

GENERAL BUDGET INFORMATION

TABLE OF CONTENTS

	<i>Page</i>
BOARD OF SUPERVISORS AND COUNTY OFFICIALS	A-2
ORGANIZATION CHART	A-3
SACRAMENTO COUNTY BUDGET COMPLIANCE WITH APPROPRIATION LIMITS	A-4
THE COUNTY BUDGET (REQUIREMENTS) FUNCTIONS DESCRIPTIONS	A-5
THE COUNTY BUDGET (REQUIREMENTS)	A-7
SUMMARY TABLES FOR THE PIE CHARTS.....	A-8
THE COUNTY BUDGET (FINANCING) FUNCTIONS DESCRIPTIONS	A-9
THE COUNTY BUDGET (FINANCING)	A-11
SUMMARY OF FUND BALANCES	A-12
SUMMARY OF TOTAL FISCAL YEAR BUDGET REQUIREMENTS	A-14
RELATIONSHIP BETWEEN FUNDS-BUDGET UNITS-DEPARTMENTS	A-15
DESCRIPTION OF COUNTY FUNDS	A-18
DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS	A-25
GENERAL BUDGET POLICIES AND PLANNING	A-32
BUDGET PROCESS AND TIMELINE.....	A-39
EXAMPLE OF A BUDGET MESSAGE	A-43
SACRAMENTO COUNTY ECONOMIC AND DEMOGRAPHIC OVERVIEW	A-45

BOARD OF SUPERVISORS AND COUNTY OFFICIALS



THE BOARD OF SUPERVISORS



DISTRICT 1
Roger Dickinson



DISTRICT 2
Jimmie Yee



DISTRICT 3
Susan Peters



DISTRICT 4
Roberta
MacGlashan



DISTRICT 5
Don Nottoli



**Interim County
Executive**
Steven C. Szalay



County Counsel
Robert A. Ryan, Jr.



**Chief Operations
Officer**
Navdeep S. Gill



Clerk of the Board
Cyndi Lee

ORGANIZATION CHART

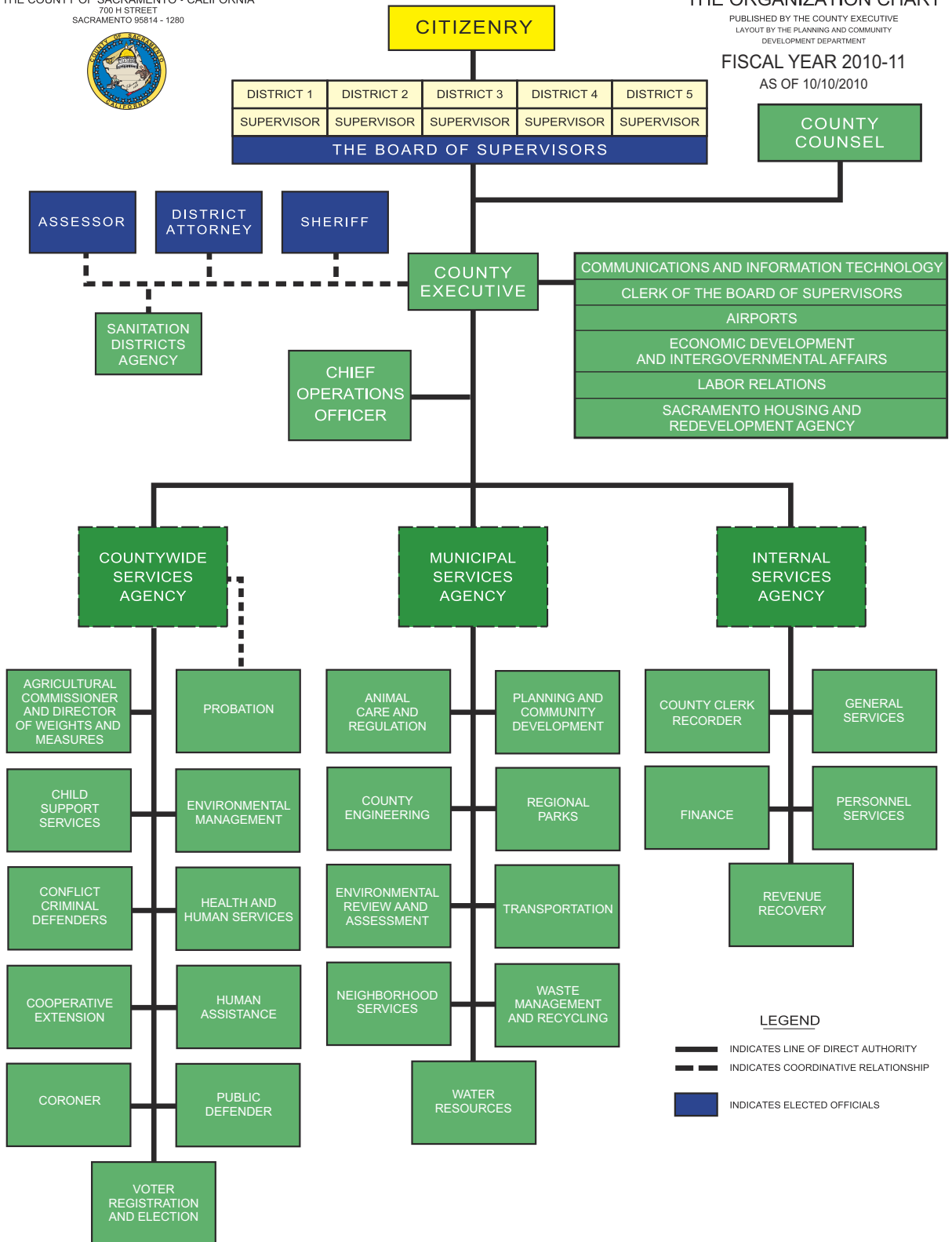
THE COUNTY OF SACRAMENTO • CALIFORNIA
700 H STREET
SACRAMENTO 95814 - 1280



THE ORGANIZATION CHART

PUBLISHED BY THE COUNTY EXECUTIVE
LAYOUT BY THE PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT

FISCAL YEAR 2010-11
AS OF 10/10/2010



SACRAMENTO COUNTY BUDGET COMPLIANCE WITH APPROPRIATION LIMITS

In 1979, California voters passed Proposition 4 which imposed constitutional limits on certain kinds of appropriations made from tax revenues (Article XIII B). Proposition 4 established a limit on the growth of certain appropriations based on changes in population and cost of living. In 1990, voters passed Proposition 111, which changed some of the provisions of Article XIII B.

Sacramento County's appropriation limit is established as required by Article XIII B of the State Constitution. The table below sets forth the appropriation limit and the appropriations subject to limitation.

With the adoption of the final budget, the Board of Supervisors also approves publication of the annual appropriation limit set by Article XIII B of the State Constitution. The appropriation limit is formally established by the Board of Supervisors.

SACRAMENTO COUNTY APPROPRIATION LIMIT			
	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
2005-06	1,437,719,589	393,718,756	1,044,000,833
2006-07	1,524,247,420	397,063,468	1,127,183,952
2007-08	1,630,295,501	409,499,797	1,220,795,704
2008-09	1,733,049,717	391,196,747	1,341,852,970
2009-10	1,758,616,880	371,296,728	1,387,320,152
2010-11 (Budget)	1,733,315,623	333,612,111	1,399,703,512

THE COUNTY BUDGET (REQUIREMENTS) FUNCTIONS DESCRIPTIONS

PUBLIC ASSISTANCE:

- Human Assistance-Administration – Social Services Department, Adoptions, Food Stamps, Veterans Service Officer.
- Human Assistance – Aid –programs.
- Other Assistance – Child Support Services.

HEALTH AND SANITATION:

Health – Environmental Management, Health and Human Services, First 5 Sacramento Commission, Juvenile Medical Services, In-Home Support Services Provider Payments, Medical Treatment Payments, Correctional Health Services, Health Care/Uninsured, Office of Compliance, and Office of Inspector General.

ROADS:

Public Ways and Facilities –Sacramento County Roads, Roadways, Transportation-Sales Tax, Road Construction and Maintenance and Street Lighting (if part of road construction), Rural Transit, Contribution to Paratransit.

PUBLIC PROTECTION:

- Judicial – Contribution to Law library, Court-Non-Trial Court Funding, Court-County Contribution, Conflict Criminal Defenders, Sacramento Grand Jury, Court Paid County Services, Criminal Justice Cabinet, Public Defender and District Attorney.
- Police Protection – Sheriff's Department.
- Detention and Correction – Care In Homes and Institutions-Juvenile Court Wards, Probation, and Sheriff-Detention and Correction.
- Protective Inspection – Agricultural Commissioner and Sealer of Weights and Measures, Building Inspection.
- Other Protection – Animal Care and Regulations, Wildlife Services, Contribution to Human Rights/Fair Housing, Coroner, Dispute Resolution Program, Data Processing-Law and Justice, Contribution to Local Agency Formation Commission, Environmental Review and Assessment, Planning and Community Development, Planning Commission, Emergency Services, and County Clerk/Recorder.

LIBRARY, CULTURAL, AND RECREATIONAL:

- Library – County Library Operation, Cooperative Extension.
- Cultural Services – Transient-Occupancy Tax.
- Recreation Facilities – Regional Parks, Propagation-Fish and Game, Golf.

GENERAL GOVERNMENT:

- Legislative and Administrative – Board of Supervisors and Clerk of the Board, County Executive, County Executive Cabinet.
- Finance – Assessor, Department of Finance (Auditor-Controller, Treasurer, Tax Collector), Tobacco Litigation Settlement, Non-Departmental Revenues-General Fund, Non-Departmental Cost-General Fund.
- Counsel – County Counsel.

GENERAL GOVERNMENT (CONT.):

- Personnel – Civil Service Commission, Office of Labor Relations, Personnel Services.
- Elections – Voter Registration and Elections.
- Property Management – Veteran’s Facility.
- Plant Acquisition – Capital Construction Buildings and Libraries – budget units accounting for acquisition of land, structures, and improvements, Park Construction.
- Promotion – Economic Development and Intergovernmental Affairs, Financing Transfers/ Reimbursements-General Fund, Neighborhood Services.
- Other General – Data Processing, Revenue Recovery.

DEBT SERVICE, RESERVES, CONTINGENCIES:

Debt Service – Teeter Plan (retirement of long-term debt, interest on long-term debt, and interest on notes and warrants).

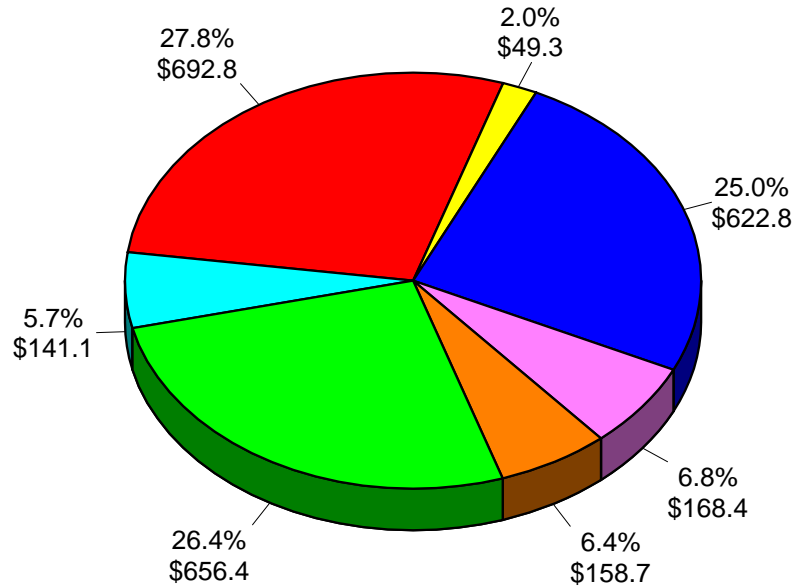
THE COUNTY BUDGET (REQUIREMENTS)

THE COUNTY BUDGET

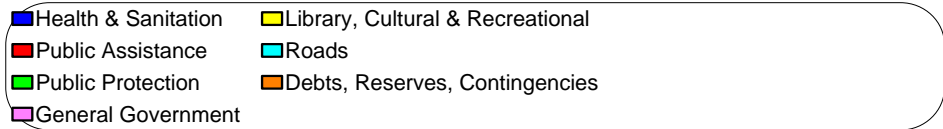
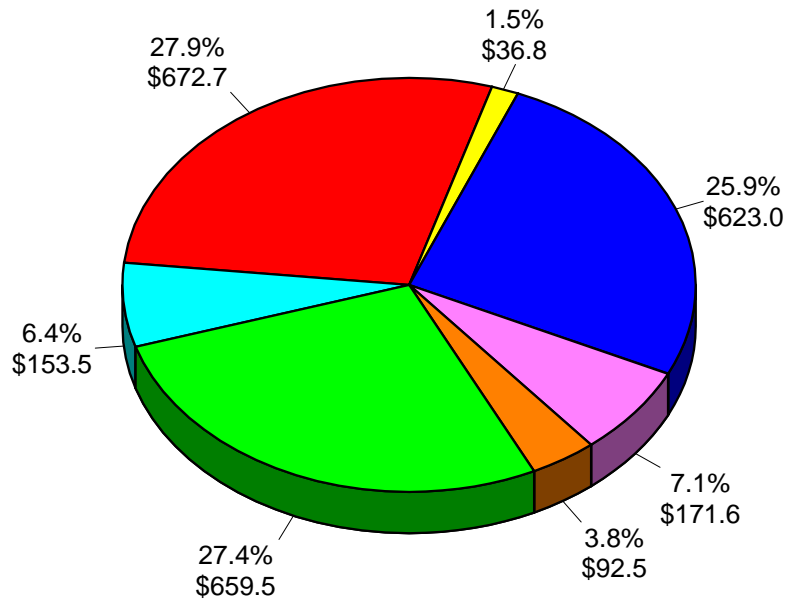
REQUIREMENTS

(Pie Chart Amounts Expressed In Millions)

2009-10 BUDGET TOTAL..... \$2,489,515,885



2010-11 BUDGET TOTAL..... \$2,409,620,081



SUMMARY TABLES FOR THE PIE CHARTS

<u>REQUIREMENTS</u>				
	Fiscal Year		Fiscal Year	
	2009-10	Percent	2010-11	Percent
Public Assistance	\$ 692,809,854	27.8%	\$672,650,180	27.9%
Health & Sanitation	622,791,174	25.0%	622,998,535	25.9%
Roads	141,135,571	5.7%	153,537,861	6.4%
Public Protection	656,411,044	26.4%	659,514,941	27.4%
Library, Cultural, Recreational	49,319,899	2.0%	36,780,189	1.5%
General Government	168,368,923	6.8%	171,619,386	7.1%
Debts, Reserve Increase, Contingencies	158,679,420	6.4%	92,518,989	3.8%
GRAND TOTAL	\$ 2,489,515,885	100.0%	\$ 2,409,620,081	100.0%
<u>FINANCING</u>				
	Fiscal Year		Fiscal Year	
	2009-10	Percent	2010-11	Percent
Taxes	\$ 505,055,955	20.3%	\$445,246,013	18.5%
Licenses, Permits, Franchises	36,455,121	1.5%	37,915,462	1.6%
Fines, Forfeitures, Penalties	26,677,484	1.1%	31,530,485	1.3%
Intergovernmental	1,444,554,902	58.0%	1,435,799,790	59.6%
Charges for Services	129,244,480	5.2%	127,425,041	5.3%
Other Revenues	265,522,816	10.7%	223,058,731	9.3%
Year-End Balance, Reserve Release	82,005,127	3.3%	108,644,559	4.5%
GRAND TOTAL	\$ 2,489,515,885	100.0%	\$ 2,409,620,081	100.0%

THE COUNTY BUDGET (FINANCING) FUNCTIONS DESCRIPTIONS

TAXES:

Secured Property Taxes, Unsecured Property Taxes, Current Supplemental Property Taxes, Property Tax Unitary, Property Taxes Secured Delinquent, Property Tax Supplemental Delinquent, Property Tax Prior-Unsecured, Property Taxes Redemption, Penalty/Costs-Property Taxes, Sales Use Tax, One-Half Sales Tax, Transient Occupancy Tax, Property Tax Transfer, Property Tax In Lieu of Vehicle License Fee, In Lieu Local Sales and Use Tax.

LICENSES, PERMITS, FRANCHISES:

Animal Licenses, Business Licenses, Special Business Licenses, Fictitious Business Licenses, Roadway Development/Building Permits, Building Permits-Residential and Commercial, Encroachment Permits, Zoning Permits, Cable TV Franchise Fee, Franchise Fee-Other, Road Permits, Licenses/Permits-Other, Bingo License Fee.

FINES, FORFEITURES, PENALTIES:

Vehicle Code Fines, Other Court Fines, Forfeitures/Penalties, Civil Penalties, Federal Asset Forfeitures, State Asset Forfeitures.

INTERGOVERNMENTAL:

- Federal – Welfare Administration, Children Services Administration, Children Assistance Administration, other Welfare programs, other health programs, Planning and Construction, other miscellaneous programs.
- State – Cigarette Tax Unincorporated Area, Highway User Tax, Homeowner's Property Tax Relief, Motor Vehicle In Lieu Tax, Welfare, Welfare Administration, CALWIN, COPS, VHL mental health, Agriculture, Construction, Public Safety, Veterans Affairs, Trial Court, Health Administration, Services Program, Children's Assistance, other Welfare programs, other health programs, Realignment, Redevelopment pass through, revenue neutrality payments, other miscellaneous programs.

CHARGES FOR SERVICES:

Special Assessments, Civil Filings Fees, Vital Statistic Fees, Adoption Fees, Candidate Filing Fees, Civil Process Service Fees, Civil/Small Claims Filing Fees, Estate/Public Administration Fees, Recording Fees, Electricity Services Charges, Natural Gas Services Charges, Assessing/Collecting Fees, Auditing/Accounting Fees, Court/Legal Fees, Court Reporter Fees, Election Service Charges, Planning Service Charges, Planning/Engineering-Plan Check and Inspection Fees, Jail Booking Fees, Recreation Service Charges, Copying Charges, Building Maintenance Service Charges, Park/Grounds Maintenance Service Charges, Road Maintenance Service Charges, Crippled Children Treatment Charges, Medical Care-Indigent and Private Patient Charges, Medical Health Private Patient Charges, Alcoholism Services-Client Fees, Medical Care-Other, Institutional Care-Adult-Juvenile-State Institution Prisoner Charges, Work Furlough Charges, Data Processing Services, Auditor-Controller Services, Public Works Services, Leased Property Use Charges, Education/Training Charges, Cemetery Services, Humane Service, Law Enforcement Services, Milk Inspection Services, Service Fees/Charges-Other.

OTHER REVENUES:

Use of Money and Property – Interest Income, Contributions, Building Rental-Other, Agricultural Leases-Other, Aviation Ground Leases, Ground Leases-Other, Food Service Concessions, Fuel Flowage Fees, Recreational Concession, Other Vending Devices.

OTHER REVENUES:

- Miscellaneous Revenues – Countywide Cost Plan, Sales-Other, Cash Overages, Bad Debt Recovery, Aid Payment Recoveries, TRANS (Short Term Anticipation Notes) Reimbursement, Donations and Contributions, Electricity Resales, Insurance Proceeds, Revenue-Other, Assessment Fees, Child Support Recoveries, In-Kind Revenues, Prior Year Revenues.
- Other Financing Revenues – Sale of Real Property, Proceeds from Asset Sales-Other, Gain on Sale of Fixed Asset, Debt issue Financing, Vending Card Revenue, Medical Fee Collections.

YEAR-END BALANCE, RESERVE RELEASE:

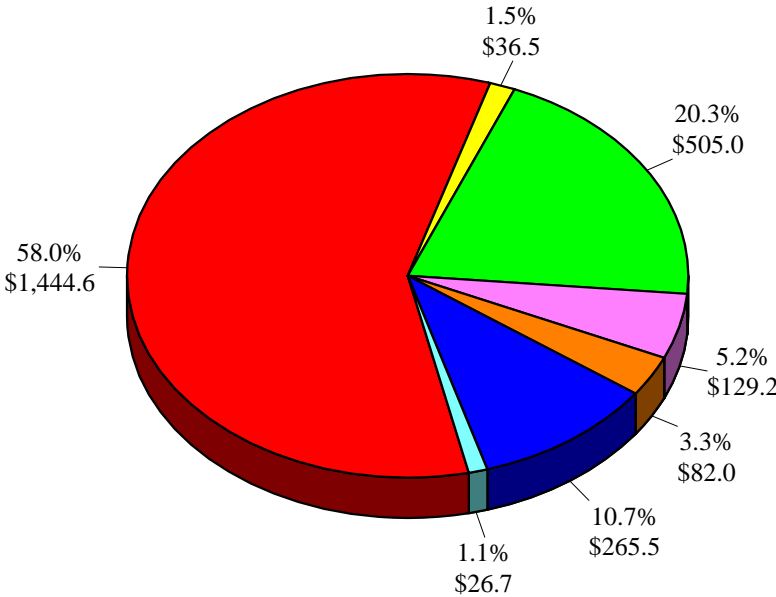
Prior-Year Carryover/Fund Balance, Reserve Release.

THE COUNTY BUDGET (FINANCING)

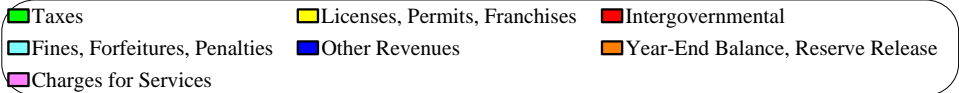
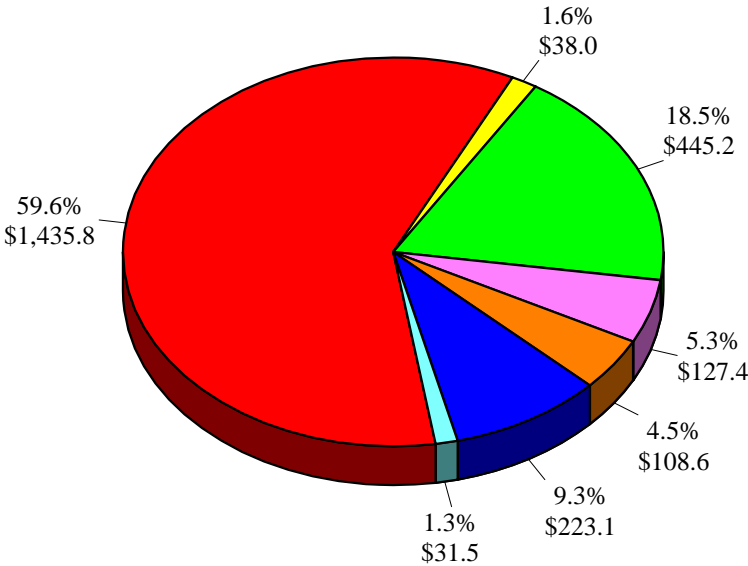
THE COUNTY BUDGET FINANCING

(Pie Chart Amounts Expressed In Millions)

2009-10 BUDGET TOTAL..... \$2,489,515,885



2010-11 BUDGET TOTAL..... \$2,409,620,081



SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2009-10	Adopted 2010-11	Variance	Percent
GENERAL	001A	11,645,815	8,138,537	-3,507,278	-30.1%
FISH AND GAME	002A	16,279	-9,544	-25,823	-158.6%
HEALTH CARE/UNINSURED	004A	669,482	151,153	-518,329	-77.4%
ROAD	005A	-1,273,625	16,827,508	18,101,133	-1421.2%
PARKS CONSTRUCTION	006A	-679,734	-81,042	598,692	-88.1%
CAPITAL CONSTRUCTION	007A	-2,428,058	8,333,316	10,761,374	-443.2%
TOBACCO LITIGATION SETTLEMENT	008A	290,697	1,171,500	880,803	303.0%
ENVIRONMENTAL MANAGEMENT	010B	5,801,826	1,833,766	-3,968,060	-68.4%
LIBRARY	011A	2,989,763	8,821,484	5,831,721	195.1%
COMMUNITY SERVICES	012A	503,216	0	-503,216	-100.0%
FIRST 5 SACRAMENTO COMMISSION	013A	30,147,468	25,091,005	-5,056,463	-16.8%
TRANSIENT OCCUPANCY	015A	142,920	4,336,067	4,193,147	2933.9%
TEETER PLAN	016A	9,075,654	446,631	-8,629,023	-95.1%
GOLF	018A	-733,995	-734,040	-45	0.0%
ECONOMIC DEVELOPMENT	020A	11,025,816	12,999,602	1,973,786	17.9%
BUILDING INSPECTION	021A	-1,567,152	1,339,066	2,906,218	-185.4%
ROADWAYS	025A-H	7,145,864	13,365,030	6,219,166	87.0%
TRANSPORTATION-SALES TAX	026A	-36,279,241	-16,265,875	20,013,366	-55.2%
SOLID WASTE ENTERPRISE	051A	5,290,436	4,704,972	-585,464	-11.1%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	1,779,992	4,918,481	3,138,489	176.3%
RURAL TRANSIT	068A	-278,423	-3,515,486	-3,237,063	1162.6%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	3,538,782	2,878,302	-660,480	-18.7%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,802,034	2,443,998	-358,036	-12.8%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,319,941	1,269,488	-50,453	-3.8%
VINEYARD PFFP - ROADWAYS	108A-B	7,660,516	7,810,633	150,117	2.0%
BRADSHAW/US 50 FINANCING DISTRICT	115A	256,042	203,058	-52,984	-20.7%
FLORIN ROAD CAPITAL PROJECT	118A	433,947	429,011	-4,936	-1.1%
FULTON AVENUE CAPITAL PROJECT	118B	47,490	39,575	-7,915	-16.7%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	91,630	100,882	9,252	10.1%
PARK MEADOWS CFD-BOND PROCEEDS	131A	154,034	135,475	-18,559	-12.0%
MATHER LANDSCAPE MAINT CFD	132A	289,737	267,310	-22,427	-7.7%
MATHER PFFP	136A-B	4,148,609	1,521,001	-2,627,608	-63.3%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	35,037	32,673	-2,364	-6.7%
METRO AIR PARK CFD 2000-1	139A	33,783,018	20,213,349	-13,569,669	-40.2%
MCCLELLAN PARK CFD	140A	1,119,135	1,137,016	17,881	1.6%
SACRAMENTO CO LANDSCAPE MAINT	141A	148,970	147,857	-1,113	-0.7%
METRO AIR PARK SERVICE TAX	142A	880,888	857,030	-23,858	-2.7%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	1,767,875	1,960,812	192,937	10.9%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,551,119	1,581,087	29,968	1.9%
NATOMAS FIRE DISTRICT	229A	1,544,007	1,201,212	-342,795	-22.2%
CSA NO. 1	253A	924,499	523,613	-400,886	-43.4%
CSA NO. 10	257A	52,153	27,547	-24,606	-47.2%
FIXED ASSET REVOLVING	277A	1,346	-981,936	-983,282	-73052.2%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	-695	27,497	28,192	-4056.4%
2004 PENSION OBLIGATION BONDS	282A	2,519,602	2,866,109	346,507	13.8%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	48,628,568	26,531,209	-22,097,359	-45.4%
CAPITAL PROJECTS-DEBT SERVICE	287A	25,546	0	-25,546	-100.0%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	-15,735	385,864	401,599	-2552.3%
JAIL DEBT SERVICE	292A	23,015	0	-23,015	-100.0%
2003 PUBLIC FACILITES PROJ-DEB SVC	298A	6,870	29,842	22,972	334.4%
2010 REFUNDING COPS-DEBT SERVICE	300A	0	283	283	

**GENERAL BUDGET
INFORMATION**

SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2009-10	Adopted 2010-11	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	7,570,046	4,899,072	-2,670,974	-35.3%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	1,073,525	938,962	-134,563	-12.5%
2006 PUBLIC FACILITIES-DEBT SVC	306A	3,603,577	3,666,868	63,291	1.8%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	475,978	268,311	-207,667	-43.6%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	1,688,733	1,314,691	-374,042	-22.1%
PENSION BOND-INT RATE STABILIZATION	311A	298,463	211,509	-86,954	-29.1%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	5,151,382	5,900,227	748,845	14.5%
BEACH STONE LAKES FLOOD MITIGATION	314A	6,243	0	-6,243	-100.0%
WATER AGENCY-ZONE 11A	315A	2,989,883	6,606,206	3,616,323	121.0%
WATER AGENCY-ZONE 11B	315B	-34,370	0	34,370	-100.0%
WATER AGENCY-ZONE 11C	315C	435,629	0	-435,629	-100.0%
NO VINEYARD STATION	316A	80,330	0	-80,330	-100.0%
NORTH VINEYARD WELL PROTECTION	317A	34,001	0	-34,001	-100.0%
WATER AGENCY-ZONE 13	318A	1,205,685	947,073	-258,612	-21.4%
WATER AGENCY-ZONE 12	319A	858,121	0	-858,121	-100.0%
STORMWATER UTILITY DISTRICT	322A	5,852,511	8,067,123	2,214,612	37.8%
LANDSCAPE MAINTENANCE DISTRICT	330A	106,338	147,334	40,996	38.6%
MISSION OAKS PARK DISTRICT	336A	1,177,977	972,945	-205,032	-17.4%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	494,594	647,272	152,678	30.9%
CARMICHAEL PARK DISTRICT	337A	739,794	409,049	-330,745	-44.7%
SUNRISE PARK DISTRICT	338A	3,239,741	1,815,497	-1,424,244	-44.0%
ANTELOPE ASSESSMENT	338B	1,259,373	376,922	-882,451	-70.1%
DEL NORTE OAKS PARK DISTRICT	351A	3,047	2,729	-318	-10.4%
COUNTY SERVICE AREA 4B	560A	70,376	52,989	-17,387	-24.7%
COUNTY SERVICE AREA 4C	561A	33,290	26,784	-6,506	-19.5%
COUNTY SERVICE AREA 4D	562A	3,241	-1,668	-4,909	-151.5%
COUNTY PARKS CFD 2006-1	563A	1,149	1,467	318	27.7%
TOTAL		195,441,637	202,783,290	7,341,653	3.8%

SUMMARY OF TOTAL FISCAL YEAR BUDGET REQUIREMENTS

<u>SUMMARY OF TOTAL FISCAL YEAR BUDGET REQUIREMENTS</u>	
	Requirements Fiscal Year 2010-11
General Fund	\$1,969,147,620
Special Revenue Funds	319,668,758
Capital Project Funds	38,337,359
Debt Service Funds	82,466,344
Subtotal - Governmental Funds	2,409,620,081
Internal Service Funds	434,351,445
Enterprise Funds	448,184,336
Special Districts and Other Agencies	338,322,383
TOTAL	\$3,630,478,245

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
001A	GENERAL FUND	3210000	AG COMMISSIONER-SEALER OF WEIGHTS & MEASURES
001A	GENERAL FUND	3220000	ANIMAL CARE AND REGULATION
001A	GENERAL FUND	5980000	APPROPRIATION FOR CONTINGENCY
001A	GENERAL FUND	3610000	ASSESSOR
001A	GENERAL FUND	6760000	CARE IN HOMES AND INSTITUTIONS
001A	GENERAL FUND	5810000	CHILD SUPPORT SERVICES
001A	GENERAL FUND	4210000	CIVIL SERVICE COMMISSION
001A	GENERAL FUND	4010000	CLERK OF THE BOARD/BOARD OF SUPERVISORS
001A	GENERAL FUND	5510000	CONFLICT CRIMINAL DEFENDERS
001A	GENERAL FUND	4660000	CONTRIBUTION TO HUMAN RIGHTS/FAIR HOUSING
001A	GENERAL FUND	5920000	CONTRIBUTION TO LAFCO
001A	GENERAL FUND	4650000	CONTRIBUTION TO PARATRANSIT
001A	GENERAL FUND	4522000	CONTRIBUTION TO THE LAW LIBRARY
001A	GENERAL FUND	3310000	COOPERATIVE EXTENSION
001A	GENERAL FUND	4610000	CORONER
001A	GENERAL FUND	7410000	CORRECTIONAL HEALTH SERVICES
001A	GENERAL FUND	3240000	COUNTY CLERK/RECORDER
001A	GENERAL FUND	4810000	COUNTY COUNSEL
001A	GENERAL FUND	5910000	COUNTY EXECUTIVE
001A	GENERAL FUND	5730000	COUNTY EXECUTIVE CABINET
001A	GENERAL FUND	5040000	COURT / COUNTY CONTRIBUTION
001A	GENERAL FUND	5020000	COURT / NON-TRIAL COURT FUNDING
001A	GENERAL FUND	5050000	COURT PAID COUNTY SERVICES
001A	GENERAL FUND	5750000	CRIMINAL JUSTICE CABINET
001A	GENERAL FUND	5710000	DATA PROCESSING-SHARED SYSTEMS
001A	GENERAL FUND	3700000	DEPARTMENT OF BEHAVIORAL HEALTH SERVICES
001A	GENERAL FUND	3230000	DEPARTMENT OF FINANCE
001A	GENERAL FUND	6110000	DEPARTMENT OF REVENUE RECOVERY
001A	GENERAL FUND	5520000	DISPUTE RESOLUTION PROGRAM
001A	GENERAL FUND	5800000	DISTRICT ATTORNEY
001A	GENERAL FUND	7090000	EMERGENCY OPERATIONS
001A	GENERAL FUND	5690000	ENVIRONMENTAL REVIEW AND ASSESSMENT
001A	GENERAL FUND	5110000	FINANCING-TRANSFERS/REIMBURSEMENTS
001A	GENERAL FUND	5660000	GRAND JURY
001A	GENERAL FUND	7200000	HEALTH AND HUMAN SERVICES
001A	GENERAL FUND	7270000	HEALTH-MEDICAL TREATMENT PAYMENTS
001A	GENERAL FUND	8100000	HUMAN ASSISTANCE-ADMINISTRATION
001A	GENERAL FUND	8700000	HUMAN ASSISTANCE-AID PAYMENTS
001A	GENERAL FUND	7250000	IN-HOME SUPPORT SERVICES (IHSS) PROVIDER PAYMENTS
001A	GENERAL FUND	7230000	JUVENILE MEDICAL SERVICES
001A	GENERAL FUND	5970000	LABOR RELATIONS
001A	GENERAL FUND	5760000	NEIGHBORHOOD SERVICES
001A	GENERAL FUND	5770000	NON-DEPARTMENTAL COSTS/GENERAL FUND
001A	GENERAL FUND	5700000	NON-DEPARTMENTAL REVENUES/GENERAL FUND
001A	GENERAL FUND	5740000	OFFICE OF COMPLIANCE
001A	GENERAL FUND	5780000	OFFICE OF INSPECTOR GENERAL
001A	GENERAL FUND	6050000	PERSONNEL SERVICES
001A	GENERAL FUND	6610000	PLANNING AND COMMUNITY DEVELOPMENT
001A	GENERAL FUND	6700000	PROBATION
001A	GENERAL FUND	6910000	PUBLIC DEFENDER
001A	GENERAL FUND	6400000	REGIONAL PARKS
001A	GENERAL FUND	7400000	SHERIFF
001A	GENERAL FUND	2820000	VETERAN'S FACILITY
001A	GENERAL FUND	4410000	VOTER REGISTRATION AND ELECTIONS
001A	GENERAL FUND	3260000	WILDLIFE SERVICES
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
004A	HEALTH CARE/UNINSURED	8900000	HEALTH CARE / UNINSURED
005A	ROAD	2900000	ROADS
006A	PARKS CONSTRUCTION	6570000	PARK CONSTRUCTION
007A	CAPITAL CONSTRUCTION	3100000	CAPITAL CONSTRUCTION
008A	TOBACCO LITIGATION SETTLEMENT	7220000	TOBACCO LITIGATION SETTLEMENT
010B	ENVIRONMENTAL MANAGEMENT	3350000	ENVIRONMENTAL MANAGEMENT
011A	LIBRARY	6310000	COUNTY LIBRARY
012A	COMMUNITY SERVICES	8600000	COMMUNITY SERVICES
013A	FIRST 5 SACRAMENTO COMMISSION	7210000	FIRST 5 SACRAMENTO COMMISSION
015A	TRANSIENT OCCUPANCY	4060000	TRANSIENT-OCCUPANCY TAX
016A	TEETER PLAN	5940000	TEETER PLAN
018A	GOLF	6470000	GOLF
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT & INTERGOVERNMENTAL AFFAIRS

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
025A	ROADWAYS	2910000	ROADWAYS
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	OFFICE OF COMMUNICATION AND INFORMATION TECHNOLOGY	7600000	OFFICE OF COMMUNICATION AND INFORMATION TECHNOLOGY
032A	FACILITY PLANNING & MANAGEMENT	7900000	FACILITY PLANNING, ARCHITECTURE & REAL ESTATE
032C	REAL ESTATE DIVISION	7930000	REAL ESTATE DIVISION
033A	PUBLIC WORKS-OPERATIONS	2700000	MUNICIPAL SERVICES (MS)-ADMINISTRATIVE SERVICES
033A	PUBLIC WORKS-OPERATIONS	2420000	MS-ARCHITECTURAL SERVICES
033A	PUBLIC WORKS-OPERATIONS	2470000	MS-CONSOLIDATED UTILITIES BILLING SERVICES
033A	PUBLIC WORKS-OPERATIONS	2300000	MS-CONSTRUCTION MANAGEMENT
033A	PUBLIC WORKS-OPERATIONS	2450000	MS-DEVELOPMENT & SURVEYOR SERVICES
033A	PUBLIC WORKS-OPERATIONS	2600000	MS-TRANSPORTATION
033A	PUBLIC WORKS-OPERATIONS	2510000	MS-WATER RESOURCES
034A	GENERAL SERVICES-CAPITAL OUTLAY	2070000	GENERAL SERVICES (GS)-CAPITAL OUTLAY
035C	ADMINISTRATIVE SERVICES-GS	7110000	GENERAL SERVICES-OFFICE OF THE DIRECTOR
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007440	GENERAL SERVICES-AIRPORT DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007420	GENERAL SERVICES-BRADSHAW DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007430	GENERAL SERVICES-DOWNTOWN DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007046	GENERAL SERVICES-ENERGY MANAGEMENT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7450000	GENERAL SERVICES-SECURITY SERVICES
035H	CONTRACT & PURCHASING SERVICES-GS	7007063	GENERAL SERVICES-PURCHASING
035J	GENERAL SERVICES-SUPPORT SERVICES	7700000	GENERAL SERVICES-SUPPORT SERVICES
035L	GENERAL SERVICES-LIGHT EQUIPMENT	7007500	GENERAL SERVICES-LIGHT EQUIPMENT
035M	FLEET SERVICES HEAVY EQUIP	7007600	GENERAL SERVICES-HEAVY EQUIPMENT
037A	LIABILITY PROPERTY INSURANCE	3910000	LIABILITY PROPERTY INSURANCE
039A	WORKERS COMPENSATION INSURANCE	3900000	WORKERS COMPENSATION INSURANCE
040A	UNEMPLOYMENT INSURANCE	3930000	UNEMPLOYMENT INSURANCE
041A-045A	AIRPORT MAINTENANCE	3400000	AIRPORT SYSTEM
043A	AIRPORT CAPITAL IMPROVEMENT	3480000	AIRPORT SYSTEM-CAPITAL OUTLAY
051A	SOLID WASTE OPERATIONS	2200000	SOLID WASTE ENTERPRISE
052A	SOLID WASTE CAPITAL	2250000	SOLID WASTE ENTERPRISE-CAPITAL OUTLAY
056A	PARKING ENTERPRISE	7990000	PARKING ENTERPRISE
059A	REGIONAL RADIO COMMUNICATIONS SYSTEM	7020000	REGIONAL RADIO COMMUNICATIONS SYSTEM
060B	BOARD OF RETIREMENT	7860000	BOARD OF RETIREMENT
068A	PUBLIC WORKS TRANSIT PROGRAM	2930000	RURAL TRANSIT
101A	ANTELOPE PUBLIC FACILITIES FINANCING	3070000	ANTELOPE PUBLIC FACILITIES FINANCING PLAN (PFFP)
105A	LAGUNA CREEK/ELLIOTT RANCH CFD	2870000	LAGUNA CREEK/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT (CFD) NO. 1
107A	LAGUNA COMMUNITY FACILITY DISTRICT	3090000	LAGUNA COMMUNITY FACILITY DISTRICT
108A	VINEYARD PFFP - ROADWAYS	2840000	VINEYARD PUBLIC FACILITIES FINANCING PLAN
115A	BRADSHAW/US 50 FINANCING DISTRICT	3081000	BRADSHAW/US 50 FINANCING DISTRICT
118A	FLORIN ROAD CAPITAL PROJECT	1182880	FLORIN ROAD CAPITAL PROJECT
118B	FULTON AVENUE CAPITAL PROJECT	1182881	FULTON AVENUE CAPITAL PROJECT
130A	LAGUNA STONELAKE CFD-BOND PROCEEDS	1300000	LAGUNA STONELAKE CFD
131A	PARK MEADOWS CFD-BOND PROCEEDS	1310000	PARK MEADOWS CFD-BOND PROCEEDS
132A	MATHER LANDSCAPE MAINTENANCE CFD	1320000	MATHER LANDSCAPE MAINTENANCE CFD
136A	MATHER PFFP	1360000	MATHER PFFP
137A	GOLD RIVER STATION #7 LANDSCAPE CFD	1370000	GOLD RIVER STATION #7
139A	METRO AIR PARK CFD 2000-1	1390000	METRO AIR PARK
140A	MCCLELLAN CFD 2004-1	1400000	MCCLELLAN PARK CFD
141A	SACRAMENTO CO LANDSCAPE MAINTENANCE	1410000	SACRAMENTO COUNTY LANDSCAPE MAINTENANCE
142A	METRO AIR PARK SERVICE TAX	1420000	METRO AIR PARK SERVICE TAX
143A	NVSSP-ROADWAY	1430000	NORTH VINEYARD STATION SPECIFIC PLAN (NVSSP)
144A	NVSSP CFD 2005-2-ADMIN	1440000	NORTH VINEYARD STATION SPECIFIC PLAN CFD
229A	NATOMAS FIRE DISTRICT	2290000	NATOMAS FIRE DISTRICT
253A	CSA NO. 1	2530000	COUNTY SERVICE AREA (CSA) NO. 1
257A	CSA NO. 10	2857000	CSA NO. 10
261A	REGIONAL SANITATION DISTRICT	3028000	REGIONAL SANITATION DISTRICT
267A	SACRAMENTO AREA SEWER OPERATIONS	3005000	SACRAMENTO AREA SEWER OPERATIONS
277A	FIXED ASSET REVOLVING	9277000	FIXED ASSET REVOLVING
278A	1990 FIXED ASSET DEBT SERVICE	9278000	1990 FIXED ASSET DEBT SERVICE
280A	JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	9280000	JUVENILE COURTHOUSE-DEBT SERVICE
282A	2004 PENSION OBLIGATION BOND-DEBT SERVICE	9282000	2004 PENSION OBLIGATION BONDS
284A	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	9284000	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS
287A	CAPITAL PROJECTS-DEBT SERVICE	9287000	CAPITAL PROJECTS-DEBT SERVICE
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE
292A	JAIL DEBT SERVICE	2920000	JAIL DEBT SERVICE

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
298A	2003 PUBLIC FACILITIES PROJ-DEBT SERVICE	9298000	2003 PUBLIC FACILITIES-DEBT SERVICE
300A	2010 REFUNDING COPS-DEBT SERVICE	9300000	2010 REFUNDING COPS-DEBT SERVICE
300B	2010 REFUNDING COPS-PG-DEBT SERVICE	9300500	2010 REFUNDING COPS PARKING GARAGE-DEBT SERVICE
303A	2007 PUBLIC FACILITIES PROJ-CONSTRUCTION	9303303	2007 PUBLIC FACILITIES PROJECT-CONSTRUCTION
304A	2007 PUBLIC FACILITIES PROJ-DEBT SERVICE	9304304	2007 PUBLIC FACILITIES PROJECT-DEBT SERVICE
305A	2006 PUBLIC FACILITIES PROJ-CONSTRUCTION	9305305	2006 PUBLIC FACILITIES-CONSTRUCTION
306A	2006 PUBLIC FACILITIES PROJ-DEBT SERVICE	9306306	2006 PUBLIC FACILITIES-DEBT SERVICE
308A	1997-PUBLIC FACILITIES DEBT SERVICE	3080000	1997-PUBLIC FACILITIES-DEBT SERVICE
309A	1997-PUBLIC FACILITIES-CONSTRUCTION	9309000	1997-PUBLIC FACILITIES-CONSTRUCTION
311A	PENSION BOND-INTEREST RATE STABILIZATION	9311000	PENSION OBLIGATION BOND-INTEREST RATE STABILIZATION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
314A	BEACH STONE LAKE FLOOD MITIGATION	2814000	BEACH STONE LAKES FLOOD MITIGATION
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
315A	WATER AGENCY-ZONE 11A	2815000	WATER AGENCY-ZONE 11A
315B	WATER AGENCY-ZONE 11B	2816000	WATER AGENCY-ZONE 11B
315C	WATER AGENCY-ZONE 11C	2817000	WATER AGENCY-ZONE 11C
316A	NORTH VINEYARD STATION RIGHT OF WAY	2818000	NORTH VINEYARD STATION
317A	NORTH VINEYARD WELL PROTECTION	3171000	NORTH VINEYARD WELL PROTECTION
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
319A	WATER AGENCY-ZONE 12	3066000	WATER AGENCY-ZONE 12
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
320B	WATER AGENCY-ZONE 41 GENERAL OPERATIONS	3055000	WATER AGENCY-ZONE 41
320H	SCWA ZONE 50	3057000	SACRAMENTO COUNTY WATER AGENCY-ZONE 50
322A	WATER RESOURCES	3220001	WATER RESOURCES
325A	SACRAMENTO AREA FLOOD CONTROL AGENCY	3252660	DEPARTMENT OF FLOOD MANAGEMENT
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
351A	DEL NORTE OAKS PARK DISTRICT	3516494	DEL NORTE OAKS PARK DISTRICT
560A	COUNTY SERVICE AREA 4B	6491000	CSA NO.4B-(WILTON-COSUMNES)
561A	COUNTY SERVICE AREA 4C	6492000	CSA NO.4C-(DELTA)
562A	COUNTY SERVICE AREA 4D	6493000	CSA NO.4D-(HERALD)
563A	COUNTY PARKS CFD 2006-1	6494000	COUNTY PARKS CFD 2006-1

DESCRIPTION OF COUNTY FUNDS

GENERAL FUND 001:

The principal fund of the County, and is used to account for all activities of the County not included in other specified funds. It also accounts for most general government activities.

SPECIAL REVENUE FUNDS:

- Fish and Game Propagation Fund 002 – Accounts for activities related to fish and game, including education.
- Health Care/Uninsured Fund 004 – Accounts for addressing health care problems of the uninsured county residents.
- Road Fund 005 – 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.
- Tobacco Litigation Settlement Fund 008 – Accounts for the Tobacco Litigation Settlement revenues for programs related to health, youth and tobacco prevention.
- Environmental Management Fund 010 – Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.
- Library Fund 011 – Accounts for the County's share of revenue and operating transfer to Library Joint Powers Authority (JPA).
- First 5 Sacramento Commission Fund 013 – Accounts for funds received from State of California from Proposition 10.
- Transient-Occupancy Tax Fund 015 – 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, which enhance the image of the community.
- Golf Fund 018 – 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 services.
- Economic Development and Intergovernmental Affairs Fund 020 – Accounts for assistance to employers and to help attract and retain jobs in the county and region. The Department also engages in more general economic development and job creation programs.
- Building Inspection Fund 021 – Accounts for building inspection and code enforcement services to the unincorporated area of the County.
- Roadways Fund 025 – Accounts for public road improvements with several geographical districts in response to land use development decisions.
- Transportation Sales Tax Fund 026 – Accounts for the public road improvements in the unincorporated area of the County, which are funded from the Measure A Transportation Sales Tax.
- Rural Transit Fund 068 – Accounts for operations of the South County Transit Program.

CAPITAL PROJECT FUNDS:

- Park Construction Fund 006 – Accounts for the acquisition, development, and improvement of county park properties.
- Capital Construction Fund 007 – Accounts for general capital outlay expenditures of the County.

DEBT SERVICE FUNDS:

Teeter Plan Fund 016 – Services the debt associated with the County purchase of delinquent recurrent property tax receivables under the Alternative Method of Tax Apportionment, the “Teeter Plan”.

INTERNAL SERVICE FUNDS:

- Interagency Procurement Fund 030 – Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.
- Office of Communications and Information Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- Real Estate Division Fund 032 – Accounts for real estate services for county departments and Special District public infrastructure and facility projects.
- Public Works Fund 033 – Accounts for special services provided by the Municipal Services Agency to other county departments and special districts. These services include Special District Formation, Highways and Bridges, Architectural, Development and Surveyor, Information and Permits, Consolidated Utilities Billing, Technical Services and Construction Management.
- General Services Funds 034 and 035 – 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, and Building Maintenance and Operations.
- Liability/Property Self-Insurance Fund 037 – Accounts for the County’s program of self-insurance for liability/property perils.
- Workers’ Compensation Self-Insurance Fund 039 – Accounts for the County’s self-insurance of all workers’ compensation claims.
- Unemployment Self-Insurance Fund 040 – Accounts for the County’s self-insurance of all unemployment claims.
- Regional Radio Communications System Fund 059 – Accounts for the operations of the County’s emergency communications function.
- Board of Retirement Fund 060 – Accounts for activities related to the management of the Sacramento County Employees’ Retirement System.

ENTERPRISE FUNDS:

- Airport System Funds 041, 042, 043, 044, 045 – Accounts for the operations of the Airport Department, including the International, Executive, and Franklin Airports, and Mather Airfield.
- Solid Waste Enterprise Funds 051 and 052 – Accounts for the costs of the refuse collection business, including the refuse disposal site and transfer locations.
- Parking Enterprise Fund 056 – Accounts for all downtown parking facilities, which generate revenues from user fees from both the public and county employees.

ENTERPRISE FUNDS (CONT.):

- Water Agency Enterprise Fund 320 – Accounts for operations of the Water Agency Supply Division, which generates revenues from developer fees, and businesses and individuals that purchase water from the Water Agency.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital SouthEast Connector. Only the salary and benefit appropriations are reflected in the County budget document.
- Antelope Public Facilities Financing Plan Fund 101 – Accounts for public facilities in the Antelope area including construction of roadway, park, fire protection facilities, and storm drainage and water supply mitigation measures.
- Laguna Creek/Elliott Ranch Community Facilities District (CFD) Number 1 Fund 105 – Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.
- Laguna Community Facility District Fund 107 – Accounts for construction activity in the Laguna Community Facilities District.
- Vineyard Public Facilities Financing Plan (PFFP) Fund 108 – Accounts for portions of major public infrastructure necessary for the Vineyard area to urbanize including construction of major freeway interchanges, roadways, public transit, library, community center and park facilities.
- Bradshaw/US 50 Financing District Fund 115 – Accounts for portions of major infrastructure necessary for Sacramento County residents, local employees, and business customers to efficiently utilize transportation facilities in the Bradshaw Road and US 50 areas.
- Florin Road/Fulton Avenue Capital Projects Fund 118 – Accounts for services and enhancements in the Florin Road and Fulton Avenue areas.
- Laguna Stonelake CFD Fund 130 – Accounts for portions of the public infrastructure and public facilities necessary to urbanize the Laguna Stonelake area including construction of roadway, drainage, sewer, water, library, park, and fire protection facilities.
- Park Meadows CFD-Bond Proceeds Fund 131 – Accounts for the necessary acquisition and construction of West Stockton Boulevard.
- Mather Landscape Maintenance CFD Fund 132 – Accounts for landscape maintenance and installation services associated with the Independence at Mather residential subdivision.
- Mather PFFP Fund 136 – Accounts for portions of the major public infrastructure roadway facilities necessary for the Mather area to develop.
- Gold River Station Number 7 Fund 137 – Accounts for landscape maintenance services associated with the Gold River Station Number 7 Landscape CFD.
- Metro Air Park Fund 139 – Accounts for construction activity in the Metro Air Park Community Facilities District.
- McClellan Park CFD Fund 140 – Accounts for portions of the public infrastructure and public facilities necessary for the reuse of McClellan Park CFD including construction of roadway, drainage, sewer, and landscape facilities.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (CONT.):

- Sacramento County Landscape Maintenance Fund 141 – Accounts for landscape maintenance services associated with the Sacramento County Landscape Maintenance Community Facilities District including the installation, maintenance, repair, and replacement of landscape facilities within the boundaries of the District.
- Metro Air Park Service Tax Fund 142 – Accounts for Service Tax revenues needed for authorized maintenance services within the Metro Air Park Community Facilities District.
- North Vineyard Station Specific Plan (NVSSP) Fund 143 – Accounts for portions of major public infrastructure necessary for the NVSSP area to urbanize including construction of roadways, frontage lanes, public transit, library, and park facilities.
- North Vineyard Station Specific Plan CFD Fund 144 – Accounts for portions of major public infrastructure necessary for the North Vineyard Station area to urbanize including construction of roadway and transportation improvements, signalized intersections, landscaping improvements, sanitary water, storm drainage, and potable water systems.
- Natomas Fire District Fund 229 – Accounts for fire protection services to approximately 40 square miles of the unincorporated area in the northwestern portion of the County.
- County Service Area (CSA) Number One Fund 253 – Formed to provide all street and highway safety lighting services in the unincorporated area of the County.
- CSA Number 10 Fund 257 – Accounts for miscellaneous extended transportation services to achieve trip reduction targets in the North Vineyard Station Specific Plan and other urban development areas in the County.
- Regional Sanitation District Fund 261 – Accounts for the operations of the Regional Sanitation Utility System. Only the salary and benefit appropriations are reflected in the County budget document.
- Sacramento Area Sewer Operations Fund 267 – Accounts for the operations of the Sacramento Area Sewer District. Only the salary and benefit appropriations are reflected in the County budget document.
- Fixed Asset Revolving Fund 277 – Accounts for transfer of funds to the 1990 Fixed Asset Debt Service Fund 278 for payment of debt service and other costs of the program.
- 1990 Fixed Asset Debt Service Fund 278 – Services all debt associated with the acquisition of fixed assets for the Public Facilities Financing Corporation.
- Juvenile Courthouse Debt Service Fund 280 – Services the 2003 Juvenile Courthouse Certificates of Participation.
- 2004 Pension Obligation Bonds Fund 282 – Reflects the annual debt service and related financial services costs for the County's Taxable Pension Funding Bonds Series 2004.
- Tobacco Litigation Settlement Capital Projects Fund 284 – Accounts for construction projects from the Tobacco Securitization proceeds including the Juvenile Hall expansion project and the Primary Care Clinic Facility.
- Capital Projects Debt Service Fund 287 – Refunding of the Parking Facility and Cherry Island Gold Course Certificates of Participation (COPS).

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (CONT.):

- 1977 Refunding Public Facilities Debt Service Fund 288 – Reflects the debt service requirement for payment of principal, interest, and various other costs related to the 1997 Public Facilities Project Certificates of Participation for the construction of the Coroner/Crime lab and Data Center (the 1994 Certificates).
- Jail Debt Service Fund 292 – Services the Main Jail Certificates of Participation.
- 2003 Public Facilities Debt Service Fund 298 – Services the 2003 Public Facilities Projects Certificates of Participation (expansion of the Warren E. Thornton Youth Center, expansion of the Boys Ranch, and improvement to various county facilities to accommodate Americans with Disabilities Act).
- 2010 Refunding COPS Debt Service Fund 300 – Accounts for the annual lease payments of the 2010 Refunding Certificates of Participation.
- 2007 Public Facilities Projects Construction Fund 303 – Accounts for the uses of proceeds of the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities-120 Bed Expansion projects.
- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest, and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Construction Fund 305 – Accounts for construction projects from the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.
- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento, and various other approved construction projects.
- Pension Obligation Bond Interest Rate Stabilization Fund 311 – Provides for interest earnings on the Pension Obligation Bond Debt Service in Fund 313.
- Pension Obligation Bond Debt Service Fund 313 – Services the debt related to Pension Bonds issued to pay off the unfunded pension liability the county owed to the Sacramento County Employee Retirement System.
- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impacted by the project.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (CONT.):

- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone’s geographical area.
- North Vineyard Station Right of Way Fund 316 – Accounts for the right-of-way and easement acquisitions necessary for the construction of roadways, utilities, landscaping, drainage channels detention basins, and water supply and sewer infrastructure within the North Vineyard Station Specific Plan area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.
- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Zone 12 Fund 319 – Accounts for the collection of ad valorem tax revenues that are transferred to the Stormwater Utility District.
- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.
- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.
- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.
- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park, and recreational programs and open space facilities within the boundary of County Service Area 4B.

GOVERNMENTAL FUNDS:

Governmental Funds record expenditures for compensated absences as they are taken by employees. Each year's budget includes a provision for the estimated expenditure for the current year. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2000, because the County does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability. Accordingly, this liability is recorded in the General Long-Term Obligations Account Group.

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.

TRUST AND AGENCY FUNDS:

• **TRUST FUNDS**

- **Investment Trust Fund** – Accounts for assets held for external investment pool participants.
- **Expendable Trusts:**
 - **Inmates' Welfare** – Accounts for profits from the jails' commissaries, which are used solely for the benefit of the inmates.
 - **Jail Industry** – Accounts for operations of the County's "inmate industry" program.
 - **Law Library** – Accounts for an apportionment of civil case filing fees received solely for maintenance of the County's Law Library.
 - **Local Improvement Pre-Assessment District** – Accounts for funds collected from developers/property owners for preliminary work prior to issuing special assessment debt to finance infrastructure projects.

• **AGENCY FUNDS**

- **Law Enforcement** – Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate county law enforcement department of other local police agency.
- **Federal Program Transfer** – Accounts for receipts from governmental programs administered by the County. Funds are held by the County in the Agency Fund until earned by the appropriate department, at which time they are transferred.
- **Unapportioned Tax Collection** – Accounts for property taxes received but not yet apportioned by the County.
- **Public Safety** – Accounts for receipts from the one half percent sales tax approved by voters for law enforcement functions. These receipts are held pending apportionment to the appropriate county law enforcement department or local police agency.
- **Pooled Treasury Income** – Accounts for interest earned and received by the County Treasury and allocated to appropriate funds.
- **Other** – Accounts for other agency funds where the County holds money in a custodial capacity.

DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS

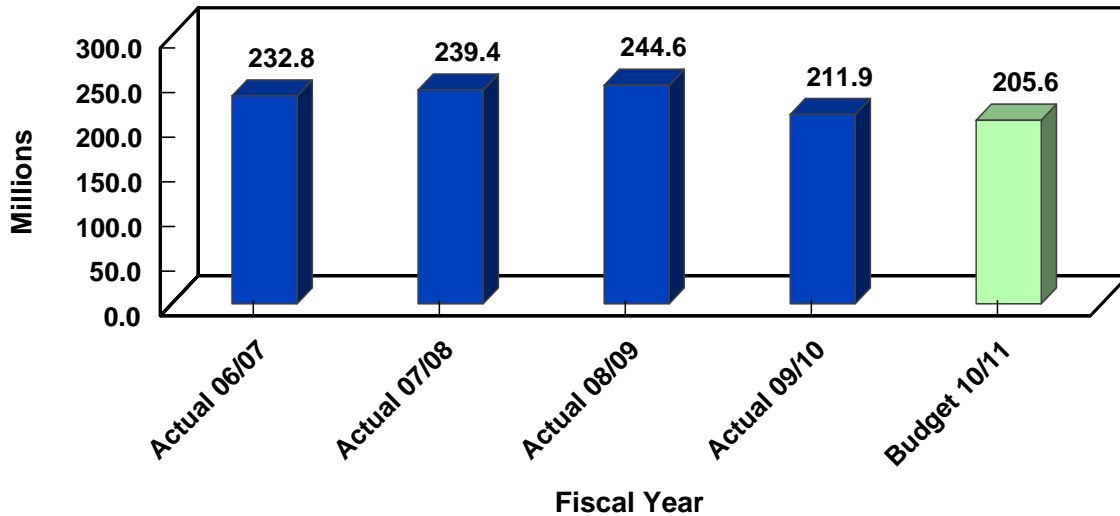
Revenue Source: Property Tax Revenues

Trend			Percent Change	Comments
2006-07 Actual	\$	232,802,344		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2007-08 Actual	\$	239,366,738	2.82%	
2008-09 Actual	\$	244,620,566	2.19%	
2009-10 Actual	\$	211,948,324	(13.36%)	
2010-11 Budget	\$	205,606,442	(2.99%)	

PROPERTY TAX REVENUES:

The revenue estimate includes various property tax-related accounts including secured, unsecured, supplemental, delinquent, and unitary. The estimate is based on the Assessor's property tax roll. The Fiscal Year 2010-11 projected total for property tax revenues is \$205.6 million.

Property Tax Revenues



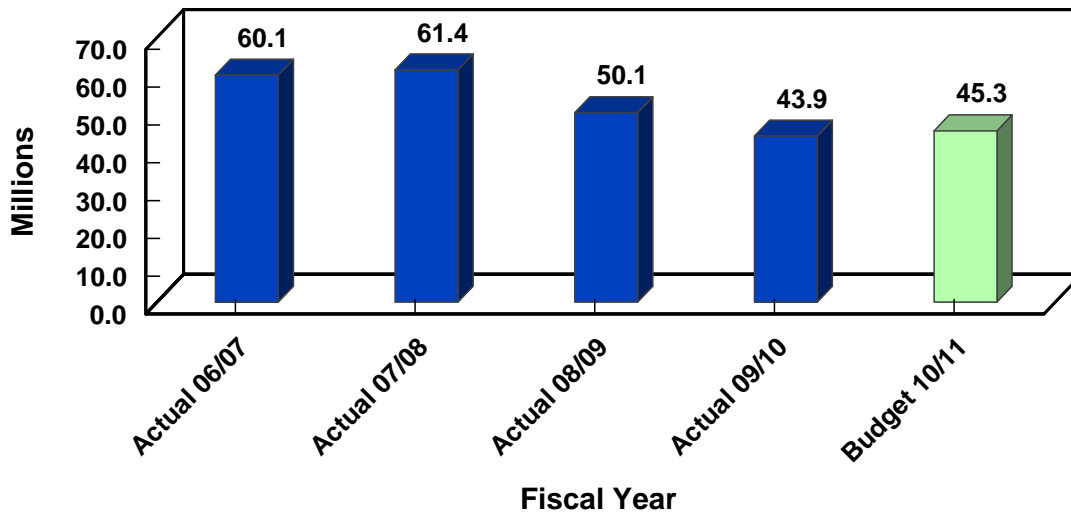
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2006-07 Actual	\$ 60,056,512		A 0.75 percent share of statewide collected sales tax rate of 7.75 percent, collected from the Unincorporated Area only. Effective Fiscal Year 2004-05, due to the State's "Triple Flip," sales tax was reduced by ¼ from 1.0 percent to 0.75 percent. The State backfills the lost revenue with Educational Revenue Augmentation Fund (ERAF) revenues (see In Lieu Local Sales And Use Tax).
2007-08 Actual	\$ 61,409,295	2.25%	
2008-09 Actual	\$ 50,104,502	(18.41%)	
2009-10 Actual	\$ 43,931,284	(12.32%)	
2010-11 Budget	\$ 45,292,215	3.10%	

SALES TAX:

The revenue estimate is impacted by the State's "Triple Flip" provision which reduces Sales Taxes by 25.0 percent. The budget estimate is based on an assumed 3.10 percent growth from the year end actuals of \$43.9 million. The total projected for Fiscal Year 2010-11 is \$45.3 million.

Sales Tax



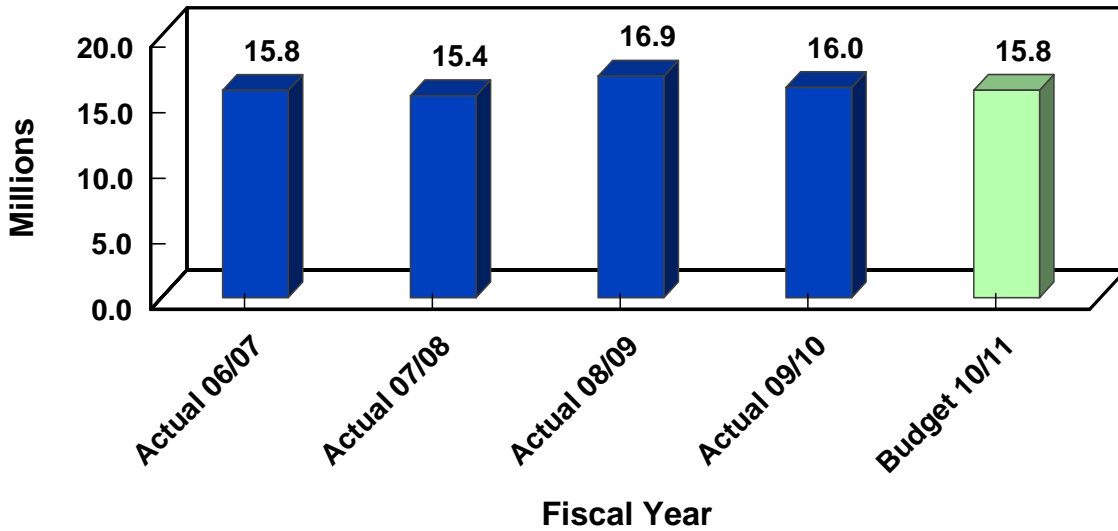
Revenue Source: Utility Tax

Trend		Percent Change	Comments
2006-07 Actual	\$ 15,803,082		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2007-08 Actual	\$ 15,395,949	(2.58%)	
2008-09 Actual	\$ 16,891,373	9.71%	
2009-10 Actual	\$ 16,017,827	(5.17%)	
2010-11 Budget	\$ 15,812,750	(1.28%)	

REVENUE SOURCE - UTILITY TAX:

The revenue estimate is based on a 1.28 percent decrease in utility collections in the Unincorporated Area. The decrease is due to the continual trend of customers shifting from home-based telephone usage to non-taxable cellular telephone usage. The total budgeted for Fiscal Year 2010-11 is \$15.8 million.

Utility Tax



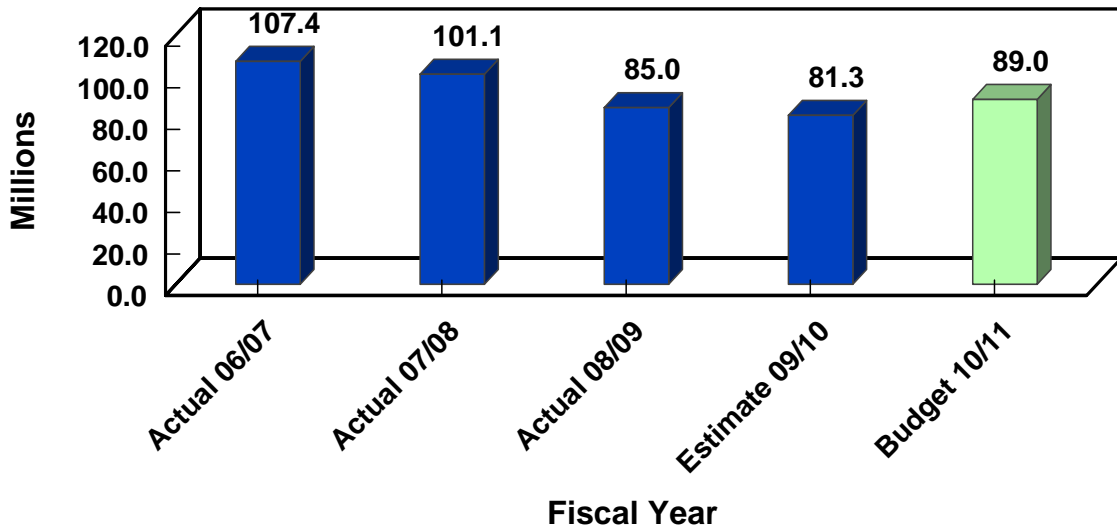
Revenue Source: Proposition 172 – Public Safety

Trend		Percent Change	Comments
2006-07 Actual	\$ 107,351,342		County share of statewide ½ cent sales tax. Allocated to counties and cities by formula in state law. Changes in revenue depend on statewide sales tax collections and countywide sales tax collections as a share of the statewide total collections.
2007-08 Actual	\$ 101,144,996	(5.78%)	
2008-09 Actual	\$ 85,044,279	(15.92%)	
2009-10 Estimate	\$ 81,331,636	(4.37%)	
2010-11 Budget	\$ 89,000,000	9.43%	

PUBLIC SAFETY REVENUE:

The budget estimate is based on 9.43 percent assumed growth in statewide sales tax collections based on the actuals for the second half of Fiscal Year 2009-10.

Public Safety



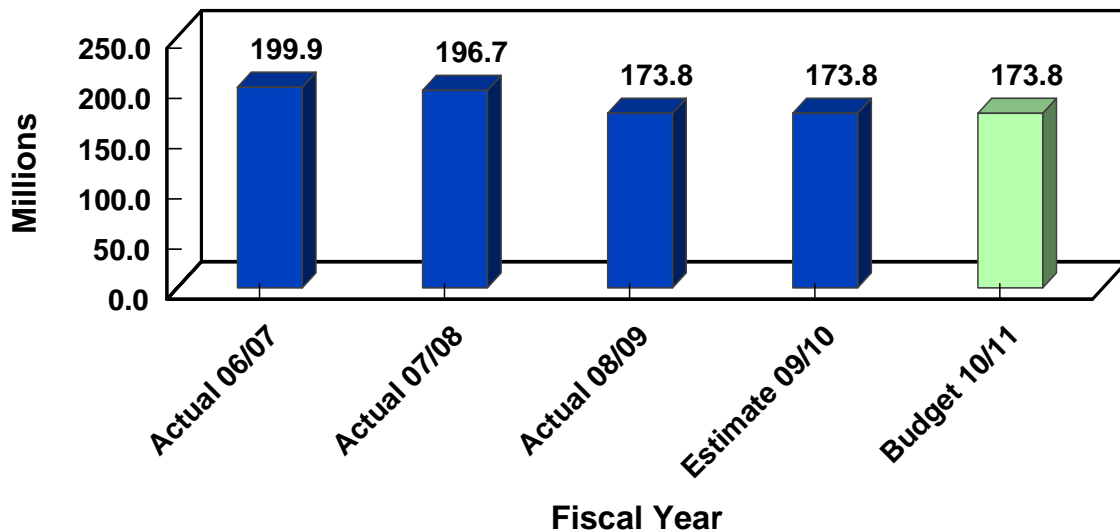
Revenue Source: Realignment

Trend		Percent Change	Comments
2006-07 Actual	\$ 199,859,078		Changes in revenue reflect county's share of ½ cent statewide sales tax and 24.33 percent of vehicle license fees which are allocated to health, mental health, and social service programs.
2007-08 Actual	\$ 196,676,942	(1.59%)	
2008-09 Actual	\$ 173,825,350	(11.62%)	
2009-10 Estimate	\$ 173,825,350	0.00%	
2010-11 Budget	\$ 173,825,350	0.00%	

REALIGNMENT REVENUE:

The assumptions for Realignment include no growth in statewide sales tax collections and vehicle license fees collections, and no changes in allocation patterns among the major Realignment Accounts.

Realignment



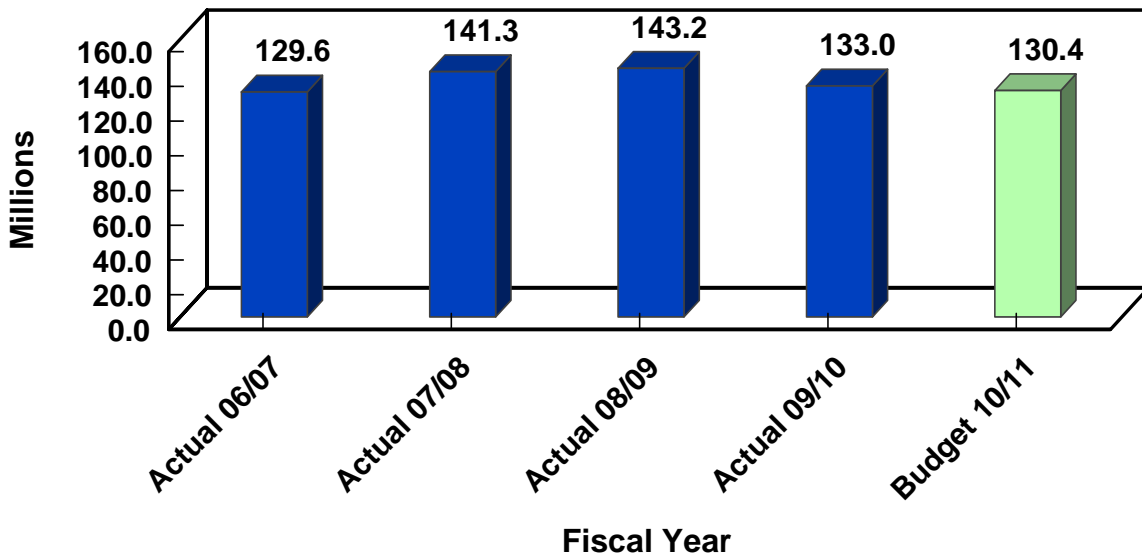
Revenue Source: Property Tax In-Lieu of Vehicle License Fee

Trend		Percent Change	Comments
2006-07 Actual	\$ 129,588,212		This revenue source emerged as the result of the State's "Swap" deal. This amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2007-08 Actual	\$ 141,314,516	9.05%	
2008-09 Actual	\$ 143,187,726	1.33%	
2009-10 Actual	\$ 133,046,661	(7.08%)	
2010-11 Budget	\$ 130,385,745	(2.00%)	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES:

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2010-11 projected total of \$130.4 million reflects a 2.00 percent decrease from the prior year actual levels.

Property Tax In-Lieu of Vehicle License Fee



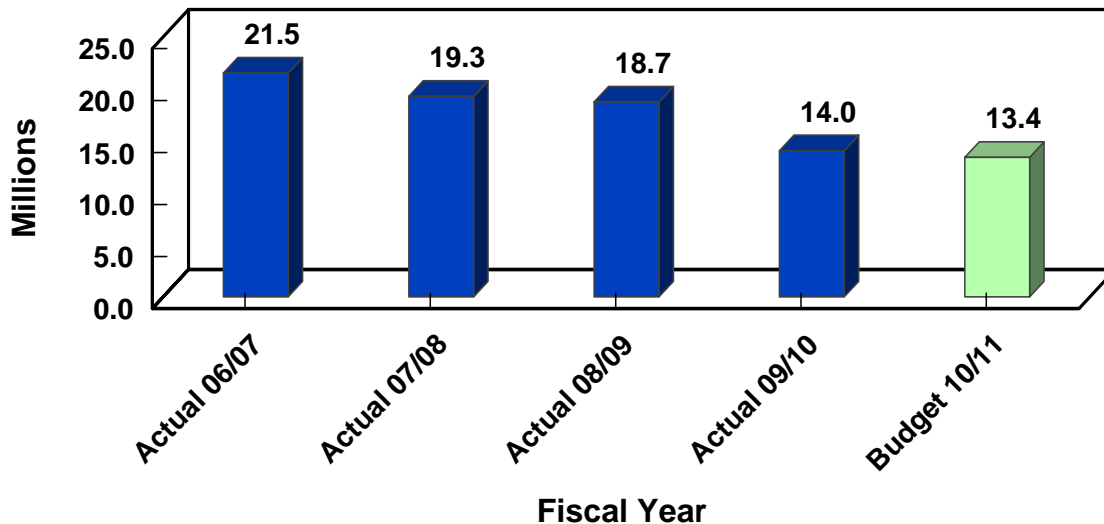
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2006-07 Actual	\$ 21,517,116		This revenue source emerged as the result of the State's "Triple Flip" provision. This amount represents the backfill of the 25.0 percent Sales and Use Taxes revenue that are reallocated to the State Fiscal Recovery Fund.
2007-08 Actual	\$ 19,280,177	(10.40%)	
2008-09 Actual	\$ 18,735,315	(2.83%)	
2009-10 Actual	\$ 14,047,475	(25.02%)	
2010-11 Budget	\$ 13,413,170	(4.52%)	

IN LIEU LOCAL SALES AND USE TAX:

The assumption for this revenue source is based on the State's "Triple Flip" provision which reduces the County's Sales and Use Taxes by 25.0 percent. The State backfills this 25.0 percent reduction with Educational Revenue Augmentation Fund (ERAF) revenues. For Fiscal Year 2010-11, a total of \$13.4 million is budgeted for In Lieu Local Sales and Use Tax revenues, a decrease of 4.52 percent from the prior-year actuals.

In Lieu Local Sales and Use Tax



GENERAL BUDGET POLICIES AND PLANNING

General Budget Information

This summary includes:

- I. The Budget, Legal Requirements, Budgeting Basis, and Budget Policies
- II. Revenue and Cash Management
- III. Debt Management Policies
- IV. Range Budget Planning

I. THE BUDGET

The annual budget for Sacramento County is an operational plan, a fiscal plan, and a staffing plan for the provision of services to the residents of Sacramento County. The budget also includes a five-year Capital Improvement Plan for the County. This plan is presented to the Board of Supervisors and is reviewed during the budget hearings. The County Board of Supervisors approves the budget each year at the conclusion of an open and deliberative process in which county residents, county employees, and county officials are active participants.

LEGAL REQUIREMENTS

The county's budget process conforms to state law and the County Charter. The California State County Budget Act of 1986 provides statewide uniformity in the budget process, content, and format among California counties and special districts. Deadlines for the public release of budget information and the adoption of proposed and final budgets are given. The Budget Act also sets the content and format of budget schedules.

The County Charter specifies the roles of the Board of Supervisor and the County Executive in the budget process. The County Executive is charged with recommending a balanced budget (a budget in which the expenditures incurred during a given period are matched by revenues and/or current expenditures are equal to receipts) to the Board and with executing the budget plan once it is adopted. The County Executive is also responsible for monitoring the status of the budget throughout the year and with recommending budget changes when circumstances warrant.

BUDGETING BASIS

For the governmental funds, or those funds subject to appropriation, Sacramento County uses a modified accrual basis of budgeting and accounting. Under this basis of budgeting and accounting, revenues are recognized when they become both measurable and available, and expenditures are recorded when the liability is incurred. Measurable means the amount of the transaction is known. Available means the revenue will be received as cash within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current period.

Proprietary funds use an accrual basis of accounting in essentially the same manner as commercial accounting. Recognition occurs at the time of the transaction – 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.

BUDGET POLICIES

Sacramento County’s budget process operates under long standing Board of Supervisors-approved budget policies. In summary, the policies are designed to control growth in the budget, maximize fund balance, give departments operational flexibility, and establish prudent reserve levels.

Alignment of Ongoing Expenditures and Revenues and Use of Fund Balance

In 1985 the Board adopted long-term policies intended to keep ongoing county expenditures in alignment with ongoing financing sources and to increase fund balance. These policies state:

- General Fund, fund balance will be used as an ongoing financing source.
- The higher costs of new programs, higher service levels, and new staff will be recognized on a full-year basis to ensure the recognition of the full cost of new commitments.
- Unanticipated revenue windfalls not included in the budget plan will not be expended during the year unless such spending is required in order to receive the funding.
- Short-term funding sources are not to be applied to ongoing requirements.

Use of Fund Balance and Appropriation Use Flexibility

In 1992 the Board of Supervisors adopted a set of policies under the rubric of “departmental empowerment” to give departments more flexibility in managing service delivery and departmental budgets. The budgetary aspects of the departmental empowerment policies include:

- The year-end practice was changed from "use it or lose it" to “save it and keep it.” Departmental contributions to fund balance are credited back to departments as financing in the following year.
- Departments were given the flexibility of administratively shifting appropriations between expenditure categories without Board or County Executive approval so long as there is no change in overall net appropriations. The Department of Finance presents a quarterly report of such budget adjustments to the Board of Supervisors.
- A restriction was placed on departmental empowerment in Fiscal Year 2002-03, disallowing transfer of salary appropriations to other expenditures without Board approval. This restriction was necessary due to the need to maintain high fund balances in order to mitigate against the state budget reductions and weak economic conditions.

Reserve Levels

The Board, upon recommendation from the County Executive and Chief Operations Officer, adopted a Reserve and Reinvestment Policy in 2010. This policy sets a target for the General Fund General Reserve at ten percent of discretionary revenues. Fiscal Year 2010-11 reserves do not meet that target due to current economic conditions. The policy does set guidelines for the Board to follow to reestablish reserves and eventually reach the targeted level.

Resource Allocation

In June 2007, upon recommendation of the County Executive, the Board of Supervisors adopted a series of obligations/priorities to guide resource allocation and budget decision making. These priorities are slightly different from prior years in that the mandated programs are split into those where the service/budget is specifically mandated and those where the Board of Supervisors has some flexibility regarding the level of mandated service provided. The approved spending priorities recognize that certain obligations must be funded before any discretionary priorities can be addressed:

Resource Allocation (Cont.)

- **Mandated Countywide Obligations**, such as jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients. These obligations are now designated as specifically mandated programs.
- **Mandated Municipal Obligations** such as the core requirements for providing for the public safety of the citizens living in the unincorporated area (Sheriff's patrol and investigations).
- **Financial Obligations** is the maintenance of the public trust through a sound fiscal policy that focuses on financial discipline, including funding programs that provide for revenue collection and payment of county debts.
- **Budget Priorities**, when funding of the County's mandated services and obligations are met, the following priorities shall govern the budget process:
 - Provide the highest level of discretionary law-enforcement municipal and countywide services possible within the available county budget, such as Sheriff's patrol and investigations, and Probation supervision.
 - Provide the safety net for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
 - Provide the highest possible quality of life for our constituents within available remaining resources (i.e. neighborhood programs, reinvestment in communities, Parks and Recreation, and non-law enforcement municipal services, etc.)
 - General government functions (such as Clerk of the Board, County Counsel, Human Resources Agency, Office of Communications and Information Technology, County Executive, etc.) shall continue at a level sufficient to support the direct services to citizens.
 - Continue prevention/intervention programs that can demonstrate that they save the county money over the long-term, such as alcohol and drug programs.

II. Revenue and Cash Management--Cash, Investments, And Restricted Assets

All investments are reported on the statement of net assets/balance sheet in accordance with GASB State 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.

Cash and investments held by fiscal agents are restricted as to its use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 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.

Revenue and Cash Management -- Investments and GASB 40 Presentation

The County has chosen to implement GASB Statement 40, Deposit and Risk Disclosures, which is an amendment to GASB Statement No 3.

Investments by the County Treasurer are restricted per Government Code Section 53600 et. Seq. 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, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, thirdly maintain the public trust 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:

- Credit risk
- Custodial credit risk
- Concentration of credit risk
- Interest rate 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 percent of the total portfolio); Commercial Paper of "prime quality" (the highest ranking provided by either Moody's Investor Services or Standards and Poor Corporation) (not over 270 days maturity and not to exceed 40 per cent of the total portfolio pursuant to Section 53635) and these investments are further restricted as to capacity and credit rating of the Company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks, not to exceed 30 percent of the total portfolio; repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service, not to exceed 30 percent of the portfolio; shares of beneficial interest issued by a diversified management company subject to certain limitation; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of rules cited in Government Code Section 53651; moneys held by a trustee or fiscal agent for bonds, indebtedness, lease obligations, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of the bonds, indebtedness, lease obligations or other agreements; mortgage pass-through

securities and other mortgage and consumer receivable backed bonds, not to exceed a maturity of five years, subject to the credit rating of the issuer and not to exceed 20 percent of the portfolio; and shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7.

In addition to the restrictions and guidelines cited in the Government Code, the County Board of Supervisors annually adopts an "Investment Policy for the Pooled Investment Fund" (The Policy). The Policy is prepared by 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 of loss due to the fair value of an investment falling due to interest rates rising. Of the County's \$3.320 billion portfolio over 72.3 percent of the investments have a maturity of six months or less. In addition, 93.3 percent of the portfolio matures within two years.

Credit Risk – The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers' rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by the 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 non-rated.

Custodial Credit Risk – At year-end, the County did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

Concentration of Credit Risk – Nearly 71.3 percent of the County's investments at year-end are in U.S. Government or Agencies issues. There is no limitation on amounts invested in these types of issues. Of the 20.1 percent of the portfolio invested in commercial paper or certificate of deposits, no investment in a single issuer exceeds five percent.

Prohibited Investments - No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool or mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are Altria Group, British American Tobacco PLC, Imperial Tobacco Group PLC, Loews Corp., Reynolds American, Inc., Universal Corp., UST, Inc., and Vector Group, Ltd. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

III. Debt Management Policies

The County has also adopted comprehensive Debt Management Policies, which are intended to improve coordination and management of all debt issued in which the County has complete or limited obligation (e.g. special assessment or Mello-Roos financings) for debt repayment. As the municipal debt market changes, all outstanding debt should be monitored to take advantage of changing opportunities.

Major elements of the policy include:

- Establishment of a County Debt Utilization Committee (CDUC) which has the responsibility for reviewing, coordinating and advising the County Executive and Board of Supervisors regarding proposed and existing debt issues in order to assure that debt is utilized in a favorable manner to the County and only when it is in the best interest of the County.
- Formalizing the concept that debt proposals by individual departments must be closely coordinated with the county's capital and operating budget processes and must take into account the impact of the proposed debt issue on the county's credit rating and total debt burden.
- Assignment of responsibilities related to analysis of proposed borrowings and monitoring compliance with covenants and restrictions in approved debt agreements.
- To the extent feasible, debt issued shall be tied to revenues from those taxpayers who will directly or indirectly receive benefits of the purpose of the debt.
- Short-term and long-term borrowing will be limited to borrowings that are within prudent limits regarding applicable debt ratios and those which improve county cash flow and related interest earning capabilities.
- Proceeds from long-term financing will be limited to the uses authorized by law and allowed by the provisions of the particular debt. Generally, these limitations allow payment for planning, design, land, construction, or acquisition of buildings, permanent structures, attached fixtures and/or equipment, movable furniture, and equipment and also the costs related to planning and issuing the debt.
- Short-term financing will include funding the county's cash flow deficit in anticipation of tax and revenue receipts.
- Structure (e.g. General Obligation, Certificates of Participation, Assessment Districts, or Revenue Bonds) and type of debt issuance (negotiated or competitive) is dependent upon various factors, including the nature of the project to be financed, available revenue sources and revenue streams, budget impact and the financial market environment.
- No financing will be undertaken to finance an operating deficit.

Debt Limits

In California there are no statutory or constitutional limits on debt levels for counties. Overall, debt levels for Sacramento County are very low. In the General Fund, total debt service payments amount to 4.75 percent of appropriations.

IV. Long-Range Budget Planning

Sacramento County integrates long-term budget planning with an annual budget process. The annual budget forecast, typically presented to the Board of Supervisors in early February each year, is based on a current budget modeling of the General Fund. The model is the specific tool used to evaluate the impacts of new facilities, programs, and other commitments on the General Fund in light of projected changes in general revenues.

The model is based on the prior adopted budget and includes all known changes in expenditures and revenues. The model attempts to predict the net cost of maintaining service levels and taking on new programs and costs and compares those net costs to the general purpose financing thought to be available to fund those net costs. Particular emphasis is placed on determining and accounting for the impacts of facility development, labor negotiations, and changes in state and federal law and regulations. The capital improvement plan is used to identify new operational requirements years in

advance of the need to actually fund the staffing and maintenance of new facilities. Long-term commitments to employees are made in light of an assessment of the county's ability to balance labor cost increases with the maintenance or enhancement of service levels.

The modeling has proved to be a useful predictor of budgetary trends and the overall balance between net cost and general purpose financing. The model is less accurate in projecting changes in gross spending and departmental revenue. The fundamental point is that the budget model is used far beyond short-term predictions of budget status and issues; the budget model is used to evaluate the county's capacity (or lack thereof) to take on new obligations.

BUDGET PROCESS AND TIMELINE

BUDGET PROCESS:

The annual budget is prepared, reviewed and approved in accordance with the County Budget Act (California Government Code Sections 29000 through 30200). The Budget and the Comprehensive Annual Financial Report (CAFR) are prepared using generally accepted accounting principles. Governmental fund types like the General Fund, Special Revenue Funds, and Debt Service use the modified accrual basis, Proprietary Funds use the full accrual basis.

The annual operating budget includes all operating, capital, and debt service requirements of Sacramento County for the following fiscal year. The fiscal year is from July 1 to June 30. In addition, the budget includes: the revenue and expense assumptions upon which the budget is based; the number of budgeted positions by department and cost center; the mission, strategic priorities, impact and performance measures of each operating department; prior-year actual and current year budgeted and estimated actual expenditures and revenue by department and cost center; and a description of significant expenditure changes by department and division, along with significant revenue changes at the department level.

The capital budget reflects the annual amount appropriated for each capital project included in the long-range capital improvement plan. When the Board of Supervisors (Board) authorizes a new capital project, the Board approves the total project cost and schedule. The approval of the project budget authorizes total expenditures over the duration of the construction project, which oftentimes spans multi-fiscal years. The annual capital budget authorizes the anticipated expenditures for the scope of work anticipated to be completed in the upcoming fiscal year.

The annual budget process includes seven phases:

Phase I – (July-November) – Establish Budget Priorities and Principles

The Board, working with the County Executive, establishes the operating and capital budget priorities and the budget principles for the next fiscal year based upon relevant economic, social, and demographic trends, a budget update with a three-year forecast and an in depth discussion of proposed budget principles.

Phase II – (December – April) Develop Operating Budget

The County Executive's Office develops and distributes the annual operating budget instructions based upon: Board priorities and budget principles established in November and February; the impact of annual capital budget requests on the operating budget; revenue and expense projections for the following fiscal year; and state and county long-range economic indicators.

Department budgets are developed by the department heads and staff. They are subsequently reviewed and modified, as necessary, through a collaborative effort among the County Executive's Office and the departments.

In developing the annual capital budget, departments must determine the impact these capital projects will have on the following fiscal year's operating budget. Consequently, this phase must be submitted in advance of the departmental annual operating budget.

Phase III – (March-April)

The Board holds public workshop hearings, if appropriate.

Phase IV – (May-June)

After a series of public meetings, the Recommended Budget must be approved by a three-fifths majority of the Board.

Phase V – (July 1st)

The Approved Recommended Budget is implemented as the operating budget until Budget is adopted.

Phase VI – (August-September)

The County Executive’s Office prepares revised budget recommendations report and submits it to the Board for the Budget Hearings in early September. The Budget is adopted by a three-fifths majority of the Board.

The Director of Finance prepares Adopted Budget Resolutions and submits them to the Board for approval prior to the October deadline.

Phase VII – (September-October)

As directed by the Board, budget hearing adjustments are documented by County Executive’s Office Analysts. The various departmental budgets are submitted to the staff of the Office of Budget and Debt Management for compilation and production of the final budget book.

The legally mandated time requirements for budget approval per the County Budget Act are as follows:

Revenue and Expenditure Estimates	June 10th
Approve Recommended Budget	June 30th
Post Recommended Budget	September 8th
Announce Public Hearings	September 8th
Commence Public Hearing	September 18th
Conclude Budget Hearings	October 2nd
Adopted Budget Approval	October 2nd
Adopted Budget Filed with the State	December 1st

AMENDING THE ADOPTED BUDGET BY APPROPRIATION ADJUSTMENT REQUESTS:

Guidelines and Legal Authorities

All adjustments to budgeted appropriations must be documented on an Appropriation Adjustment Request (AAR) form. Each AAR is accompanied by a cover letter addressed to either the Board or County Executive (depending on approval authority required) explaining the reason for adjustment.

- County Executive approval – The County Executive has the authority to approve the following adjustments (per Government Code Section 29125, and County Resolution No. 85-1368):
 - Transfers between accounts in different objects within an appropriation.
 - Transfers within or between Internal Services Funds.
 - Increases in spending authority of Internal Services Funds when new or increased financing is identified.

Internal Services Funds are not included in the “Annual Budget Resolution”.

- By four-fifths vote, the Board may (per Government Code Sections 29086, 29127, and 29130 and County Charter, Section 49):
 - Make available for appropriation balances in contingencies.
 - Make available for appropriation reserves no longer required for the purpose for which intended.
 - Make available for appropriation amounts from any actual or anticipated increases in available financing (new revenue or increases in revenue not set forth in the budget).
 - Make an emergency appropriation after adopting a resolution stating the facts constituting the emergency.

Note: General Reserves are established, cancelled, increased or decreased at time of adopting the budget except in a legally declared emergency.

SPECIFIC AREAS OF CHANGE

TRANSFER OF APPROPRIATION ADJUSTMENT AUTHORITY

On October 27, 1992, the County implemented the departmental empowerment concept and altered the AAR process.

In Resolution No. 85-1368, the Board delegated authority to the County Executive to approve midyear transfers and revisions of appropriations between objects within a budget unit as well as adjustments to Internal Service Funds. For example, appropriations could be moved from Salaries to Services and Supplies. Existing law (Government Code 29125) allows the Board to designate a county official to authorize these appropriation adjustments as long as they do not alter the total budget unit spending authority.

Along with an emphasis on department empowerment (accountability for program results and financial responsibility), it is important that the departments be granted as much flexibility in their budgets as possible. With this proposed change, the departments' net county cost and underlying appropriation remains the same but the Department Head is able to adjust between expenditure objects as circumstances require during the year. With this emphasis on "bottom-line" control of net cost (appropriations less revenue), it is important that both expenditures and revenues be closely monitored by the departments. Timely midyear corrective actions are expected if actual results vary negatively from the budget. Departments report to the County Executive periodically on budget and program status.

Departments must ensure that provisions are maintained for salary, contractual and inter-department commitments, and other allocated costs. Appropriation adjustment documents impacting two departments must bear authorized signatures from both. All other controls and edits will remain unchanged.

The Board retained authorizations of any increase to total appropriations to be funded from new departmental revenues, contingencies, or reserves. These changes must be processed through the County Executive's Office. Uses of General Fund contingencies or reserves are very rare, usually when there is no legal alternative.

The Auditor-Controller reports quarterly to the Board the adjustments processed under this policy.

FISCAL YEAR 2010-11 BUDGET TIMELINE:

Under the leadership of the county’s Chief Operations Officer, staff of the Office of Budget and Debt Management, within the County Executive’s Office, work year-round on the budget. Staff begin work on the next annual budget cycle before the previous cycle is completed. The annual budget process timeline is as follows:

2010-11 BUDGET CALENDAR

Event	Time
Develop Major Budget Assumptions/Personnel Costs/Allocated Costs	November and December 2009
Midyear Financial Report/Budget Outlook	February 23, 2010, Tuesday
Release of department General Fund allocations	February 26, 2010, Friday
Facility Acquisition or Improvement Request (Form 330)	February 26, 2010, Friday
<ul style="list-style-type: none"> Department’s submit preliminary budgets with program reductions and impact statements covering any costs exceeding General Fund allocated funding 	March 12, 2010, Friday
Analysis by CEO Analysts of Budget Submittals	March 12 to March 26, 2010
CEO Determination of Funded Recommendations	April 1, 2010, Thursday
Impact Statements covering program reductions are released to the Board of Supervisors, interested groups and the public.	April 8, 2010, Thursday
Public comment on program reductions, finalize General Fund allocations, complete budget documents	April and May, 2010
Recommended Budget released	June 10, 2010
Recommended Budget Hearings --Budget Overview and Determination of Base Funded Budget.	June 14, 2010, Monday 9:30 a.m. June 15, 2010, Tuesday 2:00 p.m. June 16, 2010, Wednesday 2:00 p.m. June 17, 2010, Thursday 10:00 p.m. June 18, 2010, Friday 9:30 a.m.
Implement Approved Recommended Budget	July 1, 2010
Adjustment made for year end results and State budget impacts	July and August, 2010
CEO Determination of revised General Fund allocations (if necessary)	July and August, 2010
Adopted Budget Hearings documents released	September 2, 2010, Thursday
Adopted Budget Hearings --Budget overview of changes to Recommended Budget (if necessary).	September 8, 2010, Wednesday, 2:00 p.m.
Adoption of Budget Resolution By Board of Supervisors prepared by Department of Finance-Auditor/Controller Division staff	September 28, 2010, Tuesday, 9:30 a.m.

EXAMPLE OF A BUDGET MESSAGE

State Controller Schedules County Budget Act January 2010	County of Sacramento Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx	Schedule 9		
1 Budget Unit 3610000 - Assessor Function GENERAL Activity Finance				
2	3	xxxx-xx Actual <input type="checkbox"/> Estimated <input type="checkbox"/>	4	5
Detail by Revenue Category and Expenditure Object	xxxx-xx Actuals	xxxx-xx Actual <input type="checkbox"/> Estimated <input type="checkbox"/>	xxxx-xx Recommended	xxxx-xx Adopted by the Board of Supervisors
1	2	3	4	5
Prior Year Carryover	\$ 1,867,208	\$ 1,200,646	\$ 140,008	\$ 140,008
Charges for Services	5,057,217	5,505,301	5,483,148	5,483,148
Miscellaneous Revenues	1,959,531	1,098,793	950,000	950,000
Residual Equity Transfer In	89,501	-	-	-
Total Revenue	\$ 8,973,457	\$ 7,804,740	\$ 6,573,156	\$ 6,573,156
Salaries & Benefits	\$ 15,044,025	\$ 14,191,027	\$ 15,817,328	\$ 15,817,328
Services & Supplies	2,220,887	1,945,896	2,394,385	2,394,385
Equipment	12,072	-	10,000	10,000
Expenditure Transfer & Reimbursement	(2,035,960)	(2,358,635)	(2,309,101)	(2,309,101)
Total Expenditures/Appropriations	\$ 15,241,024	\$ 13,778,288	\$ 15,912,612	\$ 15,912,612
Net Cost	\$ 6,267,567	\$ 5,973,548	\$ 9,339,456	\$ 9,339,456
6	Positions	168.5	161.5	159.1

See Explanation on following page.

AN EXPLANATION OF BUDGET MESSAGE ELEMENTS

The following explanations refer to the previous page. Definitions of unfamiliar terms may be found in the Glossary.

1. **BUDGET UNIT:**
Budget unit number and name.
2. **DETAIL BY REVENUE CATEGORY AND EXPENDITURE OBJECT:**
Major categories of revenues and expenditure objects as classified by law. These categories are defined by the State Controller.
3. **ACTUAL:**
Amounts actually expended or received.
4. **RECOMMENDED:**
Amounts recommended by the County Executive.
5. **ADOPTED BY THE BOARD OF SUPERVISORS:**
Amounts adopted by the Board of Supervisors.
6. **POSITIONS:**
Total number of permanent positions the department is authorized to fill and for which funding is available.

SACRAMENTO COUNTY

ECONOMIC AND DEMOGRAPHIC OVERVIEW

General

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

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

The County is a long-established center of commerce for the surrounding area. Trade and services, as well as federal, state, and local governments are important economic sectors. Visitors are attracted to the County by the State Capitol and other historical attractions, such as Sutter's Fort, as well as natural amenities. The County's location at the intersection of four major highways brings additional visitors destined for the San Francisco Bay Area, the Gold Country, the Central Valley, and the Sierra Nevada Mountains.

Chief among the County's outdoor recreational opportunities is the 23-mile American River Parkway which welcomes more than five million visitors annually to this unique wildlife and recreation area; offering opportunities for fishing, boating and rafting, picnic sites, golfing, and guided natural and historic tours. The Jedediah Smith Memorial Trail, a 32-mile long trail for bicyclists, hikers and equestrians, parallels the American River and winds southwest from the City of Folsom to Downtown Sacramento. This trail was recognized as a national trail in 1974, and named the nation's No. 1 bike path for 2006.

The Sacramento area is home to the NBA Sacramento Kings professional basketball team. The franchise plays their home games at Arco Arena, a venue which also hosts numerous concerts and entertainment events throughout the year. The Sacramento River Cats, the Oakland A's triple-A affiliate and reigning minor league attendance champions, play their home games at Raley Field in West Sacramento, located across the river from Downtown Sacramento. The Mountain Lions team of the new, professional United Football League will commence its inaugural season in Sacramento in September 2010. In addition to Sacramento's professional sports franchises, the Sacramento Sports Commission, a joint city-county advisory board, has been responsible for bringing a number of high profile sporting events to Sacramento, including the following: NCAA Men's and Women's Basketball Tournaments; NCAA Division I Track and Field Championships; U.S. Gymnastics Championships; U.S. Olympic Team Trials for Track and Field; NCAA Division I Women's Volleyball Championship; Pan Pacific Masters Games; AVP Volleyball Open; and, 2007, 2008 and 2009 Amgen Bicycle Tour of California. Other major upcoming events include, for the first time, the 2010 U.S. Masters Outdoor Track and Field Championship and the 2011 World Masters Athletics Track and Field Championship.

Cultural attractions in the City of Sacramento include the Crocker Art Museum. The longest continuously operating art museum in the West, it was founded in 1855 and remains the leading art institution for the California Capital Region and Central Valley. The California State Railroad Museum located in Old Sacramento features 21 restored locomotives and cars, some dating back to 1862, illustrating railway's historic significance to the region in connecting California to the rest of the nation. Sacramento Community Center Theatre, the Music Circus at Wells Fargo Pavilion, Sacramento

Ballet, Sacramento Opera, Sacramento Philharmonic Orchestra, and numerous other performing arts venues and local art galleries add to the cultural community of Sacramento.

Economic Development Incentive Program

The attraction of employers, capital investment, and high value jobs, as well as the expansion and retention of existing businesses, is important to the prosperity and quality of life within the County. The County's economic development incentive program offers a mix of the following, applied on a case-by-case basis: rebate of unsecured property taxes for a fixed number of years; rebate of utility user taxes in excess of a set base amount; rebate of sales tax in excess of a set base amount; fee deferrals; sewer credits; exempt financing through industrial development bonds and other programs; facilitated permit processing; tax increment financing; and other applicable incentives as appropriate. The County has three State-designated Enterprise Zones and two LAMBRA (Local Agency Military Base Recovery Areas), which provide significant incentives for businesses within their respective boundaries. These benefits include loss carryovers, accelerated depreciation of equipment, sales tax rebates on qualified equipment purchases, preference on state contracts, and hiring tax credits.

Incentives are designed to avoid negative impact on existing revenue, in that the criteria apply to new or expanding operations and are available to offset significant private investment directly related to a long-term commitment to the area. The success of the overall incentive program is measured by the private capital investment for qualified projects, the direct creation of jobs, the generation of utility, property and sales taxes, and the attraction of support businesses, as well as indirect benefits to the economy from increased employment and investment. The County Department of Economic Development and Intergovernmental Affairs is primarily responsible for developing and implementing this program.

Economic Development Accomplishments

Over the last ten years, the former McClellan Air Force Base has been redeveloped into McClellan Business Park, which contains approximately ten million square feet of leasable building space, 70 percent of which currently has been leased. More than 14,000 employees representing 275 diverse private and public tenants work at McClellan Business Park, predominantly in manufacturing industries. Extensive infrastructure improvements designed to support future growth and redevelopment are moving forward, including the installation of a new sanitary sewer system, roadway projects and a more efficient stormwater drainage system. Redevelopment in McClellan Business Park is guided by a Reuse Plan created with extensive public input and Air Force participation. McClellan Business Park is the result of a public/private partnership involving the County, McClellan Business Park (the master developer), the U.S. Air Force, environmental regulators, an involved local community, and supportive elected officials. At build-out, projected for 2020, 34,000 employees are anticipated to be working at McClellan Business Park.

The former Mather Air Force Base, now known as Mather Field, also continues to be redeveloped. The site now includes Mather Commerce Center (a business center for office uses) and Mather Airport (the air cargo hub of the region whose tenants include United Parcel Service). Other uses include the Governor's Office of Emergency Services Headquarters, the Sacramento Veterans Medical Center, the Mather Sports Center, and the Mather Community Campus (a residential transitional housing site providing training, employment, and housing for homeless individuals and families). In addition, the former base now includes a private residential development called Independence at Mather with approximately 1,300 new homes, and Mather Regional Park with an 18-hole golf course. At the time the base closure was announced in 1988 there were approximately 1,000 civilian employees working at Mather Air Force Base. Today Mather Field has an estimated 50 tenants with approximately 4,500 employees, and public and private sector growth is expected to continue. In January 2009, United Parcel Service (UPS) opened a new distribution center near

Mather Field that includes a \$21 million facility housing 160 new jobs and solidifying the area as a logistics hub.

Siemens Transportation Systems, Inc., (STS) a subsidiary of German industrial conglomerate Siemens AG, was awarded a \$277 million contract in May 2008 to deliver 77 light rail cars for Salt Lake City's transit system over four years. These cars will be manufactured at Siemens North American headquarters in Sacramento County, where the company has had a presence for 24 years. In October 2009 the company also secured a \$205 million contract to manufacture 57 light rail cars for the transit system of San Diego. STS is responsible for manufacturing 33 percent of all light rail cars operating in North America, but over the past three years has garnered 60 percent of North America's new business. STS is investing approximately \$41 million in the expansion of its manufacturing facility in the County, which is expected to be certified LEED Silver (meets Leadership in Energy and Environmental Standards for high energy efficiency). In addition, the company is planning a second round of expansion activity to support existing contracts and target new opportunities in high-speed rail that is anticipated to ultimately result in 350 or more new jobs at the facility when completed in late 2010 or early 2011. STS has also acquired 20 additional acres north of the expansion site to accommodate expected production demands worldwide.

The County has three Property and Business Improvement Districts (PBIDs) located within the unincorporated area within four defined commercial corridors. Within each PBID property owners vote to impose an assessment on property, the proceeds of which are used to provide services that benefit the district. Chief among these services are marketing and public relations efforts, road and transit improvements, undergrounding of utilities, increased security, zoning code education, district clean-up, and landscaped road medians. These improve the business environment and result in increased employment and revenue generation for the County. Working in partnership, the PBIDs and the County have used the over \$7 million assessed in the last ten years to leverage approximately \$25 million in infrastructure improvements, which have spurred over \$130 million in private sector investment.

The news related to automobile sales has been mixed. Two major dealerships opened in the unincorporated area in late 2008 and early 2009, and one significant expansion is underway and expected to be completed in 2011. Four dealerships closed during 2009. In addition, during the past year, the County and the City of Sacramento have entered into a sales tax sharing agreement related to new car dealers, and share increases in sales tax revenues over receipts that are in excess of the base year (12-month period ending October 2008) on a 50/50 basis. The County and the City of Folsom have entered into a similar agreement for the Folsom Automall.

The County is participating with a regional collaborative effort, Metro Pulse, to assist existing businesses succeed and grow. This effort is being coordinated by the Sacramento Metro Chamber of Commerce, and strategic partners include the counties of Sacramento, El Dorado, Placer, and Yolo; and the cities of Sacramento, Folsom, Rancho Cordova, Roseville, West Sacramento, and Lincoln, as well as the Los Rios Community College District, the Sacramento Municipal Utility District, and the Sacramento Employment and Training Agency.

The Sacramento Training and Response Team (START), a consortium of more than 20 regional economic development, business, labor, and government organizations, as well as employment and training specialists, was established over ten years ago to assist companies in recruiting and hiring qualified employees. START has been a major part of the region's efforts in attracting companies, and is the first and only one of its kind in the State. The Sacramento Employment and Training Agency is the coordinating agency of the START program, and is expected to receive in excess of \$10 million in federal stimulus funds over the next two years to develop the County's workforce.

Current Economic Development Activity

The County continues to take proactive measures to attract, maintain, and expand business in the unincorporated area. Notable accomplishments include the designation of an expanded Enterprise Zone with jurisdictional partners City of Rancho Cordova and City of Sacramento. The zone provides economic and financial incentives for companies to locate and expand in the unincorporated area. The County's focus on sustainable businesses resulted in the attraction of Zeta Communities, a builder of modular, zero energy homes. Zeta anticipates beginning production in 2010 with 100 employees, and projects expanding to 200 or more employees in 2011.

The County continues to attract light manufacturing companies including two steel fabricators occupying approximately 175,000 square feet of space and employing 60 full time individuals in specialized, high wage jobs. Sacramento Container Corporation also invested millions of dollars in new equipment and expansions and increased its workforce by 50 full-time employees in 2009.

Raging Wire is expanding its data center, doubling its capacity and creating a 400,000 square foot campus with over \$55 million invested to meet continuing demand from their corporate clients. The expansion is anticipated to add 25 new employees to the company in 2010. Tesco Controls, Inc. has invested in a new headquarters and manufacturing facility to support its growing business, with a new 12 acre facility supporting over 250 employees in 2010 that will also accommodate future growth in Tesco's electrical utility panels manufacturing operation for traffic and water controls.

Solar Power Inc. has announced plans to renovate an existing building at McClellan Park of approximately 100,000 square feet for a solar panel manufacturing facility and a relocation of its corporate headquarters. Construction is expected to begin in July 2010 and factory commissioning during the first quarter of 2011. In addition, Solar Power Inc. plans to use solar panels manufactured at the McClellan Park facility to produce solar power at two different sites in the unincorporated area of the County. An estimated 500 construction industry jobs are expected to be generated during the 18-24 month construction period, with approximately 105 new permanent manufacturing jobs following construction.

The County is actively recruiting businesses that are in the final stage of site selection. These include two large photovoltaic manufacturers poised to invest tens of millions of dollars and employ several hundred individuals at start up, and multiple manufacturing and distribution companies in final lease negotiations on over 700,000 square feet of new and existing space that will add significant investment and employment.

Population

Sacramento County currently has seven incorporated cities: Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and Sacramento, with 34 percent of the County’s population living in the City of Sacramento.

Area	1960	1970	1980	1990	2000	2008	2009
Cities:							
Citrus Heights	---	---	---	---	85,071	87,565	88,115
Elk Grove	---	---	---	---	---	141,430	143,885
Folsom	3,925	5,810	11,003	29,802	51,884	71,018	71,453
Galt	1,868	3,200	5,514	8,889	19,472	24,133	24,264
Isleton	1,039	909	914	833	828	818	822
Rancho Cordova	---	---	---	---	---	61,817	62,899
Sacramento	191,667	257,105	275,741	369,365	407,018	481,097	486,189
Unincorporated Area:							
	304,279	367,349	490,209	632,330	659,226	565,309	567,700
Total:	502,778	634,373	783,381	1,041,219	1,223,499	1,433,187	1,445,327
% Increase over prior period:		26%	23%	33%	17%	17%	<1%
State Population:	-----	20,039,000	23,782,000	29,828,400	33,722,000	37,884,000	38,648,090
% Increase over prior period:			19%	25%	13%	12%	2%

Sources: U.S. Census Bureau; December 31, 2008 and 2009 from California Department of Finance.

Industry and Employment

Three major job categories comprised 71 percent of the Sacramento Metropolitan Statistical Area (SMSA) work force during 2009: services (33 percent), government (26 percent), and wholesale/retail trade (12 percent), based on seasonally unadjusted December 2009 statistics, as summarized in the following table. The SMSA unemployment rate as of May 2010 was at 12.0 percent, compared to the Statewide average of 12.4 percent; an increase from the May 2009 SMSA unemployment rate of 10.6 percent.

**Sacramento Metropolitan Statistical Area
Labor Market Survey**
(Amounts Expressed in Thousands)

Industry	2004	2005	2006	2007	2008	2009
Mining	0.7	0.7	0.7	0.8	0.8	0.5
Construction	70.3	73.2	67.1	64.3	57.3	38.1
Manufacturing-Nondurable goods	13.4	13.0	12.9	12.0	11.9	11.6
Manufacturing-Durable goods	29.4	30.5	28.9	27.5	26.0	21.7
Transportation, Warehousing & Public Utilities	23.4	24.1	26.3	26.4	26.5	23.4
Information	20.3	19.5	20.4	20.2	19.1	18.1
Wholesale Trade	26.6	27.6	28.4	28.1	27.4	23.2
Retail Trade	102.3	105.8	105.2	103.8	97.8	89.2
Finance, Insurance, Real Estate	62.0	64.7	63.5	61.9	58.5	51.3
Services	307.0	327.6	332.6	338.7	337.7	305.3
Government	221.1	226.1	232.7	237.6	238.9	235.1
Agriculture	5.6	6.8	6.9	7.3	8.3	8.4
Other	76.2	64.4	76.7	74.8	79.4	88.7
Total:	958.3	984.0	1,002.3	1,003.4	989.6	915.8

Source: California State Employment Development Department; not seasonally adjusted; as of each end-December.

Major Employers

Major private sector employers in the Sacramento Metropolitan Statistical Area, their type of business and their number of full-time equivalent (FTE) employees in 2009, and major public sector employers in the County of Sacramento only, are detailed in the following two tables.

Major Private Sector Employers 2009

Company	Type of Business	No. of FTE Employees
Kaiser Permanente	Health Care	10,081
Mercy/Catholic Healthcare West	Health Care	8,279
Sutter Health	Health Care	7,314
Intel Corporation	Semiconductor Manufacturer	6,000
Wells Fargo & Co.	Financial Services	3,690
Raley's	Retail Grocery	3,401
Pride Industries Inc.	Manufacturing & Logistics	2,841
HealthNet of CA	Health Care	2,512
Cache Creek Casino Resort	Leisure & Hospitality	2,460
Pacific Gas & Electric	Natural Gas and Electric Utility	2,169

Source: Sacramento Business Journal Annual 2009 Book of Lists; as of July 2009.

Major Public Sector Employers-Sacramento County Only 2009

Company	Number of FTE Positions
State of California	73,273
Sacramento County	13,304
UC Davis Health System	8,496
Sacramento City Unified School District	6,500
Elk Grove Unified School District	6,391
San Juan Unified School District	5,190
City of Sacramento	4,556
Los Rios Community College District	4,430
California State University Sacramento	2,424
Sacramento Municipal Utility District	2,135
Folsom Cordova Unified School District	2,095

Source: Sacramento Business Journal Annual 2009 Book of Lists, as of July 2009 (prior to Sacramento County layoffs).

Taxable Transactions Activity

Commercial activity contributes to the County's unincorporated area economy. Between 2004 and 2009, total taxable sales first increased in 2005, then declined, with approximately a 22 percent decrease over this six year period. The County projected for budget purposes a 14 percent decrease on a fiscal year basis (July through June) from Fiscal Year 2008-09 to Fiscal Year 2009-10 for the portion of local sales tax revenues that represent actual ongoing collections (not accruals or State in-lieu payments); however, these collections were higher than expected during the January through March 2010 quarter, and the County now anticipates this portion of sales tax revenues will only decrease by approximately ten percent. In addition, the County receives sales tax-based revenues from a share of Statewide pools in the form of Proposition 172 half-cent sales tax dedicated to public protection activities, and Realignment revenues dedicated to social services programs, both of which have also seen recent declines.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2004 through 2009
(Amounts Expressed in Thousands)**

Category	2004	2005	2006	2007	2008	2009
Apparel Stores	\$160,128	\$180,560	\$185,423	\$179,919	\$164,575	\$153,214
General Merchandise Stores	578,989	607,700	630,673	609,932	617,280	610,438
Specialty Stores	907,190	1,025,843	1,022,243	1,054,431	883,809	653,157
Food Stores	339,642	351,710	361,808	373,952	368,161	338,260
Packaged Liquor Stores	47,175	48,465	47,924	48,014	47,953	46,586
Eating and Drinking Places	512,004	529,593	535,006	541,218	531,328	497,669
Home Furnishings, Appliances	324,171	310,709	253,430	215,511	170,718	146,123
Building Materials, Farm Implements	871,644	912,591	827,099	724,757	601,881	462,938
Service Stations	511,858	600,454	612,478	629,289	702,841	521,561
Automobile, Boat, Motorcycle, Plane Dealers and Parts Outlets	1,271,681	1,179,871	1,098,224	978,595	724,091	619,883
Total Retail Outlets:	\$5,524,482	\$5,747,496	\$5,574,308	\$5,355,614	\$4,812,637	\$4,049,829
Business & Personal Services	146,100	146,495	141,485	141,968	128,435	64,078
All Other Outlets	1,172,110	1,313,343	1,423,891	1,251,543	1,471,656	1,227,000
Total All Outlets:	\$6,842,692	\$7,207,334	\$7,139,684	\$6,749,129	\$6,412,728	\$5,340,907

Source: MuniServices LLC.

Construction Activity

The value of building permits issued in the County totaled \$752,708,000 in 2009, a decrease of 52 percent from the prior year. The value of nonresidential building permits remained fairly constant from 2005 through 2007, spiking in 2008 with an almost 50 percent increase from 2007 levels, before falling in 2009 by 60 percent from the 2008 level. The value of residential permits from 2005 to 2009 reflects a 80 percent decrease from the height of the housing market. The numbers of permits for new dwelling units issued each year from 2004 through 2009 reflect a corresponding decrease.

**SACRAMENTO COUNTY
Building Permit Valuations
Calendar Year 2004 through 2009
(Amounts Expressed in Thousands)**

	2005	2006	2007	2008	2009
Valuation:					
Residential	\$2,050,782	\$1,172,892	\$961,888	\$681,318	\$396,103
Nonresidential	527,308	592,330	600,632	897,092	356,605
Total:	\$2,578,090	\$1,765,222	\$1,562,520	\$1,578,410	\$752,708
New Dwelling Units:					
Single Family	7,168	3,677	2,764	1,692	754
Multiple Family	757	1,017	146	18	8
Total:	7,925	4,694	2,910	1,710	762

Source: Sacramento County Assessor's Office.

Transportation

The County's location and transportation network have contributed to the County's economic growth. The County is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada, and points east. U.S. Highway 50 carries traffic from Sacramento to the Lake Tahoe Area. Interstate 5 is the main north-south route through the interior of California; it runs from Mexico to Canada. California State Highway 99 parallels Interstate 5 through central California and passes through Sacramento.

Transcontinental and intrastate freight rail service is provided by the Union Pacific Railroad. Passenger rail service is provided by AMTRAK. Bus lines offering intercity as well as local service include Greyhound and Sacramento Regional Transit. Regional Transit also operates an approximately 37-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 870,000 tons of cargo annually. It is a deep-water ship channel, located 79 nautical miles northeast of San Francisco. The three major rail links serving Sacramento connect with the Port, and Interstate 80 and Interstate 5 are immediately adjacent to the Port.

The County Airport System provides for the planning, development and operation of public air transportation facilities in the County and adjoining areas. The Airport System consists of Sacramento International Airport, which as of January 2010 had 13 passenger airlines and 2 all-cargo airlines and approximately 4.5 million enplaned passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation. The Sacramento International Airport has recently embarked on a Terminal Modernization Program to address future capacity needs through at least 2020, which will include a new 19-gate Concourse B (netting seven

additional gates) and a new landside Terminal B. While the project has been scaled back to defer a parking garage and a hotel, the major elements are proceeding.

Sacramento County voters passed a ballot measure in November of 1988 providing for collection of an additional one half cent sales tax to be used exclusively for transportation and air quality projects. Ballot language specified formula distribution: (1) for the cities and unincorporated area of the County; (2) for projects to reduce air pollution; and (3) for mass transit improvements. The original expiration date for the additional one half cent sales tax was 2009, but in 2004 the County voters approved, by 75.29 percent, extending this one half cent sales tax for an additional 30 years to 2039.

Agriculture

According to the annual Sacramento County Crop & Livestock Report published by the County Agricultural Commissioner, the total Sacramento County crop production for 2008 was \$357,803,000, representing a two percent reduction from 2007 record values, which had increased 19 percent from 2006 crop values. The top three crop production values in the County during 2008 were wine grapes, milk production and nursery products. The County continues to lead the state in Bartlett Pear production.

Education

The Sacramento region benefits from a network of over 700 public and private elementary to high schools educating approximately 400,000 students. Sacramento County alone has numerous public school districts with approximately 385 schools serving an estimated 240,000 students within the K-12 level.

The Los Rios Community College District serves the majority of Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties, with four main campuses enrolling over 80,000 students. The four campuses are: American River College, Sacramento City College, Cosumnes River College, and Folsom Lake College. Schools offering vocational education include DeVry University Center, Heald Business College, International Academy of Design and Technology, ITT Technical Institute, Institute of Technology, Kitchen Academy, MTI College of Business Technology, The Art Institute of California, Unitek College, Universal Technical Institute and Western Career College.

In the Sacramento area roughly 29 percent of the adult population has a Bachelor's degree or higher, compared to 27 percent nationwide and 29 percent Statewide. Higher education is available from a variety of institutions throughout the area. Primary among these institutions are the University of California, Davis (UCD), and California State University, Sacramento (CSUS).

UCD offers four colleges, five professional schools, more than 100 academic majors and 86 graduate programs, serving 31,000 students. UCD Health System is one of five health systems within the University of California, and is an integrated, academic health system consisting of the UCD School of Medicine, the 577-bed, acute-care hospital and clinical services of UCD Medical Center, and the 800-member physician group known as UCD Medical Group. The UCD Health System also includes a National Cancer Institute-designated cancer center, a comprehensive children's hospital and a Level I trauma center. In 2007 the health system was named one of the 100 most highly integrated health networks in the United States. UCD also offers one of the top 60-rated Masters of Business Administration programs in the world.

CSUS enrolls 29,000 undergraduate and graduate students, and offers more than 60 undergraduate and 40 graduate programs. Some of the larger academic programs include teacher education, business, computer technology, criminal justice, psychology and communication studies. CSUS also recently launched its independent doctorate in higher education leadership. Many campus programs have strong links to State government that can lead to unique research, internship and job

opportunities, and it has one of the largest cooperative education programs in California, placing students in paid positions where they receive academic credit.

The region also has a number of branches of private colleges headquartered outside the Sacramento region, including National University, the University of San Francisco, the University of Southern California, Golden Gate University and Chapman University. Two major law schools are the University of the Pacific McGeorge School of Law, recognized as a leader in the field of law education, and the UC Davis School of Law. Recent new additions to the region are Drexel University and the University of Sacramento.