11,350	12,379	12,755	12,101
Institutional care for minors (days)	*117,601	163,689	181,776	178,423	191,884	194,339	180,399
Juvenile referrals processed	11,376	11,556	13,107	12,126	13,240	12,041	11,128
Prepared adult sentencing reports	4,363	4,748	4,860	**8,452	9,052	9,420	9,110
Public Defender:							
Felony Unit Jury Trials	70	88	105	125	143	160	168
Sheriff:							
Emergency calls for service:							
Priority 0	31	54	57	55	60	58	48
Priority 1	32,266	33,754	39,815	41,179	44,996	34,177	30,841
Emergency response time (minutes):							
Priority 0	5	13	10	10	9	9.3	6.5
Priority 1	15	14	15	14	15	15.61	9.2
Processed and booked adult offenders	24,830	25,084	25,199	26,568	23,477	22,493	24,364
Physical arrests	28,446	28,265	28,707	29,197	26,029	20,745	26,209
Total miles patrolled by Sheriffs	871.5	871.5	871.5	871.5	871.5	871.5	871.5

* 2001-02 includes Youth Detention Facility only. 2002-07 also includes the Sacramento County Boys Ranch and Warren E. Thornton Youth Center.

** 2004-2007 includes categories not tracked in 2001-2004.

Note: Operating Indicators by function/program is only available for the last seven fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

Source: County of Sacramento Department Records

COUNTY OF SACRAMENTO
OPERATING INDICATIORS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2007-08

	Fiscal Year						
Function	**2001-02**	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**
Health and sanitation							
Patient Treatments at Public Health Clinics	161,105	160,350	153,351	146,223	153,297	153,407	163,847
Percent of paramedic/911 medical aid unit and training programs in compliance (by inspection)	100%	100%	100%	100%	100%	100%	100%
Public ways and facilities							
Number of Traffic Signs Reset and Replaced	9,387	8,873	11,117	11,274	10,690	10,230	13,321
Square Feet of Graffiti Removed or Abated	260,390	252,613	271,383	257,733	269,242	233,641	304,370
Recreation and culture							
Number of Visitors/Program Participants at Effie Yeaw Nature Center	74,775	72,759	62,289	68,804	78,822	88,449	85,882
Number of Individuals Who Use Parks Golf Services	214,409	208,940	203,104	192,735	190,317	190,827	196,470
Education							
Library:							
Print Materials Loaned	4,503,820	4,765,549	4,646,283	4,708,765	4,525,031	4,580,021	4,841,670
Audio Visual Media Loaned	285,007	316,115	402,631	495,444	670,296	777,078	1,036,647
Library cards issued	60,059	64,733	63,596	59,848	58,068	62,767	80,562
Library Visits	N/A	2,621,931	2,697,487	2,975,128	2,761,395	2,907,427	3,049,098
Airport							
Number of Commercial Airlines	12	14	15	15	15	16	16
Number of Flights	56,940	53,290	56,940	56,940	61,685	67,525	63,875
Number of Enplaned Passengers	4,042,585	4,314,273	4,563,607	4,986,171	5,150,229	5,307,289	5,294,737
Solid Waste							
Percent of Diversion/Recycled Waste	51%	52%	61%	58%	58%	58%	57% (est.)
Tons Disposed	494,438	624,035	789,265	718,464	706,134	762,009	746,339
Water Agency							
Water Supply:							
Number of Water Connections	31,800	34,700	36,890	41,450	46,204	48,639	50,239
Water Deleivered (acre feet)	27,600	30,140	27,877	31,105	34,422	41,764	39,867
Storm Water Utilities							
Drainage:							
Mainline and Lateral Pipes Cleaned (miles)	N/A	227	60	137	101	97.78	121.4
Parking Enterprise							
Daily Public Parking (count)	388,532	372,978	353,173	362,480	371,292	385,869	383,052
Monthly Parking Passes issued to County Employees (count)	30,098	31,023	31,284	32,001	32,880	33,480	34,981
Outside Agency Usage	8,301	8,186	8,984	10,399	9,923	7,496	7,509

Note: Operating Indicators by function/program is only available for the last seven fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

Source: County of Sacramento Department Records

COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2007-08

	Fiscal Year						
Function	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Public Protection							
Sheriff:							
Administration buildings	1	1	1	1	1	1	1
Aircrafts							
Operational	4	5	4	4	3	4	5
Non-Operational	2	2	1	1	2	1	0
Fixed Wing							
Sheriff	2	2	2	2	2	2	2
CAL-MMET	2	2	2	2	2	2	2
Community service centers	12	12	12	14	14	10	10
Jail and detention facilities	2	2	2	2	2	2	2
Patrol Units	450	470	474	491	391	348	362
Stations	7	7	7	7	7	5	5
Health and Sanitation							
Clinics	2	2	3	3	3	3	3
Mental Health Treatment							
Clinics	1	1	1	1	1	1	1
Public ways and facilities							
Centerline miles of roads maintained	2,742	2,308	2,340	2,171	2,171	2,203	2,203
Traffic signals	521	531	571	402	402	434	435
Recreation and culture							
Number of Golf Courses	4	4	4	4	4	4	4
Number of Developed Parks	38	38	38	38	38	38	38
Developed Parks acreage	10,500	12,500	14,500	15,000	15,000	15,000	15,000
Education							
Number of Libraries	8	9	9	9	9	9	9

Note: 1) Capital assets and infrastructure statistics by function/program is only available for the last six fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

2) Building includes those that are capitalized but excludes real property that is leased.

Source: County of Sacramento Department Records

COUNTY OF SACRAMENTO
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2001-02 THROUGH 2007-08

	Fiscal Year						
Function	**2001-02**	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**
Airport							
Airports	4	4	4	4	4	4	4
Licensed Vehicles:							
Cars and Light Trucks	126	116	120	108	112	120	148
Busses	45	47	55	47	44	35	41
Solid Waste							
Number of Collection Trucks	179	193	172	190	179	134	134
Number of Landfills	3	3	3	3	3	3	3
Water Agency							
Water Supply:							
Water Mains (miles)	469.5	503	566	631	651	659	718
Storage Capacity (thousands of gallons)	16,400	20,400	20,400	27,900	31,400	34,400	39,400
Drainage:							
Drainage Inlets	14,280	15,397	16,578	17,828	18,946	21,596	21,650
Drainage Manholes	8,040	8,669	9,334	10,037	10,780	11,773	11,890
Drainage Pipes (miles)	608	656	706	759	762	804	829
Parking Enterprise							
Structures	2	2	2	2	2	2	2

Note: 1) Capital assets and infrastructure statistics by function/program is only available for the last seven fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

2) 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

For The Fiscal Year Ended June 30, 2008