

THE COUNTY OF SANTA CRUZ

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024



Santa Cruz County's Pajaro Valley has a long history of cut flower cultivation. The bright and hardy Marigold is a feature of the local flower industry, a spiritual symbol for some area residents and a source of nourishment for the Monarch Butterfly. Thick bands of marigolds, growing tall along the roadsides in rural Santa Cruz County, are a welcome sight each autumn. Their color palette is just right for pumpkin-spice season and their appearance aligns with the annual migration of Monarch butterflies to the region. Just when the flowers reach their peak magnificence, they are cut and sold in flower shops and roadside stalls to aid in both the celebration of Dia de los Muertos and in leading the souls of departed loved ones back home to be honored and remembered by their families.

County of Santa Cruz, California

*Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2024*

Prepared Under the Direction
of Edith Driscoll
Auditor-Controller-Treasurer-Tax Collector



TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal iii

Organization Chart x

Directory of Public Officials xi

Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association.....xiii

FINANCIAL SECTION

Independent Auditor’s Report 3

Management’s Discussion and Analysis 8

Basic Financial Statements:

Government-Wide Financial Statements:

■ Statement of Net Position..... 30

■ Statement of Activities 32

Fund Financial Statements:

Governmental Funds Financial Statements:

■ Balance Sheet 40

■ Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position 41

■ Statement of Revenues, Expenditures, and Changes in Fund Balances 42

■ Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities 43

Proprietary Funds Financial Statements:

■ Statement of Net Position 48

■ Statement of Revenues, Expenses, and Changes in Fund Net Position..... 50

■ Statement of Cash Flows 51

Fiduciary Funds Financial Statements:

■ Statement of Fiduciary Net Position 55

■ Statement of Changes in Fiduciary Net Position..... 56

Notes to Basic Financial Statements 59

Required Supplementary Information:

Budgetary Principles 128

Budgetary Comparison Schedules:

■ General Fund 130

■ Off-Highway, Road, and Transportation Special Revenue Fund 136

■ Housing Fund 137

Defined Benefit Pension Plan Schedule of Changes in the Net Pension Liability and Related Ratios 138

Defined Benefit Pension Plan Schedule of Contributions..... 146

TABLE OF CONTENTS

Defined Benefit OPEB Plan Schedule of Changes in Total OPEB Liability and Related Ratios	150
Defined Benefit OPEB Plan Schedule of Contributions.....	151

Other Supplementary Information:

Budgetary Comparison Schedule:

■ Capital Projects Fund	154
■ Debt Service Fund	155

Combining and Individual Fund Statements and Schedules:

Nonmajor Special Revenue Funds:

■ Combining Balance Sheet	162
■ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	164

Budgetary Comparison Schedules:

■ Library Special Revenue Fund	166
■ Fire Special Revenue Fund.....	167
■ Fish and Game Special Revenue Fund.....	168
■ Park Dedication and State Park Bonds Special Revenue Fund.....	169
■ Health Services Special Revenue Fund.....	170
■ Santa Cruz Flood Control and Water Conservation – Zone 7 Special Revenue Fund	171

Districts Governed by the Board of Supervisors:

■ Public Protection Special Revenue Fund	172
■ Health and Sanitation Special Revenue Fund	173
■ Recreation and Cultural Services Special Revenue Fund.....	174
■ Public Ways and Facilities Special Revenue Fund	175

Nonmajor Enterprise Funds:

■ Combining Statement of Net Position	180
■ Combining Statement of Revenues, Expenses, and Changes in Net Position	182
■ Combining Statement of Cash Flows	184

Internal Service Funds:

■ Combining Statement of Net Position	192
■ Combining Statement of Revenues, Expenses, and Changes in Net Position	194
■ Combining Statement of Cash Flows	196

Fiduciary Funds:

■ Combining Statement of Fiduciary Net Position - Custodial Funds	204
■ Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	205
■ Combining Statement of Fiduciary Net Position – Private-purpose Trust Funds.....	206
■ Combining Statement of Changes in Fiduciary Net Position – Private-purpose Trust Funds.....	207

STATISTICAL SECTION (UNAUDITED)

Net Position by Component.....211

Government-Wide Changes in Net Position.....212

Fund Balances of Governmental Funds.....214

Changes in Fund Balances of Governmental Funds.....215

General Fund Tax Revenues by Source.....216

Property Tax Levies and Collections217

Assessed Value of Taxable Property and Actual Value of Property218

Property Tax Rates – Direct and Overlapping Governments.....219

Ratios of Outstanding Debt by Type.....220

Computation of Legal Debt Margin.....221

Statement of Direct and Overlapping Debt222

Outstanding Debt of the Governmental Activities223

General Information224

Property Value, Construction and Bank Deposits.....225

Special Assessment Billings and Collections226

Principal Taxpayers.....227

Principal Employers228

Operating Indicators by Function229

Budgeted Positions.....231

Schedule of Insurance in Effect232

Capital Assets Statistics by Function.....233

Glossary (Unaudited)237



Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024





EDITH DRISCOLL
AUDITOR-CONTROLLER / TREASURER-TAX COLLECTOR
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December 20, 2024

The Honorable Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Members of the Board and Fellow Citizens:

The Annual Comprehensive Financial Report (ACFR) of the County of Santa Cruz (the County) for the fiscal year ended June 30, 2024 is hereby submitted in accordance with the statutes of the State of California. The ACFR represents the culmination of all budgeting and accounting activities during the year and covers all funds of the County, its component units, and its financial transactions.

Management assumes full responsibility for the completeness and reliability of the information contained in this report which is based upon a comprehensive internal control framework established for this purpose. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the County.

The independent auditors, Brown Armstrong Accountancy Corporation, who have rendered an unmodified ("clean") opinion thereon for the fiscal year ended June 30, 2024, have audited these statements. Their report is provided herein.

The Governmental Accounting Standards Board (GASB) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (with amendment in 1996) and U.S. Office of Management and Budget (OMB) *Uniform Guidance*, the OMB Circular. A single audit is intended to provide a cost-effective audit for non-federal entities that receive federal assistance awards in that one audit is conducted in lieu of multiple audits of individual programs. These reports are available in the County's separately issued Single Audit Report.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the County are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide a reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements.

PROFILE OF THE COUNTY

The County of Santa Cruz was established by an act of the State Legislature in 1850 as one of the original 27 counties of the State of California. The County is a general law county and is governed by a five-member Board of Supervisors who are elected by district to serve alternating four-year terms. The Board of Supervisors appoints a County Administrative Officer (Chief Executive) to carry out its policies as set forth by County Ordinance. The Assessor-Recorder, Auditor-Controller/Treasurer-Tax Collector, County Clerk, District Attorney and Sheriff-Coroner are elected officials and all other department heads are appointed officials.

The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, recreation and cultural services, and education. In the public assistance and health areas, the state and federal governments mandate certain minimum levels of service. These functions are required by County ordinance or by state or federal law.

Santa Cruz is located on the Central Coast of California, and is bordered by San Mateo County to the North, Santa Clara County to the East, San Benito and Monterey Counties to the South and the Monterey Bay National Marine Sanctuary to the West. The County of Santa Cruz is the second smallest county in California in terms of land mass and the 25th of 58 counties in terms of population. Approximately half of the County residents live in one of the County's four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville) with the other half living in the unincorporated area.

In accordance with the County Budget Act in the California Government Code, the County must adopt a budget on or before October 2 for each fiscal year. The County maintains budgetary controls, whose objective is to ensure compliance with legal provisions embodied in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for each budgeted unit within each budgeted fund is at the character level for salaries and benefits and also for services and supplies, while other charges, land, plant and improvements, and equipment are controlled at their respective line items.

The encumbrance system is employed by the County to record amounts committed for purchase orders or contracts. If appropriations are not sufficient, the Board of Supervisors must approve amendments or transfers of appropriations between funds or departments.

Factors Affecting Financial Conditions

The following highlights are evidence of the changing economy on a Countywide basis that includes both the unincorporated area and the four incorporated cities.

Important indicators of the local economy are retail sales and the hospitality industry. During fiscal year 2023-2024, Transient Occupancy Taxes and Sales and Use Taxes both increased from the prior year as the impact of the COVID-19 pandemic continued to decrease throughout the State:

- The County's Transient Occupancy Tax increased by \$1.3 million, or 11.13%, to \$12.8 million during the fiscal year.
- The County's Sales and Use Tax increased overall by \$0.7 million, or 3.15%, to \$24.3 million. In 2019, Santa Cruz voters passed Measure G, a half-cent sales tax, bringing the unincorporated sales tax rate to 9.0%.

Property-related tax revenues in Santa Cruz County have continued to experience steady growth. Property taxes are determined based upon assessed values. The assessed values of secured property in Santa Cruz County increased by 5.3% in 2023-2024 and has had an annual increase over the last five years of 27.7%. Current property tax revenues increased during the fiscal year by \$6.3 million, or 5.1%. These revenues comprised approximately 73.6% of the County's total tax revenues in the fiscal year 2023-2024.

The County voters passed a Cannabis Business Tax effective November 2014. The County's Cannabis Business Tax increased in fiscal year 2023-2024 by approximately \$0.5 million, or 20.70%, to \$3.2 million.

Based on the California's Department of Finance Price Factor and Population information published in May 2024, the County's population is estimated to be 262,572 as of January 2024, which is a decrease of 766, or -0.3%, from the prior year estimated population at January 2023 of 263,338. Compared to the actual April 2020 Census count of 270,861, the January 2024 estimated population count is a decrease of 8,289 persons, or -3.1%.

The County's unemployment rate at June 30, 2024, was 5.6%, 0.3% higher than it was one year ago at 5.3%, and much lower than the high of 17.8% in April 2020 and 7.7% in June 2014. Additionally, the number of workers in the labor force decreased by 730, or 0.54%, to 133,467 at June 30, 2024.

The Santa Cruz County real estate market experienced an increase in value during the fiscal year 2023-2024. According to Zillow.com's Home Value Index, home values increased by 3.9%, from \$1,102,597 in June 2023 to \$1,145,538 in June 2024.

Long-Term Financial Planning

The County is committed to building and maintaining a strategic reserve. The County has maintained its General Fund reserves within the minimum level.

- Total General Fund balance was \$182.2 million at June 30, 2024, an increase of \$42.8 million from \$139.4 million at June 30, 2023.
- General Fund Committed and Assigned designations totaled \$137.4 million at June 30, 2024, an increase of \$34.7 million from \$102.7 million at June 30, 2023. Additionally, General Fund restricted fund balances were \$43.1 million, an increase of \$8.3 million from \$34.7 million at June 30, 2023. Of the current \$137.4 million committed and assigned fund balance at June 30, 2024, \$39.4 million is assigned to fund next year's budget.

The County's fund policy states the minimum total Committed and Assigned General Fund balances shall be no less than 7.0% of the upcoming budget year's estimated revenues. The policy does not include the assignment to eliminate the projected budgetary deficit in the subsequent year's budget. Although not policy, the Board directed during the 2023-2024 budget hearings to have no less than 10% of the Assigned and Committed General Fund's fund balance, excluding the portion reserved to fund the following year's budget. The policy allows the County to preserve necessary flexibility.

At June 30, 2024, the total adopted budgeted Assigned and Committed General Fund balances, which excludes the portion reserved to fund the following year's budget, was \$98.1 million and is equal to 11.95% of the General Fund estimated operating revenues in the 2024-2025 budget.

Employees' Retirement Plan

The California Public Employees Retirement System (CalPERS) pension fund, in which Santa Cruz County employees participate, has made significant and important changes in costs and benefits. In August 2012, the State Legislature adopted changes including an increased retirement age and a lowered benefit formula for new employees, a cap on the annual pension payout, and a requirement for workers to pay half of their costs. CalPERS realized a gain of 5.8% on its investments for the fiscal year ended June 30, 2023, following gains of (6.1%), 21.3%, 4.7%, 6.7%, 8.6%, 11.2%, 0.6%, 2.4%, 18.4%, and 12.5% for the years ended June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014 and June 30, 2013, respectively.

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.5% to 7.0% using a three-year-phase-in beginning with the June 30, 2016, actuarial valuations. The phase-in of the discount rate changes occurred in the following order: 7.375% for fiscal year 2018-19, 7.25% for fiscal year 2019-20, and 7.0% for fiscal years 2020-21 and thereafter. These discount rates were also used to determine the minimum employer contributions for the said fiscal years. As such, the minimum employer contributions for the County of Santa Cruz for fiscal year 2022-2023 was 7.75%.

Beginning with fiscal year 2017-18, CalPERS collected employer contributions toward the plan's unfunded liability as dollar amounts instead of the prior method of a contribution rate. This change addresses potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan. The plan's normal cost contribution continues to be collected as a percentage of payroll.

County employees also participate in the CalPERS health insurance program, whose average premiums increased by 7.93% in 2024, and increased by 10.75% in 2025.

MAJOR INITIATIVES

During the 2023-2024 fiscal year, under the leadership of the Board of Supervisors, several key programs and projects were successfully undertaken by the County. These items were a part of the County's six-year strategic plan approved by the Board of Supervisors in 2018. The Board subsequently approved the first of three, two-year operational plans in 2019 which added countywide strategies, department objectives and key steps for achieving the 24 strategic plan goals. The first of the three, two-year operational plans was for 2019-2021. The 2019-21 operational plan had 147 objectives, of which 134 were completed and 13 were withdrawn. The second two-year operational plan is for 2021-23. The plan includes 140 objectives of which 124 have been completed and 16 have been consolidated. The third two-year operations plan is for 2023-25. The plan includes 149 objectives of which 48 have been amended and 137 are in progress.

The County tracks progress on each objective through the website www.SCCVision.us.

The following items were completed as of June 30, 2024:

- Community Development and Infrastructure (CDI)-Public Works completed the acquisition and development of the South County Service Center located at 500 Westridge, Watsonville. The County's Human Services, Tax-Collector, Recorder, County Clerk, and Agriculture departments will provide services from that location.
- The Agricultural Extension reported a 25 percent increase in participation in 4H by area youth and adult volunteers countywide.
- The Auditor-Controller-Treasurer-Tax Collector hosted four interns from local colleges to promote the County as an employer and to provide a foot in the door opportunity for local students to gain valuable experience.
- CDI-Public Works swept 1,000 lane miles of County roads, prioritizing bicycle commuter routes and safety, particularly in areas prone to having debris and sediment buildup on roadways.
- CDI-Public Works resurfaced 25 miles of roadway that was in a substandard condition, prioritizing resurfacing projects sites based on existing poor road condition, locations linking high population densities to services, and improvement in traffic flows.
- County Fire implemented a year-round recruitment and onboarding strategy, increasing active volunteers by 10 percent.
- The District Attorney Neighborhood Court Program implemented a pilot program in collaboration with Watsonville Police Department and the Public Defender to focus more on South County, increasing the number of Spanish speaking conferences by 10 percent and holding conferences in the geographic locations where incidents occurred.
- The District Attorney reduced the time between a crime incident and outreach to survivors by 10 percent to ensure access to services, including exploration of a Family Justice/Survivor Center model.
- Health Services Agency redesigned its website to meet local Americans with Disabilities Act (ADA) and language requirements, including but not limited to use of color, text alternatives, and alternate web-navigation options.
- Human Services expanded technology access by providing a free tablet, internet service, and training to 70 home-bound seniors and/or adults with disabilities in the county which will reduce the effects of isolation and increase their access to resources.
- Human Services and the County Administrative Office, in collaboration with partners, conducted a Community Needs Assessment that surveyed at least 1,000 residents, with representation from underserved populations, to inform the Master Plan on Aging.
- Human Services reviewed eligibility for over 90,000 county residents currently enrolled, with the goal of retaining Medi-Cal health benefits for a minimum of 90 percent of all eligible families and individuals.
- The County's Office of Response, Recover, and Resilience (OR3) improved information sharing for the community before, during and after disasters, with a 10 percent increase in County resident enrollment in emergency communication notifications using the new alert and warning platform.
- OR3 developed three sites as "Community Resilience Centers" (CRCs) and applied for at least one grant to fund development of CRCs to build resilience capacity for community and vulnerable populations impacted during extreme weather or disasters.

- Parks increased recreational programs enrollment by 15 percent among low-income and minority County residents.
- Parks updated its Strategic Plan through a process with equitable geographic inclusion of community voices, in line with County demographics.
- The Public Defender's Office now offers Youthful Offender Parole advocacy to 90 percent of potentially eligible clients (disproportionately Hispanic/Latino and Black youth) in prison for convictions originating in Santa Cruz County.

The following items are in-process as of June 30, 2024:

- The Agricultural Extension will work with at least 20 local berry growers to reduce irrigation water use by at least a total of 50 million gallons.
- The Assessor's Office will mail homeowners' exemption claim forms, in both English and Spanish, to all property owners who might qualify for but are not receiving the exemption.
- The Auditor-Controller-Treasurer-Tax Collector will send representatives from the Property Tax Administrative Division to at least two local senior center events to educate the aging population on property tax programs that would benefit them.
- Child Support Services will increase current support collections by 1 percent above the Prior Year through outreach that promotes access to services.
- CDI-Planning will support housing options by implementing a Vacation Rental Enforcement Program to reduce the number of unpermitted short term rentals by 25 percent and enforce regulations on problematic permitted rentals.
- CDI-Planning will increase to 85 percent the number of building residential permits meeting review time goals, which will benefit the public and staff by expediting the permitting process.
- CDI-Public Works will replace 100 percent of the hydraulic oil grinders in Sanitation District pump stations with electric technology to reduce noise, eliminate oil waste, and reduce staff hours for required maintenance.
- Human Services will provide 90 CORE Institute events targeting organizations that serve underrepresented populations. This will support cross-sector collaboration and systemwide application of the CORE Investments framework and tool with an equity lens.
- CDI-Planning will submit the proposed Housing Element to the State for certification with recommendations from a community panel that includes those most burdened by the housing crisis.
- The County Administrative Office, in collaboration with County departments, will target affordable and workforce housing projects on at least two publicly-owned sites at the maximum allowed units per acre made available to people of all income ranges.
- General Services will expand electric vehicle (EV) charging infrastructure in North and South County, allowing for an increase of 40 charging ports available for both public and County uses.
- Environmental Health will test a bilingual online drought response and water quality testing portal for reporting dry wells and accessing water quality resources by working with 25 households in Domestic Well Service Areas, including at least 20 percent of households with Spanish as the main language.
- Behavioral Health will develop and operationalize a plan to utilize the CalAIM transition tool to transition clients to lower levels of care as indicated by improved client outcome measures.
- Behavioral Health will open the Children's Crisis Center including Crisis Stabilization Program (CSP) with eight beds and Crisis Residential Program (CRP) with 16 beds to serve youth, regardless of insurance status.
- HSA-Behavioral Health will assess 90 percent of all Medi-Cal beneficiaries requesting specialty services for mental health and/or substance use disorder who are not currently receiving services, and link for unmet needs with mental health, substance use, primary care, and dental care.
- Human Services, in collaboration with community partners, will increase the number of dedicated, building-specific supportive housing slots for individuals experiencing homelessness by at least 150 units and at least 150 individuals will be housed in these slots. Several affordable housing developments with designated supportive housing units in the County have completed or are near completing construction and accepting referrals. These include Casa Azul (City of Santa Cruz), Cedar Street Apartments (City of Santa Cruz), Bienestar Plaza (Live Oak), Veterans Village (Ben Lomond), Tabasa Gardens (Watsonville), and Park Haven Plaza (Soquel).

Other projects are in the pipeline including the planned Harvey West studios project in the City of Santa Cruz with a plan for 120 supportive housing units.

- OR3 will lead two tabletop and two functional emergency management exercises to improve County and partner agencies disaster preparedness, response and recovery with key County departments and agency partners (including testing of a new earthquake hazard plan and Alert and Warning tool).
- The Parks Department will replace sand in five playgrounds with a safer and more user-friendly material to improve safety for children and families in County Parks.
- The Sheriff-Coroner will complete the replacement of the current 30-year-old Main Jail control monitoring system which will provide modern equipment to help ensure the safety and security of inmates, staff, and the public.
- The Sheriff-Coroner will reduce by 40% the time it takes to process DNA from Property Crime compared to the California Department of Justice. As of June 30, 2024, construction is complete, and the 18-month accreditation process is underway.
- Human Services will ensure at least 80 percent of the households that receive eviction legal services through Tenant Sanctuary will avoid a formal eviction judgment on their housing record.
- The Parks Department, in partnership with the Regional Transportation Commission and City of Capitola, will complete the final design and right of way for 4.2 miles of multi-use path along the Santa Cruz Branch Rail Line from 17th Ave to State Park Drive.

OTHER INFORMATION

State statutes require an annual audit by independent Certified Public Accountants. The firm of Brown Armstrong Accountancy Corporation was selected to audit the financial statements of the County's various funds and account groups and has issued an unmodified ("clean") opinion thereon. In addition to meeting the requirements of State law, the audit was also designed to comply with the federal Single Audit Act of 1984 (with amendment in 1996) and U.S. Office of Management and Budget (OMB) *Uniform Guidance*, the OMB *Compliance Supplement* and *Government Auditing Standards*. The auditors' report on the financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separate Single Audit Report.

Awards and Acknowledgments

We are very proud of this ACFR and all of the County's award-winning financial reporting publications. Each publication has been prepared with great care and expertise with a goal of meeting the highest level of financial reporting preparation standards.

GFOA Financial Reporting Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Santa Cruz for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Budget Presentation Award

The County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2023. To receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Acknowledgments

I wish to express my appreciation to the staff of the Accounting Division and Audit Division, the County departments that participated in the audit process, and Brown Armstrong Accountancy Corporation for their contributions, assistance, and guidance in the preparation of this report.

Respectfully submitted,

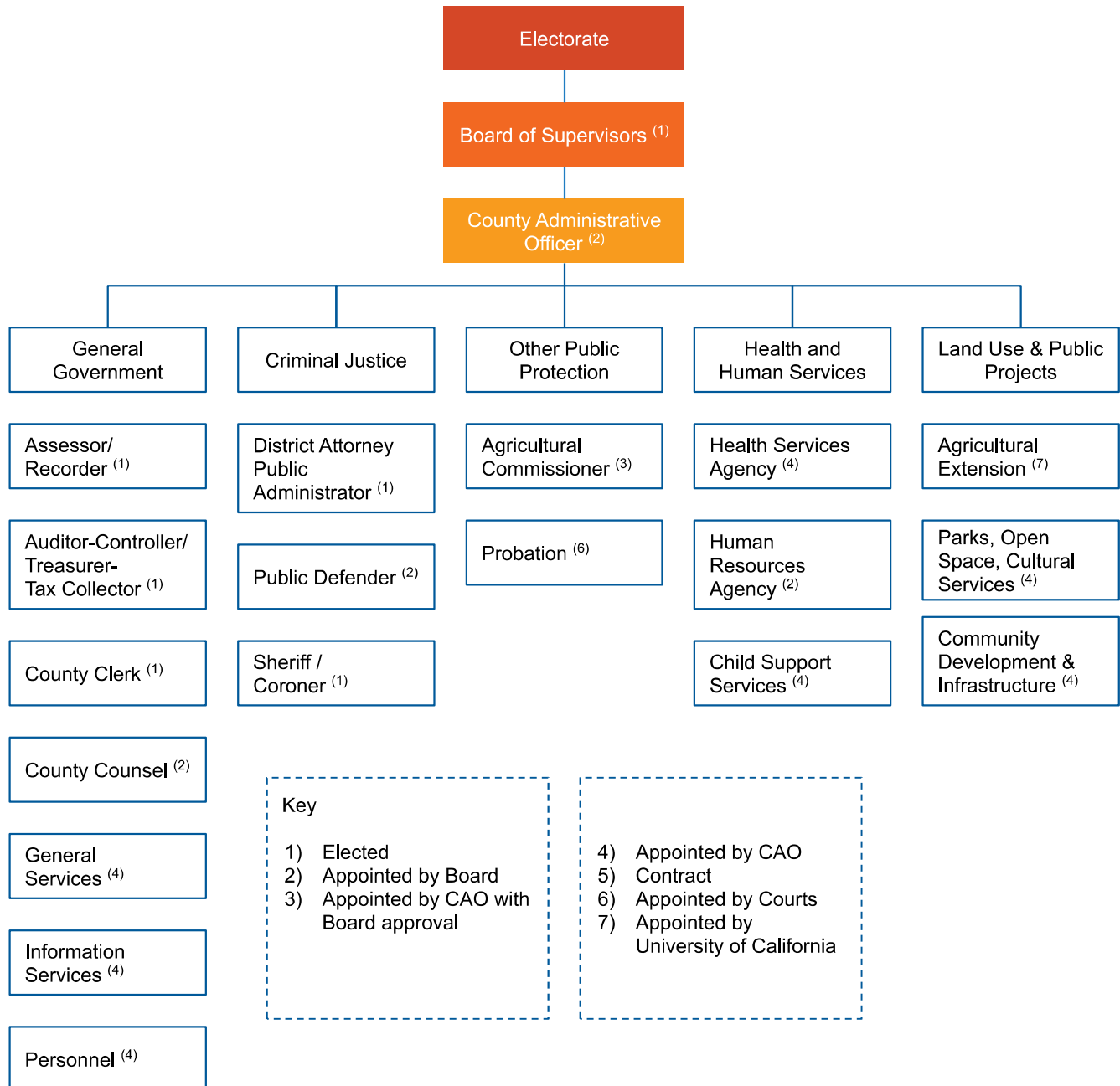
A handwritten signature in blue ink that reads "Edith Driscoll". The signature is written in a cursive, flowing style.

Edith Driscoll

Auditor-Controller-Treasurer-Tax Collector

COUNTY OF SANTA CRUZ

ORGANIZATION CHART



Directory of Public Officials

Elected Officers

		<u>Term ends</u>
Supervisor, 1st District	Manu Koenig	January 2025
Supervisor, 2nd District	Zach Friend	January 2025
Supervisor, 3rd District	Justin Cummings	January 2027
Supervisor, 4th District	Felipe Hernandez	January 2027
Supervisor, 5th District	Bruce McPherson	January 2025
State Senator, 17th District	John Laird	December 2026
State Assembly, 28th District	Gail Pellerin	December 2026
State Assembly, 29th District	Robert Rivas	December 2026
State Assemblyman, 30th District	Dawn Addis	December 2026
U.S. Congressman, 19th District	Jimmy Panetta	January 2027
U.S. Senator	Adam Schiff	January 2031
U.S. Senator	Alex Padilla	January 2029
U.S. Congresswoman, 18th District	Zoe Lofgren	December 2026
Assessor-Recorder	Sheri Thomas	January 2027
Auditor-Controller-Treasurer-Tax Collector	Edith Driscoll	January 2027
County Clerk-Elections	Tricia Webber	January 2027
District Attorney-Public Administrator	Jeff Rosell	January 2027
Sheriff-Coroner	Jim Hart	January 2027

Appointed Officers

Administrative Officer	Carlos J. Palacios
Agricultural Commissioner	David Sanford
Chief Probation Officer	Fernando Giraldo
County Counsel	Jason Heath
Director of Agricultural Extension	Mark Bolda
Director of Child Support Services	Jamie Murray
Director of General Services	Michael Beaton
Director of Information Services	Tammie Weigl
Director of Human Services Department	Randy Morris
Director of Community Development & Infrastructure	Matt Machado
Director of Parks, Recreation and Cultural Services	Jeff Gaffney
Health Officer	Dr. Lisa Hernandez
Health Services Agency Director	Monica Morales
Personnel Director	Ajita Patel
Veteran's Services Officer	Xavier Bianchi





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Santa Cruz
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
of the County of Santa Cruz
Santa Cruz, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Cruz, California (the County), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the respective Budgetary Comparisons for the General Fund, the Off Highway, Road, and Transportation Fund, and the Housing Fund; the County's Retirement Plans' Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions; and the County's Other Postemployment Benefit (OPEB) Plan Schedule of Changes in Total OPEB Liability and Related Ratios and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

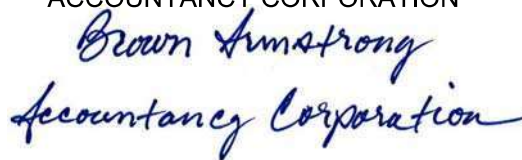
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 20, 2024

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Management's Discussion and Analysis

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

This section of the County of Santa Cruz (the "County") Annual Comprehensive Financial Report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

Over the past 2023-24 fiscal year, the County of Santa Cruz saw an increase in its net position, which is defined as its assets and deferred outflows of resources less its liabilities and deferred inflows of resources, of \$87.5 million, or 33%, to \$355.1 million. The change includes an increase of net position for governmental activities of \$76.0 million, and an increase of net position for business-type activities of \$10.4 million including an increase of \$11.5 million for current year activities and a restatement for correction of an error that decreased net position by \$1.1 million. The increase is primarily a result of the following:

- An increase of \$92.9 million in total government-wide accounts receivable and a decrease in accounts payable of \$8.8 million. The increase in accounts receivable is primarily attributable to revenue accruals in the General Fund for COVID-19 Relief, in the Off Highway, Road and Transportation Fund for revenue related to road repairs for damage caused by the 2017 and 2022-23 storms, and revenue accruals in Freedom County Sanitation District and Davenport Sanitation District for grants.
- Nondepreciable assets decreased by \$32.2 million, while depreciable assets net of accumulated depreciation increased by \$102.7 million. The decrease in nondepreciable assets is primarily due to the completion of construction-in-progress, which are transferred to other asset categories, such as buildings upon completion. The increase in depreciable assets is related to completed capital projects of \$68.5 million, which includes the purchase of 500 Westridge Drive in Watsonville for a new government center to serve the South County. The infrastructure increases are primarily a result of completed projects undertaken to repair damage caused by the 2023 winter storms. Spending on assets is expensed in governmental fund statements, but capitalized and depreciated in government-wide statements.
- Pension and OPEB related liabilities, deferred inflows of resources, and deferred outflows of resources also saw significant changes during the fiscal year.
 - Deferred outflows of resources related to pension and OPEB decreased by \$12.4 and \$4.3 million, respectively. The changes are primarily related to changes in actuarial assumptions and the differences between actual and expected experiences.
 - The OPEB liability decreased by \$9.3 million, while deferred inflows of resources related to OPEB increased by \$1.9 million. Both changes are primarily related to the differences between expected and actual experiences and changes in actuarial assumptions, the most significant of which was a change in medical trends for both medicare and non-medicare plans due to an increase in premiums.
 - The net pension liability increased by \$23.2 million while deferred inflows of resources related to pensions decreased by \$2.2 million. The increase in the net pension liability was primarily a result of net investment income. The decrease in pension related deferred inflows of resources is primarily attributable to the differences between expected and actual experiences.
- An increase in bond payable of \$66.3 million primarily related to the issuance of lease revenue bonds in the amount of \$82,515,000 which includes the 2024 Series A-1 in the amount of \$35,000,000, the 2024 Series A-2 in the amount of \$11,260,000, the 2024 Series B in the amount of \$9,080,000, and the 2024 Series C in the amount of \$27,175,000. Retirement of debt was approximately \$16 million.

- Leases liabilities decreased by \$12.0 million as a result of the purchase of 500 Westridge Drive in Watsonville. The County was able to cancel multiple leases and move operations into the new facility.
- An increase of \$5.9 million from County Disposal Sites CSA 9C is due to an increase in disposal fee revenue related to increased disposal fee rates and an increase in activity.

Government-wide general revenue, including governmental activities and business-type activities, was \$240.6 million, which includes \$204.2 million in government-wide tax revenue collections. The remaining general revenues include interest and investment earnings, gain on disposal of capital assets, and miscellaneous revenues. Program revenues less program expenses for the fiscal year were negative \$163.1 million for governmental activities and \$10.0 million for business-type activities or negative \$153.1 million government-wide.

Total government-wide net position increased by \$87.5 million. Restatement for correction of an error impacted the net position of both governmental activities and business-type activities.

Total program and general revenues for governmental activities were \$894.5 million, an increase of \$78.0 million, or 9.6%, over the prior fiscal year. Expenses for governmental activities were \$818.5 million, an increase of \$30.7 million, or 3.9%, over the prior fiscal year. Primary causes for the changes are explained in more detail later in this discussion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all County assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference in assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, recreation and cultural services, and education. The business-type activities of the County can be found under Proprietary funds below.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same Board as the County or provide services entirely to the County. The Santa Cruz County Sanitation District (the Sanitation District) is reported as a discretely presented component unit of the County. The Sanitation District is managed by the County Department of Public Works and provides sanitation services to a portion of the unincorporated areas of the County. For more detail, please refer to the Sanitation District's separately issued financial statements.

The government-wide financial statements can be found on pages 30-33 of this report.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related funds which are used to account for resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are reported in the governmental funds. The governmental funds financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

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

The County maintains several individual governmental funds organized according to their type (general, special revenue, capital projects and debt service). Information is presented separately in the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances for the General Fund; Off Highway, Road and Transportation Fund; Housing Fund; Capital Projects Fund; and the Debt Service Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements can be found on pages 40-43 of this report.

Proprietary funds are used to account for services either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements only in more detail. The County maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County enterprise funds used to account for the operations of the County include the following operations: County Disposal Sites CSA 9C, Boulder Creek CSA 7, Rolling Woods CSA 10, Septic Tank Maintenance CSA 12, Freedom County Sanitation District, Davenport County Sanitation District, Place de Mer CSA 2, Sand Dollar Beach CSA 5, and Trestle Beach CSA 20.
- **Internal Service funds** are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its central duplicating, information services, public works, service center, and insurance (risk management, dental and health, liability and property, workers' compensation, employee benefit staffing, and state unemployment insurance) functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary funds financial statements can be found on pages 48-52 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The fiduciary funds the County maintains are custodial, investment trust

funds, and private purpose trust funds. As these funds are custodial in nature, they do not involve the measurement of results of operations.

The fiduciary funds financial statements can be found on pages 55-56 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 60-125 of this report.

Required Supplementary Information (other than MD&A)

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's general fund budgetary comparison schedule and progress in funding its obligation to provide pension benefits to its employees and other post-employment obligations to retirees.

The County adopts an annual budget which is a compilation of operating budgets from individual functional units within the General Fund, Special Revenue Funds, Capital Projects Funds and Proprietary Funds. Budgets are adopted for all funds except for the Geological Hazard Abatement Districts. A budgetary comparison schedule has been provided for the General Fund, Off Highway, Road and Transportation Fund, Housing Fund, Capital Projects Fund and Debt Service Fund to demonstrate compliance with these budgets. These can be found on pages 130-175 of this report.

Combining Statements and Schedules

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds, enterprise and internal service funds and fiduciary funds are presented immediately following the required supplementary information.

Analysis of Net Position

	Governmental Activities		Business-Type Activities		Total		Dollar Change
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated	
Assets:							
Current and other assets	\$ 656,275,540	\$ 550,166,269	\$ 41,727,376	\$ 33,318,333	\$ 698,002,916	\$ 583,484,602	\$ 114,518,314
Capital assets	833,490,165	763,026,764	47,850,832	42,364,178	881,340,997	805,390,942	75,950,055
Total assets	1,489,765,705	1,313,193,033	89,578,208	75,682,511	1,579,343,913	1,388,875,544	190,468,369
Deferred outflows of resources	193,552,611	210,331,949	-	-	193,552,611	210,331,949	(16,779,338)
Liabilities:							
Current and other liabilities	273,340,818	257,945,786	4,411,413	2,062,513	277,752,231	260,008,299	17,743,932
Long-term liabilities	1,061,426,553	992,829,934	23,759,487	23,890,663	1,085,186,040	1,016,720,597	68,465,443
Total liabilities	1,334,767,371	1,250,775,720	28,170,900	25,953,176	1,362,938,271	1,276,728,896	86,209,375
Deferred inflows of resources	54,677,059	54,869,306	179,244	-	54,856,303	54,869,306	(13,003)
Net position:							
Net investment in capital assets	657,074,123	642,444,451	37,935,743	32,265,893	695,009,866	674,710,344	20,299,522
Restricted	182,936,786	110,108,288	605,605	14,985,976	183,542,391	125,094,264	58,448,127
Unrestricted	(546,137,023)	(534,672,783)	22,686,716	2,477,466	(523,450,307)	(532,195,317)	8,745,010
Total net position as restated	\$ 293,873,886	\$ 217,879,956	\$ 61,228,064	\$ 49,729,335	\$ 355,101,950	\$ 267,609,291	\$ 87,492,659

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the County, assets plus deferred outflows of resources exceed liabilities plus deferred inflows of resources by \$355,101,950 at the close of the 2023-24 fiscal year.

The County's net investment in capital assets of \$695,009,866, or 196% of total net position, reflects investments in capital assets (e.g., land, building and structures, and equipment), net of accumulated depreciation, in the amount of \$881,340,997, less the related outstanding debt used to acquire those assets of \$186,331,131. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$183,542,391, or 52% of total net position, represents resources that are subject to external restrictions on how they may be used. Of the total, 19% is restricted for capital asset acquisition, 69% is dedicated to public ways and facilities, 11% is restricted for public safety and the rest is restricted for debt service, health and various County imposed purposes.

The County's unrestricted net position of negative \$523,450,307 increased by \$8,745,010 from the prior year. This amount consists of net position that does not meet the definition of restricted net position or net investment in capital assets. The majority of negative unrestricted net position is primarily the result of the County's unfunded pension and OPEB obligations, due to the implementation of GASB Statement Nos. 68 and 75, offset by positive unrestricted net position predominantly in the County's General Fund.

The amounts presented above include restatement for correction of an error to the beginning balance of net position. Please refer to Note 20 for more detail related to the restatement for correction of an error..

Change in Net Position

	Governmental Activities		Business-Type Activities		Total		Dollar Change	%
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated		
Revenues:								
Program Revenues:								
Charges for services	\$ 119,442,236	\$ 139,995,451	\$ 32,717,763	\$ 28,655,289	\$ 152,159,999	\$ 168,650,740	\$(16,490,741)	(9.8%)
Operating grants and contributions	488,720,331	447,171,463	6,493,729	725,907	495,214,060	447,897,370	47,316,690	10.6%
Capital grants and contributions	47,180,018	16,015,475	1,296	3,797	47,181,314	16,019,272	31,162,042	194.5%
General Revenues:								
Property taxes	152,963,082	145,670,620	53,400	52,584	153,016,482	145,723,204	7,293,278	5.0%
Other taxes	51,233,013	48,352,063	-	-	51,233,013	48,352,063	2,880,950	6.0%
Investments earnings	18,190,874	10,785,933	1,216,491	523,035	19,407,365	11,308,968	8,098,397	71.6%
Miscellaneous	16,531,346	8,355,245	241,514	381,912	16,772,860	8,737,157	8,035,703	92.0%
Gain on sale of assets	189,327	53,991	16,975	-	206,302	53,991	152,311	282.1%
Total revenues	894,450,227	816,400,241	40,741,168	30,342,524	935,191,395	846,742,765	88,448,630	10.4%
Expenses:								
General government	59,377,045	81,906,818	-	-	59,377,045	81,906,818	\$(22,529,773)	(27.5%)
Public protection	230,280,705	222,981,605	-	-	230,280,705	222,981,605	7,299,100	3.3%
Public ways and facilities	44,314,477	31,111,842	-	-	44,314,477	31,111,842	13,202,635	42.4%
Health and sanitation	250,821,034	226,020,804	-	-	250,821,034	226,020,804	24,800,230	11.0%
Public assistance	194,718,771	191,421,806	-	-	194,718,771	191,421,806	3,296,965	1.7%
Education	8,013,903	7,525,058	-	-	8,013,903	7,525,058	488,845	6.5%
Recreation and cultural services	18,098,705	15,067,940	-	-	18,098,705	15,067,940	3,030,765	20.1%
Interest and fiscal charges	12,831,657	11,757,140	-	-	12,831,657	11,757,140	1,074,517	9.1%
County Disposal Sites								
CSA 9C	-	-	23,506,754	18,515,098	23,506,754	18,515,098	4,991,656	27.0%
Boulder Creek CSA	-	-	632,180	464,386	632,180	464,386	167,794	36.1%
Rolling Woods CSA	-	-	27,212	16,296	27,212	16,296	10,916	67.0%
Septic Tank								
Maintenance CSA	-	-	2,010,957	1,531,658	2,010,957	1,531,658	479,299	31.3%
Freedom County								
Sanitation District	-	-	1,710,841	1,289,278	1,710,841	1,289,278	421,563	32.7%
Davenport County								
Sanitation District	-	-	763,403	800,071	763,403	800,071	\$(36,668)	(4.6%)
Place De Mer CSA	-	-	154,773	93,911	154,773	93,911	60,862	64.8%
Sand Dollar Beach CSA	-	-	352,064	381,205	352,064	381,205	\$(29,141)	(7.6%)
Trestle Beach CSA	-	-	84,255	67,970	84,255	67,970	16,285	24.0%
Total expenses	818,456,297	787,793,013	29,242,439	23,159,873	847,698,736	810,952,886	36,745,850	4.5%
Revenues over/(under) expenses	75,993,930	28,607,228	11,498,729	7,089,687	87,492,659	35,696,915	51,795,744	145.1%
Transfers	-	(92,964)	-	92,964	-	-	-	100%
Change in Net Position	75,993,930	28,514,264	11,498,729	7,182,651	87,492,659	35,696,915	51,795,744	145.1%
Net Position, beginning, as restated	217,879,956 ⁽¹⁾	189,365,692 ⁽¹⁾	49,729,335 ⁽¹⁾	42,546,684 ⁽¹⁾	267,609,291 ⁽¹⁾	231,912,376 ⁽¹⁾	35,696,915	15.4%
Net Position, end of year	<u>\$ 293,873,886</u>	<u>\$ 217,879,956⁽¹⁾</u>	<u>\$ 61,228,064</u>	<u>\$ 49,729,335⁽¹⁾</u>	<u>\$ 355,101,950</u>	<u>\$ 267,609,291⁽¹⁾</u>	<u>\$ 87,492,659</u>	<u>32.7%</u>

(1) Net position balances have been restated based on Restatements of Beginning Balances described in Note 20

Analysis of Change in Net Position

During the current fiscal year, the County's net position increased by \$87.5 million which includes an increase of \$87.5 million in current activities less \$0.4 million related to restatements for error corrections.

- Governmental activities** increased the County's net position by \$76.0 million. The total increase accounts for a 34.9% change to the Governmental activities net position.

Revenues for governmental activities and general revenues increased by \$78.0 million, or 9.6%, from the prior year primarily due to increases in operating and capital grants and contributions of \$72.7 million, property taxes of \$7.3 million, other taxes of \$2.9 million, investment earnings of \$7.4 million, and miscellaneous revenues of \$8.2 million, offset by decreases in charges for services of \$20.6 million. Causes of the change are discussed in more detail following the table titled *Revenues Classified by Source*.

Overall governmental expenditures increased by \$30.7 million, or 3.9%, from the prior year. The increases were in public protection, public ways and facilities, health and sanitation, public assistance, recreation and cultural services and debt service, which increased by \$7.3 million, \$13.2 million, \$24.8 million, \$4.1 million, \$3.0 million and \$1.1 million respectively. The increases were partially offset by a decrease in general government spending of \$22.5 million. Causes of the changes are discussed in more detail following the table titled *Expenditures Classified by Source*.

Overall expense increase (decrease) by function follows:

	Amount	Percentage increase (decrease)
General government	\$ (22,529,773)	(27.5%)
Public protection	7,299,100	3.3%
Public ways and facilities	13,202,635	42.4%
Health and sanitation	24,800,230	11.0%
Public assistance	3,296,965	1.7%
Education	488,845	6.5%
Recreation and cultural services	3,030,765	20.1%
Interest and fiscal charges	1,074,517	9.1%
	<u>\$ 30,663,284</u>	3.9%

- Business-type activities** increased the County's net position by \$11.5 million partially offset by a negative restatement for correction of an error of \$1.1 million, resulting in a net increase of \$10.4 million over the prior year.

Please see the following section for a more detailed analysis on the governmental and business-type activities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

At June 30, 2024, the County's governmental funds reported combined ending fund balances of \$365,134,199, an increase of \$81,127,639 in comparison with the prior year. The components of total fund balance are as follows (see Note 19 – Fund Balances).

- Nonspendable fund balance of \$1,725,408 consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact and is currently made up of prepaids. Nonspendable fund balance decreased by \$248,781 from the prior year due to a decrease in prepaid expenditures.
- Restricted fund balance of \$226,715,469 consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e., flood control, library) of \$149,376,140, (2) amounts restricted for capital asset acquisition of \$2,163,871, (3) amounts restricted for debt service of \$32,118,716, and (4) other various restricted balances related to state, federal, grant-related and other enabling legislation. Total restricted fund balance increased by \$26,082,562 due to an increase in restrictions related to the purpose of the fund of \$24,221,417 resulting from an increase in restricted fund balance in the Off Highway, Road and Transportation and an increase of \$5,270,706 in the Nonmajor Governmental Funds, and various restrictions (i.e. County Recorder, District Attorney, Health Care Programs, Probation, Public Defender and Sheriff programs) of \$8,316,174 offset by a decrease in fund balance restricted for capital projects of \$1,345,461.
- Committed fund balance of \$20,997,367 consists of amounts for specific purposes determined by the Board of Supervisors which includes (1) Natural Disasters of \$2,000,000, (2) Working Capital of \$6,000,000, (3) Strategic Reserve of \$10,000,000 and (4) Mental Health Services Act (MHSA) Prudent Reserve of \$2,997,367. Committed fund balance increased by \$41,469 due to an increase to the MHSA Prudent Reserve.
- Assigned fund balance of \$116,417,894 represents amounts that are intended for specific purposes and are established by the Board of Supervisors or an official or body delegated by the governing body. Examples of assigned fund balances are federally qualified health programs of \$51,231,211 and human services programs of \$7,440,174. Assigned balance increased by \$34,717,821 from the prior year largely due to the restoration of the Assignments for Unanticipated Liabilities, Budgeted Structural Deficit, and Salary Savings totaling \$10,820,216, offset by decreases in the Assignment to Eliminate Projected Budgetary Deficit in Subsequent Year's Budget of \$10,208,192. Additionally, there were increases in the amounts assigned for a federally qualified health program, human services programs, and assignments for other purposes totaling \$918,941.
- Unassigned fund balance is currently negative \$721,939, an increase of \$20,576,037 from prior year. The current year negative fund balance relates to the Santa Cruz Flood Control and Water Conservation Zone 7 Nonmajor Governmental Fund cash needs for emergency response related to the 2022-2023 winter storms.

Revenues for governmental functions totaled \$888,328,394 in fiscal year 2023-2024, which represents an increase of \$85,832,815, or 10.7%, from fiscal year 2022-2023. Expenditures for governmental functions totaling \$892,548,304 increased by \$63,143,872, or 7.61%, from fiscal year 2022-2023. In the fiscal year 2023-2024, other financing sources exceeded other financing uses by \$83,821,463.

The General Fund is the primary operating fund of the County. At June 30, 2024, the General Fund's total fund balance was \$182,197,411, of which \$1,725,408 was nonspendable and \$180,472,003 was spendable. The spendable fund balance consists of \$20,997,367 in committed fund balance, \$116,417,894 in assigned fund balance, and \$43,056,742 in restricted fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both total fund balance and spendable fund balance to total General Fund expenditures of \$694,103,829. Total fund balance is 26.2% of total General Fund expenditures while spendable fund balance is 26.0% of total General Fund expenditures.

Changes to General Fund Balances

Nonspendable fund balance decreased by \$248,781 from the prior year due to a decrease in prepaid expenditures.

The General Fund's total fund balance increased by 30.69%, or \$42,785,214 at June 30, 2024. The primary cause of the increase was the recognition of a receivable of \$39 million for Public Assistance Grant revenue from the State of California, Office of Emergency Services for the COVID-19 pandemic. Claims for expenditures related to the COVID-19 disaster were still under review in prior years and were finally approved in fiscal year 2023-24.

Spendable balances increased \$41,341,336 from \$139,412,197 to \$180,472,003 primarily in the following areas:

Restricted fund balance:

- Restricted fund balance increased by \$8,316,174 primarily due to:
 - An increase of \$871,913 for Emergency Watershed Projects,
 - An increase of \$4,216,442 for Health Care Programs,
 - An increase of \$2,226,311 million for juvenile probation funding, and
 - an increase of \$937,098 for Sheriff Programs

Assigned fund balance:

- General Fund assigned balance increased by \$34,717,832 from the prior year largely due to:
 - An increase in the assignment for Federally qualified health programs of \$13,516,110,
 - An increase in the assignment for Budgeted structural deficit of \$4,000,000,
 - An increase in the assignment to Eliminate Projected Budgetary Deficit in Subsequent Year's Budget of \$16,022,355,
 - An increase in the Assignment for Human Services Programs of \$118,480 due to revenues exceeding expenses for these funds, and
 - increases in assignments for other purposes of \$1,060,876

The Off Highway, Roads, and Transportation Fund is a major fund of the County. At June 30, 2024, the fund had a total fund balance of \$17,830,371, an increase of \$38,752,424 compared to the prior fiscal year. The increase in fund balance was due to an increase in revenues of \$42.5 million, primarily in aid from other governments as a result of accruals for revenue from the Federal Highways Administration for damages caused by the 2023 winter storms and an increase in operating transfers-in of \$50.2 million primarily from bond proceeds. The increase in revenue was partially offset by an increase in expenditures of \$30.6 million related to the 2023 winter storms. The primary source of revenue for the Off Highway, Roads and Transportation Fund is from state and federal reimbursement grants, therefore it is not unusual for the fund to have a negative fund balance related to unreimbursed expenditures.

The Housing Fund is a major fund of the County. At June 30, 2024, the Housing Fund's total fund balance was \$89,886,979, all of which is spendable (restricted) for the purpose of the fund. An increase in fund balance of \$1,120,340 was primarily a result of a restatement for correction of an error of \$1,526,086 offset by a decrease of \$405,746 related to expenditures exceeding revenue for the fiscal year. The restatement for correction of an error was a result of the reclassification of loans issued and recorded as expenditures in the prior year. The decrease caused by expenditures exceeding revenue, while only \$405,746, was a result of a decrease in revenue from aid from other governments of \$10.6 million compared to the prior year and a decrease in expenditures of \$10.4 million. The decrease in revenues and expenditures is related to Project Homekey which was carried out in the prior fiscal year. Project Homekey is a program administered by the California Department of Housing and Community Development to create opportunities for agencies to acquire hotels, motels, apartments, and other buildings to provide long-term homes for people experiencing or at risk of homelessness. The decrease in expenditures is directly related to Project Homekey for the purchase of property and related costs.

The spendable (restricted) fund balance for the Capital Projects Fund is \$2,163,871 at June 30, 2024. The fund balance was \$5,964,539, or 73.4% lower than the prior fiscal year. Since most of the revenue in the Capital Projects Fund is from drawdowns for project costs, increases and decreases in fund balance are primarily a result of timing differences between project costs and reimbursements for those costs.

The Debt Service Fund is a fund type used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The unspent cash balance of bonds issued is also reported in the Debt Service Fund. The Debt Service Fund had a total spendable (restricted) fund balance of \$32,118,716 at

June 30, 2024, a decrease of \$490,490 from the prior fiscal year. Fund balance in the Debt Service Fund is related to the unspent portions of bond proceeds.

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

Revenues Classified by Source					
Governmental Funds					
	2024	% of Total	2023	% of Total	Change
Taxes	\$ 204,196,096	22.99%	\$ 194,022,683	24.18%	\$ 10,173,413
Licenses and permits	16,939,055	1.91%	16,175,061	2.02%	763,994
Fines, forfeits and penalties	6,638,126	0.75%	13,059,294	1.63%	(6,421,168)
Use of money and property	16,855,264	1.90%	10,090,599	1.26%	6,764,665
Aid from other governments	535,645,455	60.28%	462,948,637	57.70%	72,696,818
Charges for services	96,450,815	10.86%	97,979,347	12.21%	(1,528,532)
Other	11,603,583	1.31%	8,219,958	1.02%	3,383,625
Total	<u>\$ 888,328,394</u>	<u>100.00%</u>	<u>\$ 802,495,579</u>	<u>100.02%</u>	<u>\$ 85,832,815</u>

Overall revenues increased by \$85.8 million over the prior year. The increase in revenue consisted of the following:

The majority of the increase was in aid from other governments which increased by \$72.7 million over the prior fiscal year primarily due to the following:

- Public Assistance Grant revenue of \$39 million was received from the State of California, Office of Emergency Services for the COVID-19 disaster. Claims for expenditures related to the COVID-19 disaster, which were still under review in prior years, were approved in the 2023-24 fiscal year.
- An increase of \$25.4 was realized as a result of changes to the way California Advancing and Innovating Medi-Cal (CalAIM) pays the County for providing Medi-Cal services.

Use of money and property increased by \$6.8 million as a result of increased interest rates over the prior year as the average annual interest rate increased from 1.788% for fiscal year 2022-23 to 3.742% for fiscal year 2023-24.

Taxes increased by \$10.2 million due to an increase in assessed property values of 5.43% and other revenue increased by \$3.4 million, resulting from increased proceeds from health insurance payments caused by the CalAIM restructuring discussed above. Increases were partially offset by decreases in fines, forfeits and penalties of \$6.4 million as a result of a one time transfer from the tax loss reserve fund in the prior year and charges for services decreased due to the receipt of district election charges in the prior year.

The following table presents expenditures by function compared to prior year amounts for all governmental funds:

Expenditures Classified by Source					
Governmental Funds					
	2024	% of Total	2023	% of Total	Change
General government	\$ 55,578,995	6.23%	\$ 75,856,613	9.15%	\$ (20,277,618)
Public protection	218,488,875	24.48%	205,226,126	24.74%	13,262,749
Public ways and facilities	99,165,483	11.11%	69,522,578	8.38%	29,642,905
Health and sanitation	241,221,578	27.03%	214,862,675	25.92%	26,358,903
Public assistance	189,472,146	21.23%	183,050,885	22.07%	6,421,261
Education	7,168,291	0.80%	6,670,919	0.80%	497,372
Recreation and culture	16,947,685	1.90%	13,716,349	1.65%	3,231,336
Capital outlay	35,859,678	4.02%	37,113,803	4.47%	(1,254,125)
Debt Service - bond redemption	18,299,723	2.05%	14,255,727	1.72%	4,043,996
Debt Service -Interest and fiscal charges	10,345,850	1.16%	9,128,757	1.10%	1,217,093
Total	<u>\$ 892,548,304</u>	<u>100.01%</u>	<u>\$ 829,404,432</u>	<u>100.00%</u>	<u>\$ 63,143,872</u>

Overall expenditures increased by \$63,143,872.

General government expenditures were \$20.3 million lower in the current year compared to the prior year. The primary cause of the decrease was due to a contribution of \$25 million to Pajaro Valley Healthcare District Project toward the purchase of Watsonville Community Hospital in the prior year. In December 2021, the for-profit owners of the hospital filed for bankruptcy. In an effort to save the hospital, the non-profit Pajaro Valley Healthcare District was created in February 2022 through community efforts and fast-tracked state legislation. In September 2023, the County of Santa Cruz contributed \$25 million toward the purchase of the hospital. The funds had been received from the State of California Department of Health Care Services for that purpose. The decrease was partially offset primarily by an increase in salaries and benefits of \$3.4 million as a result of a cost of living increase of 3% and step increases.

Expenditures in public protection were \$13.3 million higher in 2023-24 than 2022-23. Expenditures for salaries and benefits, services and supplies, and intrafund transfers increased by \$6.5 million, \$4.4 million and \$4.2 million respectively. Salaries and benefits increased due to a cost of living increase of 3.0% and step increases. Services and supplies increased primarily as a result of higher cost for mental health services provided by California Forensic Medical Group Inc. whose costs increased due to increased staff provided to the County, staff wage increases, and increased costs related to staffing standards required to obtain National Commission on Correctional Health Care accreditation. The increase of \$4.2 million in intrafund transfers is related to transfers to other County departments within the general fund for overhead and other services.

The \$29.6 million increase in spending in public ways and facilities was in the Off Highway Road and Transportation fund for damages caused by the 2023 winter storms which is estimated to cost the County over \$140 million and take years to complete.

Expenditures for health and sanitation increased by \$26.4 million due to the expansion of services primarily as a result of Medi-Cal reforms through CalAIM.

Public assistance expenditures increased by \$6.4 million primarily as a result of increased salaries and benefits due to negotiated salary increases, filling vacant positions, and adding positions. Otherwise, spending for public assistance saw very little change.

Capital outlay expenditures decreased by \$1.3 million from \$37.1 million to \$35.7 million, remaining relatively consistent with the prior year which had increased \$9.0 million over the prior year. Capital outlay remained around the same primarily due to the purchase and development of 500 Westridge Drive in Watsonville for a new government center to serve the south county. With the opening of the new South County Government Center in June 2024 citizens

in the south county have access to services they had to travel to Santa Cruz for in the past. Other projects include a new DNA Laboratory on Soquel Drive in Santa Cruz and the purchase of 150 Westridge Drive for administrative offices.

Other financing sources and uses are presented below including changes from the prior year. The most significant difference in other financing sources and uses was in bond proceeds. Proceeds from bonds issued were \$17.3 million in 2022-23 and \$78.5 million in fiscal year 2023-24. The 2024 Lease Revenue bonds issued in fiscal year 2023-24 were used to reimburse the county for improvements to certain roads and facilities, to fund the acquisition of and improvements to an office building and parking lot in Watsonville, CA, to capitalize interest on the bonds for a limited period and to pay for costs of issuance.. Refer to Note 10 for more information on long-term debt.

Transfers in and out are detailed in Note 5.

Other Financing Sources and Uses

Governmental Funds

	2024	% of Total	2023	% of Total	Change
Issuance of debt	\$ 1,140,000	1.36%	\$ -	-%	\$ 1,140,000
Bond proceeds	78,462,568	93.61%	17,300,000	138.44%	61,162,568
Bond premium	2,971,258	3.54%	619,673	4.96%	2,351,585
Bond discount	(62,995)	(0.08%)	-	-%	(62,995)
Lease inception	547,281	0.65%	308,901	2.47%	238,380
Transfers in	102,290,538	122.03%	46,655,278	373.36%	55,635,260
Transfers out	(101,527,187)	(121.12%)	(52,387,649)	(419.23%)	(49,139,538)
Total	\$ 83,821,463	100.00%	\$ 12,496,203	100.00%	\$ 71,325,260

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

	Major Funds						
	General Fund	Off Highway, Road and Transportation Fund	Housing Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues	\$ 753,213,720	\$ 78,665,381	\$ 7,097,115	\$ 1,491,329	\$ 1,577,485	\$ 46,283,364	\$ 888,328,394
Expenditures	(694,103,829)	(94,491,152)	(6,831,535)	(35,859,678)	(21,250,232)	(40,011,878)	(892,548,304)
Net other financing sources/(uses)	(16,324,677)	54,578,195	(671,326)	28,403,810	19,182,257	(1,346,796)	83,821,463
Net change in fund balances	42,785,214	38,752,424	(405,746)	(5,964,539)	(490,490)	4,924,690	79,601,553
Fund balances, beginning as restated	139,412,197	(20,922,053)	90,292,725	8,128,410	32,609,206	36,012,161	285,532,646
Fund balances, ending	\$ 182,197,411	\$ 17,830,371	\$ 89,886,979	\$ 2,163,871	\$ 32,118,716	\$ 40,936,851	\$ 365,134,199

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Business-type activities had a total net position of \$58,200,447 at June 30, 2024, of which \$19,659,097 was unrestricted.

The following table shows the Enterprise Funds' actual revenues, expenses, and results of operations for the current fiscal year:

	Major Funds County Disposal Sites CSA 9C	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues	\$ 27,556,216	\$ 5,348,247	\$ 32,904,463	\$ 125,267,494
Operating expenses	(23,174,607)	(5,625,023)	(28,799,630)	(126,686,842)
Net operating income/(loss)	4,381,609	(276,776)	4,104,833	(1,419,348)
Net nonoperating revenues/(expenses)	1,581,730	5,913,733	7,495,463	6,436,088
Net transfers in/(out)	-	-	-	(763,351)
Change in net position	5,963,339	5,636,957	11,600,296	4,253,389
Net position - beginning, as restated	17,961,221 ⁽¹⁾	28,638,930 ⁽¹⁾	46,600,151	(61,751,608) ⁽¹⁾
Net position - end of year	\$ 23,924,560	\$ 34,275,887	\$ 58,200,447	\$ (57,498,219)

(1) Net position has been restated based on Restatements of Beginning Balances described in Note 20

Total Enterprise Fund net position increased by \$11,600,296 million and was partially offset by a decrease in net position for a negative restatement for correction of an error of \$1,138,835 resulting in a net increase of \$10,461,462. The increase in net position was attributable to grant funding of \$5.7 million received for water projects, operating income of \$4.4 million, and interest income of \$1.2 million. Water project grants were awarded by the State Water Resources Control Board to Freedom County Sanitation District and Davenport Sanitation District in the amounts of \$3.9 million and \$1.8 million for phase II of the Freedom Sewer Rehabilitation Project and for water storage tanks at the Davenport Water Treatment Plant. Grant revenue and a receivable were accrued as of June 30, 2024. Operating income exceeded operating expenses by \$4.4 million primarily as a result of increased revenue from refuse disposal fees which were higher as a result of clean up related to damage caused by the 2023 winter storms. Interest income increased net position by \$1.2 which was \$0.7 million more than the prior year due to higher interest rates and higher cash balances resulting from higher revenue discussed above. Interest rates increased from an average of 1.788% in fiscal year 2023 to 3.74% in fiscal year 2024. Increases were partially offset by a decrease of \$1.1 million from a restatement for correction of an error resulting from the denial of part of an insurance claim to rebuild the Boulder Creek treatment plant which was damaged in the CZU Lightning Fire. Revenue and a receivable had been recognized for the claim in fiscal year 2022.

Internal Service Funds net position increased by \$4,253,389 for current year activities. The increase was primarily due to insurance proceeds of \$4.9 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original vs Final Budget: The final General Fund budget for revenues was \$71.8 million higher than the original budget. A budget increase of \$65.3 million in aid from other governments accounted for the majority of the change followed by increases in the budgets for charges for services and other revenue of \$3.3 million and \$2.8 million respectively.

The increase in the budget for aid from other governments of \$65.3 million was primarily due to a budget adjustment for unanticipated revenue of \$51.1 million for health and sanitation, \$8.0 million for general government, \$2.6 million for public protection, \$2.0 million for public assistance, and \$1.6 million for recreation and cultural services.

Budget increases of \$51.1 million to health and sanitation were primarily caused by the Health Services Agency CalAIM Behavioral Health Initiative, which is a State wide initiative focused on restructuring health services throughout the State to improve services, quality of life, and health outcomes through reform to delivery systems, programs, and payment structure.

Increases in the general government budget of \$8.0 million were from approved grant applications as a result of continuous efforts to identify and apply for new funding sources. Several grant applications were approved during the fiscal year including, but not limited to, a grant for \$3.8 million from the U.S Department of Agriculture's Natural Resources Conservation Service for watershed protection and a grant of \$2.0 million from the U.S Environmental Protection Agency Community Grants Program for watershed protection.

The increase of \$2.6 million in budgeted revenue for public protection was a result of unanticipated revenue from multiple sources including unanticipated revenue of \$1.25 million related to the budget increase in health and sanitation caused by the Health Services Agency CalAIM Behavioral Initiative discussed above and unanticipated revenue of \$780,000 from the California Coastal Commission PCP Grants Program for rise in sea level assessment.

The increase of \$2.0 million for public assistance was also the result of multiple small increases including amounts related to the increase in health and sanitation caused by the Health Services Agency CalAIM Behavioral Initiative discussed above.

Recreation and cultural services budget increased for unanticipated revenue of \$1.0 from the California Transportation Commission for the non-infrastructure component of the Coastal Rail Trail Segments 10 and 11 and unanticipated revenue of \$0.6 million from the California State Coastal Conservancy for the Santa Cruz Coastal Lagoons and East Cliff Drive Coastal Resiliency Project.

The General Fund budget for expenditures was \$53.2 million, or 7.3%, higher than the original budget and the budget for General Fund transfers out increased by \$18.0 million for a total increase in outflows of \$71.2 million. Increases in budgeted expenditures are related to planned spending of increases in budgeted revenue discussed above.

Final Budget vs Actual: General Fund actual expenditures were approximately \$93.5 million below final budget amounts. The variance was primarily made up of unspent appropriations of \$21.3 million for salaries and employee benefits, \$49.2 million for services and supplies, \$12.7 million for other charges, \$2.0 million for capital assets, \$9.0 million for appropriations for contingencies, \$4.0 million for principal, and \$1.9 million for interest. The differences between budgeted vs actual salaries and employee benefits, services and supplies, and other charges are related to unspent appropriations in health and sanitation and general government, which received unanticipated revenue discussed briefly above. The majority of the budget adjustments discussed above were made a few months before year-end. The main cause of the difference between budgeted and actual expenditures is related to timing differences between projects being budgeted and actual expenditures. When such timing differences occur unspent appropriations for budgeted projects are rolled over to the subsequent fiscal year.

Fund balance: As a result of factors and circumstances explained above the General Fund's fund balance increased by \$42.8 million versus an estimated decrease of \$29.7 million.

For additional information, readers should refer to the letter of transmittal.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2024 totaled \$881,340,997 (net of accumulated depreciation of \$682,129,661). Capital assets include land, construction-in-progress, infrastructure, buildings and structures, and equipment. There was an 9.4% increase in total activities for the 2023-2024 fiscal year in the amount of \$75,950,055.

For the government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2023-2024 fiscal year.

Fund financial statements record capital asset purchases as expenditures.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Land	\$ 66,572,447	\$ 64,262,447	\$ 1,858,849	\$ 1,858,849	\$ 68,431,296	\$ 66,121,296
Construction-in-progress	18,586,403	53,097,069	7,855,814	789,440	26,442,217	53,886,509
Infrastructure	924,980,600	842,097,373	-	-	924,980,600	842,097,373
Buildings and structures	371,459,060	302,498,338	73,980,396	73,346,245	445,439,456	375,844,583
Equipment	66,334,993	63,787,556	12,435,460	11,869,552	78,770,453	75,657,108
Buildings - ROU	13,162,758	23,668,745	-	-	13,162,758	23,668,745
Land - ROU	46,290	-	-	-	46,290	-
Machinery and equipment - ROU	2,488,727	2,486,241	-	-	2,488,727	2,486,241
SBITAs	3,708,861	5,180,782	-	-	3,708,861	5,180,782
Accumulated depreciation	(633,849,974)	(594,051,787)	(48,279,687)	(45,499,908)	(682,129,661)	(639,551,695)
Total	\$ 833,490,165	\$ 763,026,764	\$ 47,850,832	\$ 42,364,178	\$ 881,340,997	\$ 805,390,942

Governmental Activities

Net capital assets in governmental activities increased by \$70.5 million. The total increase in nondepreciable, depreciable and amortizable assets was \$124.9 million, which includes right-of-use (ROU) lease assets of \$641.3 million related to GASB 87 accounting. The remaining increase of \$124.3 million includes additions to construction-in-progress, infrastructure, buildings, and machinery and equipment. The total increase is offset by depreciation and amortization expense of \$45.0 million, and disposals of \$14.66 million, net of related depreciation of \$5.21 million. The total increase in buildings was \$69.0 million, which includes \$70.9 million in completed building projects reclassified from construction-in-progress. Additionally, infrastructure increased by \$82.9 million.

The total increase in machinery and equipment was \$2.5 million which includes \$4.6 million in new machinery and equipment and \$2.1 million in retirements.

Construction-in-progress decreased by \$34.5 million, which includes increases in construction-in-progress of \$36.4 million and an increase of \$70.9 million due to completed projects. The majority of the completed projects related to Education (Libraries), Parks and Recreation, and General Government.

Business-Type Activities

Net capital assets for business-type activities increased by \$5.5 million. The net increase includes additions of nondepreciable and depreciable assets of \$8.3 million offset by added depreciation of \$2.8 million. The total increase in buildings was \$634.2 thousand.

The total increase in machinery and equipment was \$565.9 thousand which includes additions of \$623.2 thousand and disposals of \$57.3 thousand in the current fiscal year. Additional information on the County's capital assets can be found in Note 7 on pages 85-87 of this report.

Long-Term Debt

The County's long-term debt for governmental and business-type activities is presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Refunding certificates of participation	\$ 14,827,719	\$ 18,646,792	\$ -	\$ -	\$ 14,827,719	\$ 18,646,792
Lease revenue bonds	149,668,983	73,944,242	4,467,214	4,861,483	154,136,197	78,805,725
Lease revenue refunding bonds	4,521,124	4,846,530	-	-	4,521,124	4,846,530
Certificates of participation	-	253,412	-	-	-	253,412
Taxable pension obligation bonds	108,310,000	113,505,000	-	-	108,310,000	113,505,000
Loans payable	3,870,623	3,477,216	5,447,874	5,236,802	9,318,497	8,714,018
Leases	10,413,275	20,948,184	-	-	10,413,275	20,948,184
Subscription Based Information Technology Agreements	1,283,284	3,688,272	-	-	1,283,284	3,688,272
Total	\$ 292,895,008	\$ 239,309,648	\$ 9,915,088	\$ 10,098,285	\$ 302,810,096	\$ 249,407,933

For the governmental activities, the County had total long-term debt outstanding of \$292,895,008 as compared to \$239,309,648 the prior year (excluding compensated absences, estimated claims and other postemployment benefits liability), increased by \$53,585,360. Four Lease Revenue Bonds were issued in the current fiscal year. Series A-1 in the amount of \$35,000,000 to reimburse the County for improvements to certain roads and facilities, to capitalize interest on the 2024 A-1 Series bonds for a limited period and to pay for the cost of issuance. Series A-2 in the amount of \$7,207,568 for the County's portion (\$11,260,000 total bond including those funds allocated to CSA 9) to reimburse the County for improvements to certain roads and facilities, to refinance the 2014 Lease Revenue Bonds and to pay for the cost of issuance. Taxable Series B in the amount of \$9,080,000 to reimburse the County for improvements to certain roads and facilities, to capitalize interest on the Series A-2 bonds for a limited time and to pay for cost of issuance. Series C bonds in the amount of \$27,175,000 to reimburse the County for improvements to certain roads and facilities, to finance the acquisition of and improvements to an office building and parking lot in Watsonville, CA., to capitalize interest on the Series C bonds for a limited period and to pay for cost of issuance. An additional increase of \$12,939,897 is attributable to right of use lease assets and subscription-based information technology agreements related to GASB 87 and GASB 96 implementation. This was offset by retirement of debt in the amount of \$16.0 million.

For the business-type activities, the County had total long-term debt outstanding of \$9,915,088 as compared to \$10,098,285 in the prior year (excluding postclosure liability and other post-employment benefits liability), a decrease of \$183,197. This decrease is due to the refunding of the 2014 Lease Revenue Bonds which had a balance prior to refunding of \$3,285,000, the issuance of the 2024 Series A-2 bonds in the amount of \$4,052,432 used in the refunding, a finance purchase of an excavator in the amount of \$602,236 and retirement of debt.

The County's total debt for all primary government activities increased by \$53,402,163, or 21.4%, during the current fiscal year (excluding compensated absences, estimated claims, postclosure liability and other post-employment benefits liability).

The County maintains a Standard & Poor's 'SP-1+' and a Moody's 'MIG 1' rating for short-term notes. Moody's has assigned its long-term rating on the County's general fund certificates of participation and lease revenue bonds of "A1" and its Issuer Rating of "Aa3." These ratings were last reviewed by Moody's in November 2022. Standard & Poor's has assigned its long-term rating on the County's general fund certificates of participation and lease revenue bonds of "AA+." This rating was last reviewed by Standard & Poor's in May 2024. Such ratings reflect only the views of the rating agency and any desired explanation of the significance of such ratings should be obtained from the rating agency.

The component unit, Santa Cruz County Sanitation District, had total long-term debt outstanding of \$66,112,120 as compared to \$37,729,698 in the prior year. This amount consists of \$16,980,720 of Loans Payable and \$49,131,400 of Bonds payable including the issuance of the 2024 Revenue Bonds in the amount of \$27,990,000. Retirement of debt amounted to \$1,268,422.

Additional information on the County’s long-term debt can be found in Note 10 on pages 92-104 of this report.

RETIREMENT COSTS AND OBLIGATIONS

Retirement Costs

The County’s current retirement costs consist of several components including pension costs, other post-employment benefits (OPEB) costs, and social security costs. For the 2023-2024 fiscal year, total retirement costs for the County were \$125,601,889. Of the \$125.6 million in retirement costs, the County contributed \$90.2 million. Employee contributions account for the remaining \$35.4 million. Total retirement costs included pension costs of \$83.1 million, other post-employment benefits of \$7.9 million and social security costs of \$34.6 million. These costs reflect a decrease of \$111.8 million, or 47.1% compared to the prior year. The change resulted from a decrease in Pension costs over the prior year of \$114.4 million, an increase in OPEB and social security costs over the prior year of \$93.6 thousand and \$2.5 million, respectively.

Retirement Obligations

Obligations to pay pension and OPEB benefits in the future make up the County’s retirement obligation. Total retirement obligations of the County were \$729,794,489 as of June 30, 2024; \$575.0 million was the liability for pension benefits and \$154.7 million was the liability for OPEB. Total retirement obligations increased by \$13.9 million, or 1.9%, over the prior year. The total increase was made up of an increase in pension liability of \$23.2 million and a decrease in OPEB liability of \$9.3 million, respectively.

Pension plan costs and obligations are presented below to illustrate changes from the prior four years.

Annual Summary of Total Retirement Costs and Obligations

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Pension Cost	\$ 70,436,125	\$ 76,413,986	\$ 197,572,848	\$ 83,142,297
Total OPEB Cost	7,502,010	7,798,262	7,778,586	7,872,181
Total Social Security Cost	28,004,288	29,700,358	32,076,641	34,587,411
Total Retirement Cost	\$ 105,942,423	\$ 113,912,606	\$ 237,428,075	\$ 125,601,889
Total Employee Contribution	\$ 29,850,345	\$ 30,965,269	\$ 32,235,738	\$ 35,366,056
Total County Contribution	76,092,078	82,947,337	205,192,336	90,235,834
Total Retirement Cost	\$ 105,942,423	\$ 113,912,606	\$ 237,428,074	\$ 125,601,890
Unfunded County Pension Liability Obligation	\$ 578,136,564	\$ 403,051,601	\$ 551,860,117	\$ 575,048,602
Unfunded County OPEB Liability Obligation	199,161,983	198,067,557	164,055,184	\$ 154,745,887
Total County Unfunded Liabilities	\$ 777,298,547	\$ 601,119,158	\$ 715,915,301	\$ 729,794,489
Miscellaneous Pension Plan Funded Ratio Market Value of Assets (MVA)	67.3%	76.8%	67.2%	67.00%
Safety Pension Plan Funded Ratio MVA	67.0%	67.9%	86.0%	84.20%
Safety Sheriff Pension Plan Funded Ratio MVA	61.3%	77.1%	82.8%	81.40%

Additional information on Pension Plans and Post-Retirement Health Care Benefits can be found in Notes 14 and 15 of this report.

Fund financial statements record contributions to the County’s pension and OPEB liabilities as expenditures.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The following factors were considered in preparing the County's recommended budget for FY 2024-25:

The recommended 2024-25 budget was presented to the Board of Supervisors (Board) on April 9, 2024. It incorporated the Board's priorities for the coming year based on the County's adopted six-year Strategic Plan for 2018-24 and the proposed two-year Operational Plan for 2023-25. The \$1.126 billion recommended governmental fund budget included a balanced \$754.2 million general fund that prioritized community services through support for our workforce and careful investments in programs consistent with the Strategic Plan. The development of the budget was influenced by the then \$144 million in unreimbursed disaster costs that accumulated beginning with the storm disasters within Fiscal Year 2016-17 and limited overall by the nearly \$85 million in disaster debt financing that was issued to maintain cash balances and assure the continuity of services to the community.

The final and total adopted 2024-25 governmental fund budgeted revenues of \$1.313 billion reflected an increase of 3.1%, or \$39,309,251 comparing 2024-25 budget to 2023-24 actual revenues. The adopted 2024-25 budget appropriations for governmental fund expenditures of \$1,404 billion included a 19.4%, or \$228,249,310, increase when compared to 2023-24 actual expenditures. The primary reasons for the increase was continued increases in budgeted expenditures in the Road Fund from the 2024 disaster financing for road repairs remaining from 2017 storm disasters and towards partial repairs from the 2023 Storms. Additionally, there were increases in expenditures carried over from the prior year from the Capital Projects Funds and from Health and Human Services.

The adopted 2024-25 budget for the general fund reflected an increase of \$64,938,108 and \$149,764,317 in revenue and expenditures respectively over 2023-24 actuals. The increases were due largely to year-end routine concluding actions to carry over revenue and budget appropriations for multi-year contracts and projects, routine personnel cost increases, and the addition of new sales tax revenue from Measure K in 2024-25.

The adopted 2024-25 budget included \$141.3 million that had been reserved (obligated) in the general fund for specific purposes. The total committed and assigned obligations of \$98.1 million in the adopted budget represented 11.9% of the general fund operating revenues in accordance with the County's Fund Balance Policy, which states the minimum fund balance in the County general fund's committed and assigned fund balance categories shall be no less than a total of 7% of the upcoming budget year's estimated revenues. In addition, the general fund appropriations included a contingency of \$10.5 million of which \$2.0 million is planned to be used for road projects and housing initiatives supported by new sales tax revenue.

The County's interactive budget and the County's Two-Year Operational Plan can be found at the County of Santa Cruz Strategic Plan website: Vision Santa Cruz (santacruzcountyca.gov). The County's adopted budget document can be found on the County's Budget and Financial Reports website: Budget and Financial Reports (santacruzcountyca.gov).

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, County of Santa Cruz, 701 Ocean Street, Room 100, Santa Cruz, CA 95060.



Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Government-Wide Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS STATEMENT OF NET POSITION JUNE 30, 2024

	Primary Government			Component Unit
	Governmental	Business-Type	Total	
	Activities	Activities		
ASSETS				
Cash and investments	\$ 332,736,151	\$ 20,567,535	\$ 353,303,686	\$ 19,439,889
Restricted cash and investments	32,124,961	15,546,942	47,671,903	39,595,033
Receivables, net	203,044,285	6,892,753	209,937,038	-
Due from other funds	4,592,906	(4,592,906)	-	-
Leases receivable	17,161	-	17,161	-
Deposits with others	875,000	46,274	921,274	-
Inventory	664,317	234,110	898,427	-
Prepaid items	1,687,593	-	1,687,593	-
Land held for resale	1,166,891	-	1,166,891	-
Loans receivable	82,393,892	5,051	82,398,943	-
Internal balances	(3,027,617)	3,027,617	-	-
Capital Assets:				
Nondepreciable assets	85,158,850	9,714,663	94,873,513	9,661,292
Depreciable assets, net	748,331,315	38,136,169	786,467,484	154,169,276
Total assets	1,489,765,705	89,578,208	1,579,343,913	222,865,490
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	364,490	-	364,490	-
Deferred pensions	174,178,528	-	174,178,528	-
Deferred OPEB	19,009,593	-	19,009,593	-
Total deferred outflows of resources	193,552,611	-	193,552,611	-

See accompanying Notes to Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			
	Governmental	Business-Type	Total	Component
	Activities	Activities		Unit
LIABILITIES				
Accounts payables	\$ 71,128,775	\$ 3,077,375	\$ 74,206,150	\$ 6,028,974
Salaries and benefits payable	26,377,451	-	26,377,451	-
Deposits payable	2,683,362	221,500	2,904,862	-
Accrued interest payable	850,680	16,654	867,334	174,353
Tax and revenue anticipation notes payable	64,041,528	-	64,041,528	-
Unearned revenues	47,666,592	-	47,666,592	-
Due to other governments	39,143	-	39,143	-
Long-term liabilities:				
Due within one year				
Compensated absences	33,508,611	-	33,508,611	-
Estimated claims	12,327,968	-	12,327,968	-
Leases & SBITAs payable	3,211,863	-	3,211,863	-
Bonds and loans payable	11,504,845	1,095,884	12,600,729	1,693,661
Due in more than one year				
Compensated absences	5,793,766	-	5,793,766	-
Estimated claims	47,660,000	-	47,660,000	-
Leases & SBITAs payable	8,484,696	-	8,484,696	-
Bonds and loans payable	269,693,604	8,819,204	278,512,808	64,418,459
Postclosure care costs	-	14,940,283	14,940,283	-
Total OPEB liability	154,745,886	-	154,745,886	-
Net pension liability	575,048,601	-	575,048,601	-
Total liabilities	1,334,767,371	28,170,900	1,362,938,271	72,315,447
DEFERRED INFLOWS OF RESOURCES				
Lease related	16,479	-	16,479	-
Gain on bond refunding	136,078	179,244	315,322	-
Deferred pensions	2,975,346	-	2,975,346	-
Deferred OPEB	51,549,156	-	51,549,156	-
Total deferred inflows of resources	54,677,059	179,244	54,856,303	-
NET POSITION				
Net investment in capital assets	657,074,123	37,935,743	695,009,866	137,305,489
Restricted for:				
Debt service	-	605,605	605,605	-
Capital asset acquisition	34,282,587	-	34,282,587	-
Public safety	20,150,301	-	20,150,301	-
Health and public assistance	1,905,541	-	1,905,541	-
Public ways and facilities	126,598,357	-	126,598,357	-
Unrestricted	(546,137,023)	22,686,716	(523,450,307)	13,244,554
Total net position	\$ 293,873,886	\$ 61,228,064	\$ 355,101,950	\$ 150,550,043

See accompanying Notes to Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 59,377,045	\$ 24,832,656	\$ 43,538,136	\$ -	\$ 68,370,792
Public protection	230,280,705	26,768,083	67,943,467	657,892	95,369,442
Public ways and facilities	44,314,477	7,214,150	25,735,800	46,522,126	79,472,076
Health and sanitation	250,821,034	54,436,197	185,703,230	-	240,139,427
Public assistance	194,718,771	1,424,266	165,497,586	-	166,921,852
Education	8,013,903	2,543	92,866	-	95,409
Recreation and cultural services	18,098,705	4,764,341	209,246	-	4,973,587
Debt service	12,831,657	-	-	-	-
Total governmental activities	818,456,297	119,442,236	488,720,331	47,180,018	655,342,585
Business-type activities:					
County Disposal Sites CSA 9C	23,506,754	27,369,499	767,342	-	28,136,841
Boulder Creek CSA 7	632,180	592,056	-	-	592,056
Rolling Woods CSA 10	27,212	81,109	-	-	81,109
Septic Tank Maintenance CSA 12	2,010,957	2,062,575	-	-	2,062,575
Freedom County Sanitation District	1,710,841	1,446,720	3,917,318	-	5,364,038
Davenport County Sanitation District	763,403	625,748	1,809,069	1,296	2,436,113
Place de Mer CSA 2	154,773	112,662	-	-	112,662
Sand Dollar Beach CSA 5	352,064	342,721	-	-	342,721
Trestle Beach CSA 20	84,255	84,673	-	-	84,673
Total business-type activities	29,242,439	32,717,763	6,493,729	1,296	39,212,788
Total primary government	\$ 847,698,736	\$ 152,159,999	\$ 495,214,060	\$ 47,181,314	\$ 694,555,373
Component unit:					
Santa Cruz County Sanitation District	\$ 30,925,409	\$ 33,042,893	\$ -	\$ -	\$ 33,042,893

General Revenues:

Taxes:

Property taxes
Property transfer fees
Sales and use taxes
Transient occupancy taxes
Other taxes
Total taxes

Interest and investment earnings
Gain on disposal of capital assets
Miscellaneous

Total general revenues and transfers

Change in net position
Net position - beginning, as previously reported
Restatement for correction of an error
Net position - beginning, as restated
Net position - end of year

See accompanying Notes to Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ 8,993,747	\$ -	\$ 8,993,747	
(134,911,263)	-	(134,911,263)	
35,157,599	-	35,157,599	
(10,681,607)	-	(10,681,607)	
(27,796,919)	-	(27,796,919)	
(7,918,494)	-	(7,918,494)	
(13,125,118)	-	(13,125,118)	
(12,831,657)	-	(12,831,657)	
(163,113,712)	-	(163,113,712)	
-	4,630,087	4,630,087	
-	(40,124)	(40,124)	
-	53,897	53,897	
-	51,618	51,618	
-	3,653,197	3,653,197	
-	1,672,710	1,672,710	
-	(42,111)	(42,111)	
-	(9,343)	(9,343)	
-	418	418	
-	9,970,349	9,970,349	
<u>\$ (163,113,712)</u>	<u>\$ 9,970,349</u>	<u>\$ (153,143,363)</u>	
			\$ 2,117,484
\$ 152,963,082	\$ 53,400	\$ 153,016,482	\$ -
2,448,352	-	2,448,352	-
28,240,804	-	28,240,804	-
12,810,683	-	12,810,683	-
7,733,174	-	7,733,174	-
204,196,095	53,400	204,249,495	-
18,190,874	1,216,491	19,407,365	1,680,572
189,327	16,975	206,302	6,125
16,531,346	241,514	16,772,860	-
239,107,642	1,528,380	240,636,022	1,686,697
75,993,930	11,498,729	87,492,659	3,804,181
216,353,870	50,868,170	267,222,040	146,745,862
1,526,086	(1,138,835)	387,251	-
217,879,956	49,729,335	267,609,291	146,745,862
<u>\$ 293,873,886</u>	<u>\$ 61,228,064</u>	<u>\$ 355,101,950</u>	<u>\$ 150,550,043</u>

See accompanying Notes to Basic Financial Statements.



Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Governmental Funds Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



General Fund – The General Fund is used to account for sources and uses of financial resources traditionally associated with governments, which are not required to be accounted for in another fund.

Off Highway, Road, and Transportation Fund – The Off Highway, Road, and Transportation Fund provides for the construction and maintenance of County roads, along with transportation planning activities. Revenues consist primarily of State and Federal grants, State taxes, and a State subvention from vehicle license fees.

Housing Fund – The Housing Fund is primarily used to account for Community Development Block Grant Programs. The principal sources of revenues are State grants and housing rehabilitation loan repayments.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition of land, and acquisition and construction of major facilities other than those financed by the proprietary funds.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Nonmajor Governmental Funds – Nonmajor Governmental Funds is the aggregate of all the nonmajor governmental funds.

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	Major Funds						
	General Fund	Off Highway, Road, and Transportation Fund	Housing Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 213,657,848	\$ -	\$ 14,110,208	\$ 6,646,356	\$ 6,622	\$ 43,152,394	\$ 277,573,428
Restricted cash and investments	-	-	-	-	32,124,961	-	32,124,961
Receivables, net	143,663,800	55,976,189	631,157	-	-	2,168,886	202,440,032
Due from other funds	-	-	-	12,867	-	-	12,867
Leases receivable	17,161	-	-	-	-	-	17,161
Loans receivable	-	-	82,393,892	-	-	-	82,393,892
Deposits with others	70,000	-	-	-	-	-	70,000
Prepays	1,655,408	-	-	-	-	-	1,655,408
Land held for resale	-	-	1,166,891	-	-	-	1,166,891
Total assets	<u>\$ 359,064,217</u>	<u>\$ 55,976,189</u>	<u>\$ 98,302,148</u>	<u>\$ 6,659,223</u>	<u>\$ 32,131,583</u>	<u>\$ 45,321,280</u>	<u>\$ 597,454,640</u>
LIABILITIES							
Accounts payable	\$ 49,533,812	\$ 10,391,129	\$ 390,048	\$ 4,495,352	\$ -	\$ 3,117,710	\$ 67,928,051
Salaries and benefits payable	25,390,772	-	-	-	-	783	25,391,555
Deposits payable	1,968,681	-	-	-	-	-	1,968,681
Tax and revenue anticipation notes payable	64,041,528	-	-	-	-	-	64,041,528
Due to other governments	39,143	-	-	-	-	-	39,143
Due to other funds	-	9,306,054	-	-	12,867	1,221,656	10,540,577
Advances from other funds	1,165,546	1,366,300	-	-	-	-	2,531,846
Unearned revenues	22,514,855	17,082,335	8,025,121	-	-	44,280	47,666,591
Total liabilities	<u>164,654,337</u>	<u>38,145,818</u>	<u>8,415,169</u>	<u>4,495,352</u>	<u>12,867</u>	<u>4,384,429</u>	<u>220,107,972</u>
Deferred inflows of resources							
Opioid settlement	12,195,990	-	-	-	-	-	12,195,990
Lease related	16,479	-	-	-	-	-	16,479
Total deferred inflows of resources	<u>12,212,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,212,469</u>
FUND BALANCES							
Nonspendable	1,725,408	-	-	-	-	-	1,725,408
Restricted	43,056,742	17,830,371	89,886,979	2,163,871	32,118,716	41,658,790	226,715,469
Committed	20,997,367	-	-	-	-	-	20,997,367
Assigned	116,417,894	-	-	-	-	-	116,417,894
Unassigned	-	-	-	-	-	(721,939)	(721,939)
Total fund balances	<u>182,197,411</u>	<u>17,830,371</u>	<u>89,886,979</u>	<u>2,163,871</u>	<u>32,118,716</u>	<u>40,936,851</u>	<u>365,134,199</u>
Total liabilities and fund balances	<u>\$ 359,064,217</u>	<u>\$ 55,976,189</u>	<u>\$ 98,302,148</u>	<u>\$ 6,659,223</u>	<u>\$ 32,131,583</u>	<u>\$ 45,321,280</u>	<u>\$ 597,454,640</u>

See accompanying Notes to Basic Financial Statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Total Governmental Funds		\$ 365,134,199
Amounts reported for Governmental Activities in the Statement of Net Position were different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Net of \$11,910,015 of internal service fund capital assets.)		818,975,833
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	154,428,005	
Deferred outflows - OPEB related	16,602,612	
Deferred inflows - pension related	(2,616,272)	
Deferred inflows - OPEB related	(45,022,038)	123,392,307
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the Government-Wide Statement of Net Position:		
Internal service funds included in governmental activities		(57,498,219)
Transfer of internal service funds to business-type activities		(3,027,617)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds.		
Refunding certificates of participation, including premium	(14,827,719)	
Lease revenue bonds	(149,668,983)	
Lease revenue refunding bonds, including premium	(4,521,124)	
Pension obligation bonds	(108,310,000)	
Net pension liability	(505,650,171)	
Total other post-employment benefits (OPEB) liability	(135,152,072)	
Compensated absences	(33,747,085)	
Other long-term liabilities	(3,870,625)	
Lease related	(8,987,004)	(964,734,783)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.		(792,236)
Governmental funds report revenue when it is measurable and available, whereas revenue that is collectible, but not available is recognized immediately in the statement of activities.		
Deferred inflows - Opioid settlement		12,059,912
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred amount on refunding		364,490
Net Position of Governmental Activities		<u><u>\$ 293,873,886</u></u>

See accompanying Notes to Basic Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Funds						
	General Fund	Off Highway, Road, and Transportation Fund	Housing Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 172,926,545	\$ 3,978,376	\$ -	\$ -	\$ -	\$ 27,291,175	\$ 204,196,096
Licenses and permits	16,915,955	-	-	-	-	23,100	16,939,055
Fines, forfeits and penalties	6,625,072	-	-	-	-	13,054	6,638,126
Use of money and property	11,623,116	559,448	1,624,737	94,498	1,577,485	1,375,980	16,855,264
Aid from other governments	455,653,741	71,221,880	4,130,977	1,100,283	-	3,538,574	535,645,455
Charges for services	79,286,489	2,585,894	795,567	-	-	13,782,865	96,450,815
Other	10,182,802	319,783	545,834	296,548	-	258,616	11,603,583
Total revenues	<u>753,213,720</u>	<u>78,665,381</u>	<u>7,097,115</u>	<u>1,491,329</u>	<u>1,577,485</u>	<u>46,283,364</u>	<u>888,328,394</u>
EXPENDITURES:							
Current:							
General government	54,670,060	-	-	-	-	908,935	55,578,995
Public protection	197,536,684	-	-	-	-	20,952,191	218,488,875
Public ways and facilities	-	92,401,670	-	-	-	6,763,813	99,165,483
Health and sanitation	241,190,651	-	-	-	-	30,927	241,221,578
Public assistance	182,640,611	-	6,831,535	-	-	-	189,472,146
Education	142,984	-	-	-	-	7,025,307	7,168,291
Recreation and cultural services	12,777,891	-	-	-	-	4,169,794	16,947,685
Debt service:							
Principal	3,677,363	-	-	-	14,546,539	75,821	18,299,723
Interest	2,001,377	2,089,482	-	-	5,877,523	85,090	10,053,472
Bond issuance costs	-	-	-	-	829,165	-	829,165
Fiscal charges	(533,792)	-	-	-	(2,995)	-	(536,787)
Capital outlay	-	-	-	35,859,678	-	-	35,859,678
Total expenditures	<u>694,103,829</u>	<u>94,491,152</u>	<u>6,831,535</u>	<u>35,859,678</u>	<u>21,250,232</u>	<u>40,011,878</u>	<u>892,548,304</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>59,109,891</u>	<u>(15,825,771)</u>	<u>265,580</u>	<u>(34,368,349)</u>	<u>(19,672,747)</u>	<u>6,271,486</u>	<u>(4,219,910)</u>
OTHER FINANCING SOURCES (USES):							
Issuance of debt	-	-	-	-	-	1,140,000	1,140,000
Bonds issued	-	-	-	-	78,462,568	-	78,462,568
Bond premium	-	-	-	-	2,971,258	-	2,971,258
Bond discount	-	-	-	-	(62,995)	-	(62,995)
Lease inception	547,281	-	-	-	-	-	547,281
Transfers in	3,255,930	54,578,195	-	28,403,810	16,052,603	-	102,290,538
Transfers out	(20,127,888)	-	(671,326)	-	(78,241,177)	(2,486,796)	(101,527,187)
Total other financing sources (uses)	<u>(16,324,677)</u>	<u>54,578,195</u>	<u>(671,326)</u>	<u>28,403,810</u>	<u>19,182,257</u>	<u>(1,346,796)</u>	<u>83,821,463</u>
Net change in fund balance	<u>42,785,214</u>	<u>38,752,424</u>	<u>(405,746)</u>	<u>(5,964,539)</u>	<u>(490,490)</u>	<u>4,924,690</u>	<u>79,601,553</u>
Fund balances - beginning, as previously reported	139,412,197	(20,922,053)	88,766,639	8,128,410	32,609,206	36,012,161	284,006,560
Restatement for correction of an error (Note 20)	-	-	1,526,086	-	-	-	1,526,086
Fund balances - beginning, as restated	<u>139,412,197</u>	<u>(20,922,053)</u>	<u>90,292,725</u>	<u>8,128,410</u>	<u>32,609,206</u>	<u>36,012,161</u>	<u>285,532,646</u>
Fund balances - ending	<u>\$ 182,197,411</u>	<u>\$ 17,830,371</u>	<u>\$ 89,886,979</u>	<u>\$ 2,163,871</u>	<u>\$ 32,118,716</u>	<u>\$ 40,936,851</u>	<u>\$ 365,134,199</u>

See accompanying Notes to Basic Financial Statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds		\$ 79,601,553
Amounts reported for governmental activities in the Statement of Activities were different because:		
Governmental funds reported acquisitions of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense:		
Expenditures for general capital assets, infrastructure, and other related capital assets	122,373,345	
Retirement of capital assets	(114,929)	
Less current year depreciation and amortization	<u>(40,413,547)</u>	81,844,869
Issuance of long-term debt provided current financial resources to the governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Also, the governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:		
Lease revenue bonds issued	(78,462,568)	
Discounts	62,995	
Premiums	(2,971,259)	
Issuance of debt	(1,140,000)	
Lease inception	<u>(547,281)</u>	(83,058,113)
Repayment of debt principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position:		
Refunding certificates of participation	3,755,000	
Certificates of participation	250,000	
Lease revenue bonds	5,060,000	
Lease revenue refunding bonds	328,177	
Pension obligation bonds	5,195,000	
Loan principal payments	746,592	
Lease related	<u>2,951,984</u>	18,286,753
Some revenues reported in the Government-Wide Statement of Activities are not available to fund current operations. Therefore, they are not reported as revenues in the governmental funds:		
Change in deferred inflows - Opioid settlement		(585,759)
Some expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources. Therefore, they are not reported as expenditures in the governmental funds:		
Amortization of bond premium/discount	650,804	
Change in accrued interest payable	155,568	
Change in compensated absences	(1,406,981)	
Change in deferred loss on bond refunding	(106,000)	
Change in deferred gain on bond refunding	(136,078)	
Change in total OPEB liability and related deferred outflows and inflows of resources	2,667,334	
Change in net pension liability and related deferred outflows and inflows of resources	<u>(26,274,976)</u>	(24,450,329)
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds was reported with governmental activities.		
		4,253,389
Reverse of prior year transfer of internal service funds to business-type activities.		3,129,184
Transfer of internal service funds to business-type activities.		<u>(3,027,617)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 75,993,930</u></u>

See accompanying Notes to Basic Financial Statements.



Proprietary Funds Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Proprietary Funds – Proprietary Funds consist of Enterprise Funds and Internal Service Funds.

Enterprise Funds – The Enterprise Funds are used to account for County operations that are financed and operated in a manner similar to private business enterprises. The intent of the County in using this type of fund is to determine that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

County Disposal Sites CSA 9C – The County Disposal Sites CSA 9C Fund is used to account for the activities of the County's refuse utility, which provides refuse pick-up services, recycling services, and a sanitary landfill for residents of the County.

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental
	County	Nonmajor		Activities
	Disposal	Enterprise		Internal
	Sites CSA 9C	Funds	Total	Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 16,848,828	\$ 3,718,707	\$ 20,567,535	\$ 55,162,725
Restricted cash and investments	15,546,942	-	15,546,942	-
Receivables	1,242,482	5,650,271	6,892,753	604,253
Due from other funds	-	-	-	15,196,311
Deposits with others	46,274	-	46,274	805,000
Inventory	234,110	-	234,110	664,317
Prepaid items	-	-	-	32,185
Advances to other funds	-	-	-	2,531,845
Total current assets	33,918,636	9,368,978	43,287,614	74,996,636
Noncurrent assets:				
Loans receivable	-	5,051	5,051	-
Capital Assets:				
Land	1,858,849	-	1,858,849	97,087
Construction-in-progress	585,336	7,270,478	7,855,814	-
Depreciable:				
Buildings and structures	33,465,707	40,514,689	73,980,396	4,646,328
Equipment	12,353,874	81,586	12,435,460	41,597,304
ROU Equipment	-	-	-	2,234,469
Subscription based information technology	-	-	-	3,194,334
Accumulated depreciation	(35,297,634)	(12,982,053)	(48,279,687)	(37,255,190)
Capital assets, net	12,966,132	34,884,700	47,850,832	14,514,332
Total noncurrent assets	12,966,132	34,889,751	47,855,883	14,514,332
Total assets	46,884,768	44,258,729	91,143,497	89,510,968
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension	-	-	-	19,750,525
Deferred OPEB	-	-	-	2,406,981
Total deferred outflows of resources	-	-	-	22,157,506

See accompanying Notes to Basic Financial Statements.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental
	County	Nonmajor		Activities
	Disposal	Enterprise		Internal
	Sites CSA 9C	Funds	Total	Service Funds
LIABILITIES				
Current liabilities:				
Payables	\$ 1,905,402	\$ 1,171,974	\$ 3,077,376	\$ 3,200,377
Accrued salaries and benefits payable	-	-	-	985,897
Deposits payable	221,500	-	221,500	715,021
Due to other funds	-	4,592,906	4,592,906	75,695
Current portion of long-term liabilities	996,927	98,956	1,095,883	-
Leases	-	-	-	1,267,429
Claims liabilities	-	-	-	12,327,968
Compensated absences, due within one year	-	-	-	4,033,908
Accrued interest payable	16,648	6	16,654	58,444
Total current liabilities	3,140,477	5,863,842	9,004,319	22,664,739
Noncurrent liabilities:				
Long-term liabilities	4,700,204	4,119,000	8,819,204	-
Leases	-	-	-	1,442,127
Claims liabilities	-	-	-	47,660,000
Closure and postclosure care costs liability	14,940,283	-	14,940,283	-
Compensated absences, due in more than one year	-	-	-	1,521,386
Total OPEB liability	-	-	-	19,593,816
Net pension liability	-	-	-	69,398,433
Total noncurrent liabilities	19,640,487	4,119,000	23,759,487	139,615,762
Total liabilities	22,780,964	9,982,842	32,763,806	162,280,501
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on bond refunding	179,244	-	179,244	-
Deferred pension	-	-	-	359,074
Deferred OPEB	-	-	-	6,527,118
Total deferred inflows of resources	179,244	-	179,244	6,886,192
NET POSITION				
Net investment in capital assets	7,269,001	30,666,744	37,935,745	11,804,776
Restricted for:				
Debt service	522,805	82,800	605,605	459,787
Unrestricted	16,132,754	3,526,343	19,659,097	(69,762,782)
Total net position	\$ 23,924,560	\$ 34,275,887	58,200,447	\$ (57,498,219)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			3,027,617	
Net Position of Business-Type Activities per Government-Wide Financial Statements			\$ 61,228,064	

See accompanying Notes to Basic Financial Statements.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	County Disposal Sites CSA 9C	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES:				
Charges for services	\$ 27,369,500	\$ 5,348,247	\$ 32,717,747	\$ 122,706,563
Other revenues	186,716	-	186,716	2,560,931
Total operating revenues	<u>27,556,216</u>	<u>5,348,247</u>	<u>32,904,463</u>	<u>125,267,494</u>
OPERATING EXPENSES:				
Salaries and employee benefits	-	-	-	57,601,018
Services and supplies	21,367,431	4,595,078	25,962,509	49,966,919
Insurance and compensation claims	-	-	-	14,522,677
Depreciation and amortization	1,807,176	1,029,945	2,837,121	4,596,228
Total operating expenses	<u>23,174,607</u>	<u>5,625,023</u>	<u>28,799,630</u>	<u>126,686,842</u>
Operating income (loss)	<u>4,381,609</u>	<u>(276,776)</u>	<u>4,104,833</u>	<u>(1,419,348)</u>
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	767,342	5,727,683	6,495,025	254,893
Interest and investment income	1,040,017	176,474	1,216,491	1,335,613
Property taxes	-	53,417	53,417	-
Gain on disposal of capital assets	16,975	-	16,975	189,327
Cost of issuance	(23,395)	-	(23,395)	-
Interest expense	(219,209)	(98,641)	(317,850)	(271,508)
Other nonoperating revenue	-	54,800	54,800	4,927,763
Total nonoperating revenues (expenses)	<u>1,581,730</u>	<u>5,913,733</u>	<u>7,495,463</u>	<u>6,436,088</u>
Income (loss) before transfers	<u>5,963,339</u>	<u>5,636,957</u>	<u>11,600,296</u>	<u>5,016,740</u>
Transfers in	-	-	-	25,000
Transfers out	-	-	-	(788,351)
Change in net position	<u>5,963,339</u>	<u>5,636,957</u>	<u>11,600,296</u>	<u>4,253,389</u>
Net position - beginning, as previously reported	17,961,221	29,777,765	47,738,986	(61,751,608)
Restatement for correction of an error (Note 20)	-	(1,138,835)	(1,138,835)	-
Net position - beginning, as restated	<u>17,961,221</u>	<u>28,638,930</u>	<u>46,600,151</u>	<u>(61,751,608)</u>
Net position - ending	<u>\$ 23,924,560</u>	<u>\$ 34,275,887</u>	<u>\$ 58,200,447</u>	<u>\$ (57,498,219)</u>
 Change in Net Position of Business-Type Activities			\$ 11,600,296	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(101,567)	
Change in Net Position of Business-Type Activities per Government-Wide Financial Statements			<u>\$ 11,498,729</u>	

See accompanying Notes to Basic Financial Statements.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	County Disposal Sites CSA 9C	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 26,132,467	\$ 5,349,309	\$ 31,481,776	\$ 121,951,146
Payments to suppliers for goods and services	(20,522,832)	(3,866,646)	(24,389,478)	(49,762,922)
Payments to employees for salaries and benefits	-	-	-	(50,979,754)
Payments for judgments and claims	-	-	-	(12,182,538)
Closure and postclosure reserves increase (decrease)	542,098	-	542,098	-
Other receipts	186,716	-	186,716	2,560,931
Net cash provided (used) by operating activities	<u>6,338,449</u>	<u>1,482,663</u>	<u>7,821,112</u>	<u>11,586,863</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	767,342	-	767,342	-
Deposits with others	16,353	-	16,353	(345,213)
Accounts receivable	-	1,030,642	1,030,642	-
Loans receivable	-	1,316	1,316	-
Intergovernmental receipts	-	78,371	78,371	254,893
Due from other funds	-	-	-	(2,020,564)
Deferred gain on bond refunding	179,244	-	179,244	-
Matured interest payable	(76,207)	(32)	(76,239)	-
Debt issuance costs	(23,395)	-	(23,395)	-
Property taxes	-	53,417	53,417	-
Due to other funds	-	3,492,907	3,492,907	(150)
Transfers from other funds	-	-	-	25,000
Transfers to other funds	-	-	-	(788,351)
Net cash provided (used) by noncapital financing activities	<u>863,337</u>	<u>4,656,621</u>	<u>5,519,958</u>	<u>(2,874,385)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(448,087)	(6,913,620)	(7,361,707)	(123,134)
Acquisition of equipment	(623,253)	-	(623,253)	(2,329,272)
Insurance proceeds	-	54,800	54,800	4,927,763
Bonds and loans payable	(72,866)	-	(72,866)	-
Principal paid on lease agreements	-	(110,330)	(110,330)	(1,311,383)
Interest payable	-	-	-	(5,547)
Interest paid on capital debt	(219,209)	(98,641)	(317,850)	(271,508)
Proceeds from sale of capital assets	16,975	-	16,975	203,169
Net cash provided (used) by capital and related financing activities	<u>(1,346,440)</u>	<u>(7,067,791)</u>	<u>(8,414,231)</u>	<u>1,090,088</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	1,040,017	176,474	1,216,491	1,335,610
Net cash provided by investing activities	<u>1,040,017</u>	<u>176,474</u>	<u>1,216,491</u>	<u>1,335,610</u>
Net increase (decrease) in cash and cash and investments equivalents	<u>6,895,363</u>	<u>(752,033)</u>	<u>6,143,330</u>	<u>11,138,176</u>
CASH AND CASH AND INVESTMENTS EQUIVALENTS:				
Beginning of year	25,500,407	4,470,740	29,971,147	44,024,549
End of year	<u>\$ 32,395,770</u>	<u>\$ 3,718,707</u>	<u>\$ 36,114,477</u>	<u>\$ 55,162,725</u>

See accompanying Notes to Basic Financial Statements.

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	County Disposal Sites CSA 9C	Nonmajor Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,381,609	\$ (276,776)	\$ 4,104,833	\$ (1,419,348)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,807,176	1,029,945	2,837,121	4,596,228
Changes in assets and liabilities:				
(Increase) decrease in:				
Receivables	(1,242,482)	1,062	(1,241,420)	(112,523)
Inventory	(17,762)	-	(17,762)	(126,271)
Prepaid items	-	-	-	(19,568)
Increase (decrease) in:				
Payables	862,361	728,432	1,590,793	349,836
Deposits payable	5,449	-	5,449	(642,894)
Claims liabilities	-	-	-	2,340,139
Accrued salaries and benefits	-	-	-	6,621,264
Closure and postclosure care liability	542,098	-	542,098	-
Total adjustments	1,956,840	1,759,439	3,716,279	13,006,211
Net cash provided (used) by operating activities	<u>\$ 6,338,449</u>	<u>\$ 1,482,663</u>	<u>\$ 7,821,112</u>	<u>\$ 11,586,863</u>
Schedule of non-cash capital and related financing activities:				
Purchase of capital assets on account	-	5,269,935	5,269,935	\$ 2,463,683
Lease and SBITA inception	-	-	-	\$ 94,073
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 16,848,828	\$ 3,718,707	\$ 20,567,535	\$ 55,162,725
Restricted cash per Statement of Net Position	15,546,942	-	15,546,942	-
Total cash and cash equivalents per Statement of Net Position	<u>\$ 32,395,770</u>	<u>\$ 3,718,707</u>	<u>\$ 36,114,477</u>	<u>\$ 55,162,725</u>
Schedule of non-cash capital and related financing activities:				
Purchase of capital assets on account	-	5,269,935	5,269,935	2,463,683
Lease and SBITA inception	-	-	-	94,073

See accompanying Notes to Basic Financial Statements.

Fiduciary Funds Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

Fiduciary Funds – The Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s own programs.

Investment Trust Funds – The Investment Trust Funds are used to report fiduciary activities from the external portion of an investment pool and individual investment accounts that are held in a trust. Participants include school and community college districts, other special districts governed by local boards, regional boards and authorities and cities that are required to keep cash in the County Treasury.

Private-Purpose Trust Funds – The Private-Purpose Trust Funds are used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefits) trust funds or investment trust funds and (b) are held in a trust. These include the Public Guardian and the Redevelopment Successor Agency.

Custodial Funds – The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These include unapportioned property taxes and other custodial funds.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Investment Trust Funds	Private- Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and investments	\$ 944,439,003	\$ 15,821,833	\$ 20,571,376
Restricted cash and investments	11,740,736	10,671	247,875
Prepaid expenses	140,826	917,364	-
Receivables:			
Accounts receivable	111,054,149	-	-
Taxes for other governments	-	-	15,582,228
Other assets	22,810,692	-	-
Nondepreciable capital assets	5,971,691	7,425,950	-
Depreciable capital assets, net	33,446,843	-	-
Total assets	<u>1,129,603,940</u>	<u>24,175,818</u>	<u>36,401,479</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	-	186,601	-
Total deferred outflows of resources	<u>-</u>	<u>186,601</u>	<u>-</u>
LIABILITIES			
Accounts payable and other liabilities	61,000,630	32,455	12,265,077
Interest payable	-	2,295,650	-
Long-term liabilities due in more than one year	2,715,286	-	-
Other liabilities	94,965,658	161,756,472	451,376
Total liabilities	<u>158,681,574</u>	<u>164,084,577</u>	<u>12,716,453</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding of debt	-	759,854	-
Deferred OPEB	1,294,806	-	-
Deferred pension	7,333,475	-	-
Total deferred inflows of resources	<u>8,628,281</u>	<u>759,854</u>	<u>-</u>
NET POSITION			
Restricted for:			
Pool participants	962,294,085	-	-
Individuals, organizations and other governments	-	(140,482,012)	23,685,026
Total net position	<u>\$ 962,294,085</u>	<u>\$ (140,482,012)</u>	<u>\$ 23,685,026</u>

See accompanying Notes to Basic Financial Statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Investment Trust Funds	Private- Purpose Trust Funds	Custodial Funds
ADDITIONS			
Member contributions	\$ 20,672,399	\$ -	\$ -
Employee contributions	6,565	-	-
Gifts and bequests	2,202,199	-	97
Interest, dividends and other	34,879,540	513,730	1,681,031
Tax collections	555,453,994	16,464,909	905,956,941
Other contributions	1,232,432,265	318,228	38,362,402
Total additions	<u>1,845,646,962</u>	<u>17,296,867</u>	<u>946,000,471</u>
DEDUCTIONS			
Beneficiary payments to individuals	-	91,720	-
Administrative expenses	34,760,061	113,671	108,406
Payments to other local governments	29,790,904	-	64,923,205
Payments of taxes to other local governments	-	-	777,818,333
Interest expense	29,955,733	5,770,414	432,089
Distributions from pooled investments	1,746,707,186	-	115,419,463
Other deductions	-	493,529	-
Total deductions	<u>1,841,213,884</u>	<u>6,469,334</u>	<u>958,701,496</u>
Net increase (decrease) in fiduciary net position	4,433,078	10,827,533	(12,701,025)
Net position - beginning, as previously reported	963,743,262	(151,309,545)	36,193,122
Restatement for entity audit adjustments	(5,882,255)	-	192,929
Net position - beginning, as restated	<u>957,861,007</u>	<u>(151,309,545)</u>	<u>36,386,051</u>
Net position - ending	<u>\$ 962,294,085</u>	<u>\$ (140,482,012)</u>	<u>\$ 23,685,026</u>

See accompanying Notes to Basic Financial Statements.

Notes to Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



TABLE OF CONTENTS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. Summary of Significant Accounting Policies 60

NOTE 2. Cash and Investments 74

NOTE 3. Restricted Cash and Investments..... 79

NOTE 4. Receivables 80

NOTE 5. Interfund Transactions..... 80

NOTE 6. Loans Receivable..... 83

NOTE 7. Capital Assets 85

NOTE 8. Leases 88

NOTE 9. Short-Term Debt – Tax and Revenue Anticipation Notes 91

NOTE 10. Long-Term Debt..... 92

NOTE 11. Pledge of Future Revenues..... 105

NOTE 12. Landfill Closure and Postclosure Costs 107

NOTE 13. Deficit Net Position and Fund Balances 108

NOTE 14. Pension Plans..... 108

NOTE 15. Other Post-Employment Benefits (OPEB)..... 115

NOTE 16. Deferred Compensation Plan 118

NOTE 17. Commitments and Contingencies 119

NOTE 18. Risk Management..... 119

NOTE 19. Fund Balances 121

NOTE 20. Changes to or Within the Financial Reporting Entity 123

NOTE 21. Subsequent Events 124

NOTE 22. Excess Expenditures over Appropriations 124

NOTE 23. Tax Abatements..... 125

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Reporting Entity**

The County of Santa Cruz (County) was established by an act of the State Legislature of California in 1850 and is governed by a five-member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

As required by Generally Accepted Accounting Principles in the United States (GAAP), the accompanying basic financial statements present the County (the primary government) and its component units. Component units are legally separate entities for which the Board is considered to be financially accountable. Component units are entities that meet any one of the following tests:

- a) The Board appoints the voting majority of the governing board and:
 - is able to impose its will on the component unit and/or
 - is in a relationship of financial benefit or burden with the component unit.
- b) The component unit is fiscally dependent upon the County.
- c) The financial statements of the County would be misleading if data from the component unit were omitted.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component unit is reported in a separate column in the Government-Wide Financial Statements since it does not have a shared governing body nor is it of exclusive or almost exclusive benefit to the primary government.

Blended Component Units

The following entities serve citizens of the County and provide for the construction and maintenance of County parks and recreation, police protection, mosquito abatement, fire protection, street lighting, roads, flood control, sewer, and refuse disposal districts. They are reported as if they were part of the primary government because they are governed by the Board. The Board establishes the work program and adopts the budget. Administrative services are provided by various departments of the County.

Santa Cruz County Flood Control and Water Conservation District – Zone 7

Santa Cruz County Flood Control and Water Conservation District – Zone 7 (Zone 7) was established to provide funding for the local share of proposed Army Corps of Engineers flood control projects on the Pajaro River, Salsipuedes Creek, and Corralitos Creek. Zone 7 is governed by a seven-member board consisting of a Board of Directors and two additional members, one appointed by the City of Watsonville and another appointed by the Pajaro Valley Water Management Agency. Administrative services are provided by the County's Department of Public Works. Complete financial statements may be obtained from the Department of Public Works at 701 Ocean Street, Room 410, Santa Cruz, CA 95060.

Santa Cruz County Financing Authorities

The Santa Cruz County Financing Authorities (Authorities) facilitate financing for the County. The Authorities are established and governed by the Board and are not legally required to adopt a budget. Administrative services are provided by the County. Complete financial statements may be obtained from the County at 701 Ocean Street, Room 100, Santa Cruz, CA 95060.

Discretely Presented Component Unit

Santa Cruz County Sanitation District

The Santa Cruz County Sanitation District (District) is included as a discretely presented component unit of the County because: 1) the Board appoints the District's governing board, and 2) the District has an ongoing

relationship with the County. The District is governed by a three-member board and managed by the County's Department of Public Works under the direction of the District Board of Directors. The District, as a component unit, is presented separately from the primary government in the Government-Wide Financial Statements. Administrative services are provided by the County Department of Public Works and central support departments (i.e., personnel, purchasing, treasury, etc.). Complete financial statements may be obtained from the County, 701 Ocean Street, Room 410, Santa Cruz, CA 95060.

Districts Governed by the Board of Supervisors

Public Protection

- Aptos Seascapes County Service Area (CSA) 3
- County Fire Protection CSA 48
- Police Protection CSA 38
- Pajaro Storm Drain Maintenance District
- Pajaro Dunes Fire Protection CSA 4
- Pajaro Dunes Station Maintenance Fund
- Pajaro Dunes Station Assessment District Reserve
- Santa Cruz County Flood Control and Water Conservation Zone 4
- Santa Cruz County Flood Control and Water Conservation Zone 5
- Santa Cruz County Flood Control and Water Conservation Zone 6
- Santa Cruz County Flood Control and Water Conservation Zone 8
- Santa Cruz County Flood Control and Water Conservation Zone – General

Health and Sanitation

- Pasatiempo Rolling Woods Sewer District

Recreation and Culture

- Streetscape CSA 9E
- Parks and Recreation District CSA 11
- CSA 11 Zone E
- CSA 11L Lompico Community

Public Ways and Facilities

- | | |
|--|--------------------------------------|
| • County Highway Lighting CSA 9 | • Kelly Hill CSA 22 |
| • County Highway Residential Lighting CSA 9 Zone A | • Old Ranch Road CSA 23 |
| • School Crossing Guard CSA 9 Zone B | • Pineridge CSA 24 |
| • County Road Maintenance CSA 9D Zone 1 | • Viewpoint Road CSA 25 |
| • County Road Maintenance CSA 9D Zone 2 | • Hidden Valley CSA 26 |
| • CSA 9D Zone 3 | • Lomond Terrace CSA 28 |
| • Hutchinson Road CSA 13 | • Glenwood Acres CSA 30 |
| • Oakflat Road CSA 13A | • View Circle CSA 32 |
| • Huckleberry Woods Road CSA 15 | • Soquel Village Parking Improvement |
| • Robak Drive CSA 16 | • Underground Utilities #4-41st Ave. |
| • Empire Acres CSA 17 | • Redwood Drive CSA 33 |
| • Whitehouse Canyon CSA 18 | • Larsen Road CSA 34 |
| • Westdale Drive CSA 21 | • County Estates CSA 35 |
| | • Forest Glen CSA 36 |

- Roberts Road CSA 37
 - Reed Street CSA 39
 - Ralston Way CSA 40
 - Loma Prieta CSA 41
 - Sunlit Lane CSA 42
 - Bonita-Encino Drive CSA 43
 - Sunbeam Woods CSA 44
 - Pinecrest CSA 46
 - Braemoor CSA 47
 - Vineyard CSA 50
- Hopkins Gulch CSA 51
 - Upper Pleasant Valley CSA 52
 - Mosquito Abatement CSA 53
 - Riverdale Park Road CSA 55
 - Felton Grove CSA 56
 - Mansfield Street Assessment Dist.
 - Ridge Drive CSA 58
 - McGaffigan Mill Road CSA 59
 - Soquel Village CSA 9F

Geologic Hazard Abatement Districts (GHAD)

- Corralitos GHAD
- Mid-County GHAD
- Heartwood GHAD

The following Board of Supervisors Governed District funds are reported as Enterprise Funds (Sewer and Refuse Disposal Districts):

- Boulder Creek CSA 7
 - Rolling Woods CSA 10
 - Septic Tank Maintenance CSA 12
 - Freedom County Sanitation District
 - Davenport County Sanitation District
- County Disposal Sites CSA 9C
 - Sand Dollar Beach CSA 5
 - Trestle Beach CSA 20
 - Summit West CSA

B. **Basis of Accounting and Measurement Focus**

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below. The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

New Accounting Pronouncements

The County implemented the following pronouncements for the fiscal year ended June 30, 2024 .

GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement will take effect for the County’s financial statements starting with the fiscal year that ends June 30, 2024.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*. The requirements of this Implementation Guide will take effect for the County’s financial statements starting with the fiscal year that ends June 30, 2024.

Upcoming Accounting Pronouncements

The following GASB Statements will become effective for fiscal years subsequent to June 30, 2024. The County is currently analyzing its accounting practices to determine the potential impact on the financial statements for these GASB Statements.

GASB Statement No. 101, *Compensated Absences*, is intended to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement will take effect for the County's financial statements starting with the fiscal year that ends June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, is intended to require state and local governments to disclose risks that could affect their ability to provide services or meet obligations. The requirements of this Statement will take effect for the County's financial statements starting with the fiscal year that ends June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement will take effect for the County's financial statements starting with the fiscal year that ends June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is intended to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement will take effect for the County's financial statements starting with the fiscal year that ends June 30, 2026.

Government-Wide Financial Statements

The County's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the County accompanied by a total column, as well as its discretely presented component unit. Fiduciary activities of the County are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the County in three categories:

- Fees, fines, and charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made to interfund activities as prescribed by GASB Statement No. 34. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column, if any. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

The County prepares a County-wide cost allocation plan in accordance with *Title 2 Code of Federal Regulations Part 200 (2 CFR Part 200)*, "State/Local Government-Wide Central Service Cost Allocation Plans." Using this directive, all indirect support costs are allocated to County funds and departments using a step-down method so that the true cost of operations can be included in determining the rates to be charged to users.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. The County has presented all major funds that met the applicable criteria.

The County reports the following major governmental funds:

General Fund – The County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other specialized funds.

Off Highway, Road, and Transportation Fund – accounts for the County's road and transportation fund. Revenues come primarily from State and Federal grants, State taxes, and a State subvention from vehicle license fees.

Housing Fund – accounts for the County's housing developments and loans. Revenues come from State and Federal awards and grants, and offsets from major housing projects as well as housing impact fees.

Capital Projects Fund – used to account for the construction or acquisition of capital assets such as land, construction-in-progress, buildings and improvements, improvements other than buildings, and infrastructure. Revenues are provided by County Lease Revenue bonds as well as contributions from the former Redevelopment Agency per the County-Redevelopment Agency Cooperation Agreement.

Debt Service Fund – used to account for the accumulation of resources for, and for the payment of, general long-term debt. Debt service funds include the previously reported Special Revenue Funds under *Financing Authorities*.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized when "measurable" and "available." Measurable means knowing or being able to reasonably estimate the amount. Available means having been earned and collectible within the current period or within 60 days after year-end for property tax revenues, and 180 days after year-end with limited exceptions extending the availability period for certain grant revenues. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences, which are reported when due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

For information related to budgetary policies and encumbrance accounting please refer to the Budgetary Principles section found in Required Supplementary Information.

Reconciliations of the Governmental Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Fund Net Position; and a Statement of Cash Flows for all proprietary funds. The County reports the following major proprietary funds:

County Disposal Sites CSA 9C Fund – Accounts for the operation and expansion of the County's landfills and implementation of state mandated environmental health programs. User fees, service area charges and revenues from the waste recovery and recycling projects finance the fund.

Internal Service Funds – Accounts for central duplicating, information services, public works, fleet management, and self-insurance services provided to other departments, or to other governments, on a cost reimbursement basis. Internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements.

The other proprietary funds provide sewer collection, treatment, and disposal services as well as septic tanks and water treatment within their area of service, along with unincorporated parts of the County.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Fiduciary Fund Financial Statements

The Fiduciary Fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County reports the following fiduciary fund types:

Investment Trust Funds – The Investment Trust Funds are used to report fiduciary activities from the external portion of an investment pool and individual investment accounts that are held in a trust. Participants include school and community college districts, other special districts governed by local boards, regional boards and authorities and cities that are required to keep cash in the County Treasury.

Private-Purpose Trust Funds – The Private-Purpose Trust Funds are used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefits) trust funds or investment trust funds and (b) are held in a trust. These include the Public Guardian and the Redevelopment Successor Agency.

Custodial Funds – The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. The County reports on 141 different custodial funds. The funds are held by the County in a custodial capacity for individuals or other government units. These include a fund for unapportioned property taxes and other custodial funds for special districts, joint powers authorities, city's redevelopment successor agencies, state agencies and individuals.

C. Cash, Cash Equivalents and Investments

The County's cash and investments and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The County participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing

these investments. In addition, these structured notes and asset-backed securities are subject to market risk as well as to changes in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

All cash and investments of proprietary funds are held in the County’s investment pool. Therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for purposes of the Statement of Cash Flows as these cash pools have the general characteristic of a demand deposit account.

D. **Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans) or “advances from/to other funds” (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

E. **Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. A reservation of fund balance has been reported in the governmental funds to show that inventories do not constitute “available spendable resources.”

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased. A reservation of fund balance has been reported in the governmental funds to show that prepaid amounts do not constitute “available spendable resources.”

F. **Capital Assets**

Government-Wide Financial Statements

Capital assets, which include land, construction-in-progress, buildings and improvements, improvements other than buildings, machinery and equipment, autos and trucks, equipment under capitalized leases, and infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. County policy has set the capitalization threshold for reporting capital assets at \$5,000 (for equipment and vehicles) and \$25,000 (for infrastructure, buildings and structures). Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Infrastructure	4-65 years
Buildings and structures	10-50 years
Equipment and vehicles	2-15 years

For infrastructure systems, the County elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting.

The County defines infrastructure as the basic physical assets that allow the County to function. The assets include streets, bridges, sidewalks, drainage systems, lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction-related debt incurred during the period of construction is capitalized as a cost of the constructed assets.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

The Governmental Funds Financial Statements do not present General Government capital assets. Consequently, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

The capital assets of the enterprise funds in the Proprietary Fund Financial Statements are the same as those shown in the business-type activities of the Government-Wide Financial Statements. Internal Service Funds' capital assets are combined with governmental activities.

G. Lease

Lessee: The County is a lessee for noncancellable leases of equipment, office space and warehouse space. The County recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The County monitors changes in circumstances that would require a remeasurement of its lease and will reassess the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments plus, for many of the County's leases, variable payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. For office equipment leases for which the County has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single, combined lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- amounts expected to be payable by the County under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the County exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the County. These are used to maximize operational flexibility in terms of managing the assets used in the County's operations. The majority of extension and termination options held are exercisable only by the County and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's estimated incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), are initially measured using the index or rate as of the commencement of the lease term.

Lessor: The County is a lessor for a noncancellable lease of office space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

H. **Land Held for Resale**

Land held for resale is carried at cost. An amount equal to the carrying value of land is included in the nonspendable fund balance because such assets are not available to finance the County's current operations.

I. *Deferred Outflows and Inflows of Resources*

The County recognizes deferred outflows of resources and deferred inflows of resources in accordance with GASB Statement No. 63 and GASB Statement No. 65. Deferred outflows and inflows of resources were items previously reported as assets and liabilities and are defined as "a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively."

The deferred loss on bond refunding represents the excess of the amount placed in escrow (reacquisition price) over the carrying amount of the refunded bonds and is amortized as a component of interest expense over the shorter of the remaining life of the refunded or refunding bonds.

J. *Long-Term Debt***Government-Wide Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in Government-Wide Financial Statements and the Proprietary Fund Financial Statements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Debt issuance costs should be reported as expenses in the period incurred.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

K. *Compensated Absences***Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the County's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such funds' share of the unpaid liability is recorded as a long-term liability of the fund. Vested or accumulated compensated absences in proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. Accrued but unpaid liabilities at year-end are recorded in the respective funds.

L. *Claims Payable*

The County records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

M. *Pensions*

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Pension Plans note and the required supplementary information (RSI) on page 138 of this report), regardless of the amount recognized as pension expenditures on the governmental funds financial statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured

as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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

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

N. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

O. Net Position and Fund Balances

Government-Wide Financial Statements - In the Government-Wide Financial Statements, net position is classified into the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

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

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period. The establishment of Committed fund balance requires

the passage of a resolution by a simple majority vote before June 30 of the applicable fiscal year. Board action is required to change or remove the commitment. The Board resolution shall identify the title of the commitment, describe the specific purpose for the commitment, and the actual amount of the commitment or the process or formula necessary to calculate the actual amount. Funding for Committed fund balance shall be approved annually by the Board of Supervisors as part of the budget approval process.

Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.

The Board of Supervisors has the authority to assign funds for a specific purpose with a simple majority vote. The same action is required to change or remove an assignment.

The County Administrative Officer also has the authority to assign funds for specific purposes, and to change or remove the assignment. The establishment, change or removal of an assignment by the County Administrative Officer must be reported to the Board of Supervisors at the next Board meeting. The Board may change or remove an assignment established by the County Administrative Officer with a simple majority vote.

An appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget may be classified as assigned fund balance.

Unassigned fund balance – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance amount. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, and it may be necessary to report a negative unassigned fund balance in that fund.

The County considers restricted fund balances to be spent first when both restricted and unrestricted resources are available for use. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the County considers Committed amounts to be reduced first, followed by Assigned amounts and then Unassigned amounts.

Fund Balance Policy - The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its County funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The County has adopted a policy to achieve and maintain committed and assigned fund balance categories of no less than 7.0% of the upcoming budget year's estimated revenues.

Additional detailed information, along with the complete Fund Balance Policy can be obtained from the County Auditor-Controller/Treasurer-Tax Collector's office located at 701 Ocean Street, Room 100, Santa Cruz, CA 95060.

Committed for Working Capital

The County has established a separate committed fund balance account for Working Capital. Funding for committed Working Capital is established by a resolution of the Board of Supervisors, and will be approved annually by the Board during the budget approval process.

The County's fund that is committed for Working Capital is to be used only if the Board of Supervisors declares a fiscal emergency. Any use of funds requires a four-fifths vote of the Board of Supervisors appropriating the funds.

As of June 30, 2024, the County's fund for Working Capital had a balance of \$6,000,000 and is included in the General Fund.

Committed for Strategic Reserve

The County has established a separate committed fund balance account known as the Strategic Reserve. The target funding level for the Strategic Reserve is an amount equivalent to 1.5% of general fund operating revenue. Funding for the Strategic Reserve is appropriated annually by the Board as part of the budget approval process.

The purpose of the County's Strategic Reserve is to:

- a) Mitigate economic downturns that reduce County general revenue;
- b) Mitigate state or federal budget actions that may reduce County revenue; and
- c) Maintain core service levels essential to public health, safety, and welfare.

The monies in the Strategic Reserve are separate monies used only for the purposes stated above. The funds are used only to support the operating budget during recessions or periods of economic distress as measured by periods of time when the unemployment rate exceeds 8% and/or the rate of inflation exceeds the growth in property tax revenue. Any use of funds requires a four-fifths vote of the Board of Supervisors appropriating the funds.

As of June 30, 2024, the County's Strategic Reserve Fund Balance was \$10,000,000 and is included in the General Fund.

Committed for Natural Disasters

The County has established a separate committed fund balance account for Natural Disasters. Funding for Natural Disasters is established by a resolution of the Board of Supervisors and will be approved annually by the Board during the budget approval process.

The purpose of the County's fund for Natural Disasters is to finance extraordinary operating costs, legal costs, and cash flow problems associated with delays in State and Federal reimbursements for any natural disaster declared by the County's Director of Emergency Services and subsequently ratified by the Board of Supervisors, and the State of California or the Federal government. Any use of funds requires a four-fifths vote of the Board of Supervisors appropriating the funds.

As of June 30, 2024, the County's fund for Natural Disasters had a balance of \$2,000,000 and is included in the General Fund.

Committed for Mental Health Service Act (MHSA) Prudent Reserve

The County has established a separate committed fund balance account for the MHSA Prudent Reserve.

Welfare and Institutions Code (WIC) Section 5847(a)(7) requires each county to establish and maintain a MHSA Prudent Reserve fund to ensure that, in years in which revenues for the MHSA Fund are below recent averages, the county will be able to continue to serve children, adults and seniors through the MHSA Community Services and Supports (CSS) and Prevention and Early Intervention (PEI) programs. The State provided guidance to counties that the State retains the authority to approve the use of these funds through a request from the county based on specified economic indicators established by the State. The minimum Prudent Reserve required is at least 50% of the total of MHSA funding provided to the County for CSS and PEI services. In April 2011, the California Department of Mental Health issued Notice No. 11-05 rescinding the Prudent Reserve 50% requirement and left it to the counties' discretion to determine what their Prudent Reserve funding level should be.

As of June 30, 2024, the County's fund for the MHSA Prudent Reserve had a balance of \$2,997,367 and is included in the General Fund.

P. *Property Tax Levy, Collection and Maximum Rates*

The State of California Constitution, Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by the voters. Assessed value is calculated at 100% of market value as defined by Article

XIIIA and may be increased by no more than 2% per year unless the property is sold or transferred. These general property tax rates do not apply to taxes levied to pay the interest and redemption charges on any indebtedness incurred prior to June 6, 1978, or subsequently approved by the voters. Supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction. The State Legislature has determined the method of distribution among the counties, cities, school districts, and other districts of receipts from the 1% property tax levy.

The County assesses properties, bills for, and collects taxes as follows:

	Secured	Unsecured
Levy Dates	July 1	July 1
Lien Dates	January 1	January 1
Due Dates	November 1 and February 1	August 1
Delinquent After	December 1 and April 10	August 31
Tax Rate Per \$100		
Full Cash Value	\$1	\$1
Late Penalty	10%	10%
Delinquent Interest	1-1.5% per month	1-1.5% per month

These taxes are secured by liens on the property being taxed. The Board annually sets the rates of the County and district taxes and levies County and district taxes as provided by law. The term “secured” refers to taxes on land and buildings, while “unsecured” refers to taxes on personal property other than land and buildings. During fiscal year 1993-1994, the Board adopted the Alternative Method of Tax Apportionment (the Teeter Plan). Under this method, the County allocates to all taxing jurisdictions under the County, 100% of the secured property taxes billed, even if it has not yet been collected. In return, the County retains the subsequent delinquent payments and associated penalties and interest. The penalties and interest are accumulated in an Agency Fund. The County may transfer to the General Fund any excess over the reserve required by the Board and the State.

Delinquent property taxes receivables are shown on the Statement of Net Position of the property tax collections funds reported in the Agency Funds. Under California law, real property is not subject to sale for reasons of delinquent taxes until the end of the fifth year of delinquency, and the taxpayer may arrange to repay the delinquent taxes over a five-year period and any time within the five-year period, although the property is subject to a cash redemption up to the time of the sale.

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the State of California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in trust in the secured tax losses reserve fund to fund specific tax redemption shortfalls.

Q. **Use of Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

The investment pool activity is governed by the California Government Code and the County Investment Policy. The County Treasurer is responsible for managing the investment pool with deposits from the County, County school districts and various special districts pursuant to California Government Code Section 53600. The objectives of the County investment policy, in order of priority, are safety, liquidity, and yield. The County Board of Supervisors reviews the County Investment Policy annually, and all amendments to the policy require the approval of the County Board of Supervisors. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily cash balance of each fund. Interest earned through June 30, 2024, was distributed on June 30, 2024.

The following is a summary of cash and investments at June 30, 2024:

Government-Wide Statement of Net Position				
	Primary Government			Component Unit
	Government	Business-Type	Total	Santa Cruz County
	Activities	Activities		Sanitation District
Cash and Investments	\$ 332,736,151	\$ 20,567,535	\$ 353,303,686	\$ 19,439,889
Restricted Cash and Investments	32,124,961	15,546,942	47,671,903	39,595,033
Total Cash and Investments	\$ 364,861,112	\$ 36,114,477	\$ 400,975,589	\$ 59,034,922
Fiduciary Funds				
	Custodial	Investment	Private-Purpose	County
	Funds	Trust Funds	Trust Funds	Total
Cash and Investments	\$ 20,571,376	\$ 944,439,003	\$ 15,821,833	\$ 1,353,575,787
Restricted Cash and Investments	247,875	11,740,736	10,671	99,266,218
Total Cash and Investments	\$ 20,819,251	\$ 956,179,739	\$ 15,832,504	\$ 1,452,842,005
	Cash and Investments	Restricted Cash and Investments	Total	
Primary Government and Fiduciary Funds:				
Cash on hand and imprest cash	\$ 12,869,334	\$ -	\$ 12,869,334	
Cash deposits in treasury pool	26,364,842	-	26,364,842	
Investments in treasury pool	1,294,901,722	-	1,294,901,722	
Restricted investments in other pools	-	44,750,783	44,750,783	
Restricted cash deposits in treasury pool:				
County Disposal Sites CSA 9C	-	14,920,402	14,920,402	
Total	1,334,135,898	59,671,185	1,393,807,083	
Component Unit:				
Investments in treasury pool	19,439,889	-	19,439,889	
Restricted investments in other banks	-	39,595,033	39,595,033	
Total	19,439,889	39,595,033	59,034,922	
Total cash and investments	\$ 1,353,575,787	\$ 99,266,218	\$ 1,452,842,005	

At June 30, 2024, the County's cash on hand, deposits, and investments consisted of:

	Treasury Pool	Other Banks/ Investment Pools	Total
Primary Government and Fiduciary Finds:			
Cash and imprest cash	\$ 12,869,334	\$ -	\$ 12,869,334
Deposits	26,364,842	-	26,364,842
Investments	1,309,822,124	44,750,783	1,354,572,907
Total Primary Government and Fiduciary Funds	1,349,056,300	44,750,783	1,393,807,083
Component Unit:			
Investments	19,439,889	39,595,033	59,034,922
Total Component Unit	19,439,889	39,595,033	59,034,922
Total Reporting Entity	\$ 1,368,496,189	\$ 84,345,816	\$ 1,452,842,005

The carrying amount of the County's cash deposits was \$26,364,842 at June 30, 2024, of which the bank balances were fully insured or collateralized with securities held by the pledging financial institutions in the County's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This California Government Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The fair value of pledged securities must equal at least 110% of the County's cash deposits. State law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

A. Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage or Amount of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	10%	None
U.S. Treasury obligations	5 years	100%	None
U.S. Government Agency obligations	5 years	100%	25%
Bankers' acceptances	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	10%
Non-negotiable certificates of deposit	5 years	None	10%
Bank deposit	5 years	10%	10%
Repurchase agreements	1 year	None	10%
Medium-term notes	5 years	30%	10%
Mutual funds/money market mutual funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
Joint Powers Authority investment funds	N/A	25%	10%
Supranationals	5 years	30%	10%

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value. The fair value of investments correlates to changes in interest rates. When interest rates increase, an investment portfolio will see a decrease in fair value, as prior securities were purchased at lower yields. Inversely, when interest rates decrease, an investment portfolio will see an increase in fair value, as prior securities were purchased at higher yields. The fiscal year ended June 30, 2022 saw a significant increase in interest rates, which resulted in a material unrealized decrease in the fair value of pool investments. Interest rates have slowly declined over the past two fiscal years resulting in a steady increase in the fair value of pool investments. The negative fair value adjustment has decreased from \$32,494,816 at June 30, 2022, to \$25,566,028 at June 30, 2023, and to \$22,853,681, at June 30, 2024. The change has been recorded in the financial statements of all funds with equity in pooled cash and investments in the County Treasury. The County has the full intent and ability to hold investments to maturity and does not expect to realize the decrease in fair value.

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the County's investment policy.

B. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

At June 30, 2024, the County had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	More than 4
Local Agency Bonds	\$ 67,491,248	\$ 17,405,064	\$ 13,680,834	\$ 22,914,350	\$ 13,491,000	\$ -
U.S. Treasury Securities	375,757,009	224,235,604	19,580,400	43,768,350	55,872,000	32,300,655
Federal Agency Securities	187,634,748	109,240,800	33,966,200	44,427,748	-	-
Medium-Term Notes - Other	192,398,074	36,771,028	101,190,236	9,933,600	10,019,900	34,483,310
Money Market Mutual Funds	280,000,000	280,000,000	-	-	-	-
Local Agency Investment Fund (LAIF)	10,000	10,000	-	-	-	-
Certificates of Deposit	179,978,050	179,978,050	-	-	-	-
Investment Agreements	8,000,000	8,000,000	-	-	-	-
Supranationals	76,037,050	14,458,950	16,966,260	-	-	44,611,840
Total Investments	<u>\$ 1,367,306,179</u>	<u>\$ 870,099,496</u>	<u>\$ 185,383,930</u>	<u>\$ 121,044,048</u>	<u>\$ 79,382,900</u>	<u>\$ 111,395,805</u>

C. Concentration of Credit Risk

At June 30, 2024, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

The following schedule is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2024.

Investments Type	Standard & Poor's	Moody's	% of Portfolio
Local Agency Bonds	A	Aa3	4.94%
U.S. Treasury Securities	N/A	N/A	27.48%
Federal Agency Securities	AA+	Aaa	13.72%
Medium-Term Notes	A/AAA	A+	14.07%
Money Market Mutual Funds	Unrated	Unrated	20.48%
Certificates of Deposit	A1	P1	13.16%
Checking Account	Unrated	Unrated	0.59%
Supranationals	AAA	Aaa	5.56%
Total			100.00%

D. Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

E. California Asset Management Program (CAMP)

The County began participating on January 1, 2019 in the CAMP, a California Joint Powers Authority (JPA), to provide California public agencies with professional investment services. As of June 30, 2024, the County had \$220,000,000 invested in CAMP. The funds are included in Money Market Mutual Funds noted above.

F. Fair Value Measurements

The pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1: Investments reflect prices quoted in active markets,

Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active, and

Level 3: Investments reflect prices based upon unobservable sources.

The pool has the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Debt Securities:				
Local Agency Bonds	\$ 67,491,248	\$ 67,491,248	\$ -	\$ -
U.S. Treasury Securities	375,757,009	375,757,009	-	-
Federal Agency Securities	187,634,748	187,634,748	-	-
Medium-Term Notes	192,398,074	192,398,074	-	-
Certificates of Deposit	179,978,050	179,978,050	-	-
Investment Agreements	8,000,000	8,000,000	-	-
Supranationals	76,037,050	76,037,050	-	-
Total investments measured at fair value	\$ 1,087,296,179	\$ 1,087,296,179	\$ -	\$ -
Investments measured at amortized cost:				
Money Market Mutual Funds	280,000,000			
Local Agency Investment Fund (LAIF)	10,000			
Total pooled and directed investments	\$ 1,367,306,179			

NOTE 3 - RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2024, that are restricted by legal or contractual requirements are comprised of the following:

<u>Governmental Activities</u>	
Debt Service Fund:	
Used for capital projects	32,124,961
<u>Business-Type Activities</u>	
County Disposal Sites CSA 9C:	
Used for landfill deposits	15,546,942
<u>Component Unit</u>	
Santa Cruz County Sanitation District:	
Bond proceeds used to replace aging sewer lines and upgrade pump station	39,595,033
<u>Fiduciary Funds</u>	
County of Santa Cruz Redevelopment Successor Agency:	
Used for debt service	10,671
Place De Mer Special Assessment District:	
Upgrade aging septic system	247,875
Investment trust funds:	
Central Fire District	10,250,673
Pajaro Fire District	646,708
Libraries Facilities Financing Authority	707,532
Felton Community Facilities District	21,994
Conservation Reassessment District	113,829
Total Investment trust funds	11,740,736
	<u>\$ 99,266,218</u>

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

Receivables at year-end for the County's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The "Internal balances" on the Statement of Net Position (Government-wide) represents the net total amount of due to/from and advances to/from between Governmental funds and Enterprise funds and between Internal Service funds and Enterprise funds. These due to/from amounts include any that are the result of allocating operating profits and losses of the Internal Service funds to the Enterprise funds (Internal Service fund allocation). The due to/from amounts that are the results of operating profits/losses of the Internal Service funds are cumulative. Current year amounts are netted with the amounts from prior year.

B. Governmental and Proprietary Funds Financial Statements

Due to/from

The County had the following due to/from other funds as of June 30, 2024:

Due to Other Funds	Due from Other Funds		
	Capital Projects	Internal Service	Total
	Fund	Funds	
Off Highway, Road, and Transportation	\$ -	\$ 9,306,054	\$ 9,306,054
Debt Service Fund	12,867	-	12,867
Nonmajor Special Revenue Funds	-	1,221,656	1,221,656
Internal Service Funds	-	75,695	75,695
Enterprise Funds	-	4,592,906	4,592,906
Total	\$ 12,867	\$ 15,196,311	\$ 15,209,178

Balances due to Internal Service Funds resulted from short-term loans used to cover operating cash deficits at year-end. These amounts will be repaid in the following fiscal year. Balances between the Capital Projects Fund and Debt Service Fund are a result of the accrual of eligible construction costs.

Transfers in/out

The County had the following transfers for the year ended June 30, 2024:

Transfers Out	Transfers In					
	General	Off Highway, Road, & Transportation	Debt Service Fund	Capital Projects Fund	Internal Service Funds	Total
	Fund	Fund	Fund	Fund	Funds	
General Fund	\$ -	\$ -	\$ 16,052,603	\$ 4,050,285	\$ 25,000	\$ 20,127,888
Housing Fund	671,326	-	-	-	-	671,326
Debt Service Fund	153,289	54,578,195	-	23,509,693	-	78,241,177
Nonmajor Governmental Funds	2,431,315	-	-	55,481	-	2,486,796
Internal Service Funds	-	-	-	788,351	-	788,351
Total	\$ 3,255,930	\$ 54,578,195	\$ 16,052,603	\$ 28,403,810	\$ 25,000	\$ 102,315,538

Transfers are contributions to other funds to finance various programs in accordance with budgetary authorizations.

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

Transfers to/from other funds at June 30, 2024 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Internal Service Funds	\$ 25,000	To Public Works for Big Basin Water Project
	Debt Service Fund	16,052,603	For debt service payments
	Capital Projects Fund	4,050,285	To finance capital projects
		<u>20,127,888</u>	
			For operating expenses related to permanent
Housing Fund	General Fund	671,326	supportive housing
			For interest credit received from the Internal Revenue
Debt Service Fund	General Fund	152,339	Service
	General Fund	950	For capital improvements
	Off Highway, Road, and		For capital improvements and for cost of repairs
	Transportation Fund	54,578,195	caused by storm damage
	Capital Projects Fund	23,509,693	For capital projects
		<u>78,241,177</u>	
Nonmajor	General Fund	15,000	From Library Fund to General Fund for operations
Governmental Funds	General Fund	22,446	From Parks to General Fund for debt service
			From Public Protection to General Fund for debt
	General Fund	800,000	service
			From Health and Sanitation Fund to General Fund for
	General Fund	1,529,274	Mosquito Abatement District operations
			From Recreation and Culture to General Fund for debt
	General Fund	64,595	service
	Capital Projects Fund	55,481	From Library Fund to General Fund for operations
		<u>2,486,796</u>	
Internal			
Service Funds	Capital Projects Fund	788,351	From Information Services for Westridge Drive project
		<u>788,351</u>	
		<u>\$ 102,315,538</u>	

NOTE 6 - LOANS RECEIVABLE**A. Government-Wide Financial Statements**

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, requires the disclosure of significant receivable balances not expected to be collected within one year of the date of the financial statements. Following is the detail of receivable balances not expected to be collected within the next fiscal year:

Loans Receivable	
<u>Homeowner Loans</u>	
First Time Homebuyer Program	\$ 4,460,320
Homeowner Loan - Federal Grants	131,535
Homeowner Loan - State Grants	4,112,197
Mobile Home Change Out Program	4,338,980
Mobile Home Rehab Program	149,812
Property Tax Postemployment Loans	109,129
Total Homeowner Loans	13,301,973
<u>Housing Project Loans</u>	
Aptos Cottages (Miller)	7,137,111
Casa Linda, Inc.	40,940
CFSC, Inc - Brommer St	2,407,200
CFSC, Inc - Anderson	199,000
CFSC, Inc - Freedom Blvd	651,927
CFSC, Inc - Freedom House	78,703
Corralitos Creek Assoc.	1,324,999
Dientes Community	185,000
Golden Torch	1,287,385
Habitat	2,929,999
Housing Authority	1,500,000
Marmo's	1,642,323
McGregor	891,748
McIntosh Coach Purchase #12	98,000
McIntosh Coach Purchase	80,000
Mercy - McIntosh (Coach Loan)	290,000
Mercy - Rehab	70,000
Mercy Housing	293,226
Mercy Properties	274,227
Merrill Rd Assoc.	300,000
MidPen Housing - St. Stephens	4,772,124
MidPen Housing - Orchards	3,500,000
MidPen Housing - 17th and Capitola	5,315,585
Mid-Peninsula the Farm, Inc	4,304,545
Monarch Inc	76,534
MP Jardines	421,670
MP Minto Associates	9,849,630
MP Murphy's Associates	475,783

Loans Receivable (continued)	
Housing Project Loans (continued)	
MP New Communities Assoc	1,435,189
Novin - Park Avenue	2,061,000
Pacific Family Coach Acquisitions	110,140
Pacific Family - SCH	2,622,565
Pleasant Acres Permanent Financing	3,512,452
San Andreas	700,000
South County Housing Corp	5,757,114
St. Stephens Predevelopment	265,800
Vista Verde Family Housing	2,230,000
Total Housing Project Loans	69,091,919
Total Loans Receivable	\$ 82,393,892

The St. Stephens Predevelopment loan is an unsecured loan, which will be converted to a loan secured by the deed of trust to the property upon commencement of development. All remaining loans are housing loans secured by deeds of trust on the properties.

B. **Business-Type Financial Statements**

The County had the following loans receivable as of June 30, 2024:

Nonmajor business-type fund:	
Septic Tank Maintenance CSA 12	\$ 5,051
Total business-type loans receivable	\$ 5,051

NOTE 7 - CAPITAL ASSETS**A. Government-Wide Financial Statements**

The following is a summary of capital assets for governmental activities:

	Balance July 1, 2023	Additions	Retirements	Reclass- ifications	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 64,262,447	\$ -	\$ -	\$ 2,310,000	\$ 66,572,447
Construction-in-progress	53,097,069	36,380,259	-	(70,890,925)	18,586,403
Total capital assets, not being depreciated	117,359,516	36,380,259	-	(68,580,925)	85,158,850
Capital assets, being depreciated:					
Infrastructure	842,097,373	82,883,227	-	-	924,980,600
Buildings	302,498,338	481,117	-	68,479,605	371,459,060
Machinery and equipment	63,787,556	4,532,869	(2,086,752)	101,320	66,334,993
Right of use assets being amortized:					
Buildings	23,668,745	446,703	(10,938,478)	(14,212)	13,162,758
Land	-	46,290	-	-	46,290
Furniture, Machinery, and Equipment	2,486,241	148,361	(160,087)	14,212	2,488,727
SBITA	5,180,782	-	(1,471,921)	-	3,708,861
Total right of use assets being amortized	31,335,768	641,354	(12,570,486)	-	19,406,636
Total capital assets being depreciated	1,239,719,035	88,538,567	(14,657,238)	68,580,925	1,382,181,289
Accumulated depreciation and amortization:					
Infrastructure	(407,023,964)	(27,514,548)	-	-	(434,538,512)
Buildings	(132,799,752)	(8,205,628)	-	-	(141,005,380)
Machinery and equipment	(47,085,738)	(5,209,103)	2,050,181	-	(50,244,660)
Buildings ROU	(5,364,979)	(2,362,383)	2,609,492	5,379	(5,112,491)
Land - ROU	-	(2,942)	-	-	(2,942)
Furniture, Machinery, and Equipment ROU	(425,718)	(350,545)	160,085	(5,379)	(621,557)
SBITA	(1,351,636)	(1,364,623)	391,827	-	(2,324,432)
Total accumulated depreciation and amortization; net	(594,051,787)	(45,009,772)	5,211,585	-	(633,849,974)
Total capital assets, being depreciated, net	645,667,248	43,528,795	(9,445,653)	68,580,925	748,331,315
Governmental activities capital assets, net	\$ 763,026,764	\$ 79,909,054	\$ (9,445,653)	\$ -	\$ 833,490,165

Depreciation and amortization expense was charged to governmental functions as follows:

	Capital	Right-of-use	Total
Governmental Activities:			
General government	\$ 1,212,717	\$ 452,890	\$ 1,665,607
Public protection	4,329,138	1,114,652	5,443,790
Public ways and facilities	27,514,548	-	27,514,548
Health and sanitation	2,336,405	210,172	2,546,577
Public assistance	531,756	936,495	1,468,251
Education	851,291	-	851,291
Recreation and cultural services	923,480	-	923,480
Subtotal	37,699,335	2,714,209	40,413,544
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	3,229,944	1,366,284	4,596,228
Total	\$ 40,929,279	\$ 4,080,493	\$ 45,009,772

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2023	Additions	Retirements	Reclass- ifications	Balance June 30, 2024
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,858,849	\$ -	\$ -	\$ -	\$ 1,858,849
Construction-in-progress	789,440	7,066,374	-	-	7,855,814
Total capital assets, not being depreciated	2,648,289	7,066,374	-	-	9,714,663
Capital assets, being depreciated:					
Buildings	73,346,245	634,151	-	-	73,980,396
Machinery and equipment	11,869,552	623,250	(57,342)	-	12,435,460
Total capital assets, being depreciated	85,215,797	1,257,401	(57,342)	-	86,415,856
Accumulated depreciation and amortization:					
Buildings	(36,193,004)	(2,081,067)	-	-	(38,274,071)
Machinery and equipment	(9,306,904)	(756,054)	57,342	-	(10,005,616)
Total accumulated depreciation and amortization, net	(45,499,908)	(2,837,121)	57,342	-	(48,279,687)
Total capital assets, being depreciated, net	39,715,889	(1,579,720)	-	-	38,136,169
Business-Type activities capital assets, net	\$ 42,364,178	\$ 5,486,654	\$ -	\$ -	\$ 47,850,832

Depreciation expense was charged to business-type functions as follows:

	Total
<u>Business-Type Activities:</u>	
County Disposal Sites CSA 9C	\$ 1,807,176
Boulder Creek CSA 7	160,861
Rolling Woods CSA 10	9,019
Septic Tank Maintenance CSA 12	545
Freedom County Sanitation District	529,354
Davenport County Sanitation District	305,889
Place de Mer CSA 2	5,542
Sand Dollar Beach CSA 5	18,735
Total	<u>\$ 2,837,121</u>

B. Component Unit – Santa Cruz County Sanitation District (the District)

	Balance July 1, 2023	Additions	Deletions	Reclass- ification	Balance June 30, 2024
Nondepreciable assets:					
Construction-in-progress	\$ 12,797,563	\$ 4,856,319	\$ (30,891)	\$ (7,961,699)	\$ 9,661,292
Total nondepreciable assets	<u>12,797,563</u>	<u>4,856,319</u>	<u>(30,891)</u>	<u>(7,961,699)</u>	<u>9,661,292</u>
Depreciable assets:					
Pumping stations	62,687,756	183,829	-	-	62,871,585
Transmission systems	149,658,708	12,101,440	-	7,961,699	169,721,847
Sewage treatment capacity rights	35,924,625	56,765	-	-	35,981,390
Mobile equipment	5,071,343	910,736	(53,102)	-	5,928,977
Other equipment	<u>3,817,570</u>	<u>607,843</u>	<u>-</u>	<u>-</u>	<u>4,425,413</u>
Total depreciable assets	<u>257,160,002</u>	<u>13,860,613</u>	<u>(53,102)</u>	<u>7,961,699</u>	<u>278,929,212</u>
Accumulated depreciation:					
Pumping stations	(30,673,562)	(1,064,205)	-	-	(31,737,767)
Transmission systems	(60,761,992)	(3,587,870)	-	-	(64,349,862)
Sewage treatment capacity rights	(21,365,659)	(985,340)	-	-	(22,350,999)
Mobile equipment	(3,605,887)	(275,984)	53,102	-	(3,828,769)
Other equipment	<u>(2,052,412)</u>	<u>(440,127)</u>	<u>-</u>	<u>-</u>	<u>(2,492,539)</u>
Total accumulated depreciation	<u>(118,459,512)</u>	<u>(6,353,526)</u>	<u>53,102</u>	<u>-</u>	<u>(124,759,936)</u>
Depreciable assets, net	<u>138,700,490</u>	<u>7,507,087</u>	<u>-</u>	<u>7,961,699</u>	<u>154,169,276</u>
Total capital assets, net	<u>\$ 151,498,053</u>	<u>\$ 12,363,406</u>	<u>\$ (30,891)</u>	<u>\$ -</u>	<u>\$ 163,830,568</u>

Depreciation expense for the District at June 30, 2024, was \$6,353,526.

NOTE 8 - LEASES

A. Lease receivable

The County leases out office space in the Government Center at 701 Ocean Street. Most leases have initial terms of up to three years, and contain one or more renewals at our option, generally for two year periods. We have included these renewal periods in the lease term when it is reasonably certain we will exercise the renewal option. The County's lease arrangements do not contain material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its estimated incremental borrowing rate to discount the lease payments.

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

	Governmental Activities	
	Principal	Interest
2025	\$ 17,161	\$ 115
2026	-	-
2027	-	-
2028	-	-
2029	-	-
Total	\$ 17,161	\$ 115

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities
Lease revenue	\$ 28,595
Interest revenue	\$ 655

B. Lease Payable

The County is obligated under leases covering certain office space, warehouse space, machinery and office equipment that expire at various dates during the next 43 years.

The County has entered into various lease agreements as lessee primarily for office space, warehouse space and office equipment. Most leases for office space and warehouse space have initial terms of up to 10 years, and contain one or more renewals at our option, generally for five to ten-year periods. We have included these renewal periods in the lease term when it is reasonably certain that we will exercise the renewal option. Most leases for office equipment have initial terms of four years and contain options to purchase or replace the equipment at the end of the term. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases for office space and warehouse space is not readily determinable, the County utilizes its estimated incremental borrowing rate to discount the lease payments. Lease payments for office equipment are discounted at the stated interest rate, which is included in most of the County's leases for office equipment.

The statement of net position shows the following amounts relating to leases:

Right-of-use assets	Governmental Activities
	June 30, 2024
Buildings	\$ 8,050,267
Machinery and Equipment	1,867,170
Land	43,348
	<u>\$ 9,960,785</u>
	Governmental Activities
	June 30, 2024
Lease payable	
Current	\$ 2,058,140
Non-current	8,355,135
	<u>\$ 10,413,275</u>

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal year	Principal	Governmental Activities	Interest
2025	\$ 2,058,140	\$	269,156
2026	1,657,065		215,206
2027	1,311,943		164,942
2028	1,206,582		121,330
2029	659,135		94,170
2030-2034	1,868,428		264,209
2035-2039	793,358		124,385
2040-2044	126,989		79,484
2045-2049	140,330		66,142
2050-2054	155,018		51,455
2055-2059	171,243		35,229
2060-2064	189,162		17,310
2065-2069	75,882		1,490
Total	<u>\$ 10,413,275</u>	<u>\$</u>	<u>1,504,508</u>

C. *SBITA Payable*

The County is obligated under contracts covering certain subscription-based information technology arrangements (SBITA) that expire at various dates during the next five years. The County has entered into various SBITA contracts as lessee for information technology (IT) software. The County's SBITA contracts do not contain material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments.

The statement of net position shows the following amounts relating to leases:

Right-of-use assets	Governmental Activities
	June 30, 2024
SBITA	\$ 1,384,429
	\$ 1,384,429
	Governmental Activities
SBITA payable	June 30, 2024
Current	\$ 1,153,723
Non-current	129,561
	\$ 1,283,284

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal year	Principal	Governmental Activities	Interest
2025	\$ 1,153,723	\$	34,108
2026	99,950		3,939
2027	29,611		708
2028	-		-
2029	-		-
Total	\$ 1,283,284	\$	38,755

NOTE 9 - SHORT-TERM DEBT – TAX AND REVENUE ANTICIPATION NOTES

The County issues tax and revenue anticipation notes (TRAN) annually to meet current expenses, capital expenditures, and other obligations or indebtedness until sufficient taxes or revenues are collected to fund the County's operations.

Tax and revenue anticipation notes payable debt activity for the fiscal year ended June 30, 2024, was as follows:

TRAN for Fiscal Year	Interest Rate	Beginning Balance	Additions	Deletions	Premiums/ Discount	Accrued Interest	Ending Balance
2023	5.0%	\$ 50,353,333	\$ -	\$ (50,353,333)	\$ -	\$ -	\$ -
2024	5.0%	\$ -	\$ 62,165,100	\$ -	\$ (1,165,100)	\$ 3,041,528	\$ 64,041,528

The TRAN outstanding at June 30, 2024 was paid on July 5, 2024.

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

NOTE 10 - LONG-TERM DEBT

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Debt Issued or Transferred In	Debt Retired or Transferred Out	Balance June 30, 2024	Due in One Year	Due in More Than One Year
Governmental Activities Debt:						
1996 Refunding Certificates of Participation	\$ 5,940,000	\$ -	\$ (1,370,000)	\$ 4,570,000	\$ 1,445,000	\$ 3,125,000
2008 Certificates of Participation	250,000	-	(250,000)	-	-	-
2008 Unamortized bond premium	3,412	-	(3,412)	-	-	-
Subtotal	253,412	-	(253,412)	-	-	-
2012 Lease Revenue Refunding Bond, Series A	1,140,720	-	(83,177)	1,057,543	180,000	877,543
2012A Unamortized bond discount	(9,236)	-	839	(8,397)	(839)	(7,558)
Subtotal	1,131,484	-	(82,338)	1,049,146	179,161	869,985
2014 Refunding Certificates of Participation	3,730,000	-	(345,000)	3,385,000	360,000	3,025,000
2014 Unamortized bond premium	148,856	-	(16,539)	132,317	16,539	115,778
Subtotal	3,878,856	-	(361,539)	3,517,317	376,539	3,140,778
2014 Lease Revenue Bonds	3,520,000	-	(3,520,000)	-	-	-
2014 Unamortized bond premium	132,225	-	(132,225)	-	-	-
Subtotal	3,652,225	-	(3,652,225)	-	-	-
2015 Refunding Certificates of Participation	1,870,000	-	(1,685,000)	185,000	185,000	-
2015 Lease Revenue Bonds, Series B	7,950,000	-	(290,000)	7,660,000	300,000	7,360,000
2015B Unamortized bond premium	44,098	-	(2,004)	42,094	2,004	40,090
Subtotal	7,994,098	-	(292,004)	7,702,094	302,004	7,400,090
2016 Refunding Certificates of Participation	6,340,000	-	(355,000)	5,985,000	365,000	5,620,000
2016 Unamortized bond premium	617,936	-	(47,534)	570,402	47,534	522,868
Subtotal	6,957,936	-	(402,534)	6,555,402	412,534	6,142,868
2017 Lease Revenue Bonds, Series A	5,685,000	-	(465,000)	5,220,000	465,000	4,755,000
2017A Unamortized bond discount	(44,765)	-	3,730	(41,035)	(3,730)	(37,305)
Subtotal	5,640,235	-	(461,270)	5,178,965	461,270	4,717,695
2020 Lease Revenue Bonds, Series A	9,055,000	-	(230,000)	8,825,000	240,000	8,585,000
2020A Unamortized bond premium	744,970	-	(80,465)	664,505	74,229	590,276
Subtotal	9,799,970	-	(310,465)	9,489,505	314,229	9,175,276
2020 Lease Revenue Refunding Bonds, Series B	3,740,000	-	(245,000)	3,495,000	255,000	3,240,000
2020B Unamortized bond discount	(24,954)	-	1,932	(23,022)	(1,932)	(21,090)
Subtotal	3,715,046	-	(243,068)	3,471,978	253,068	3,218,910
2021 SCRZPOB, 2021 Tax Pension Obligation Bond	113,505,000	-	(5,195,000)	108,310,000	5,225,000	103,085,000
2021A Lease Revenue, LRB Westridge	22,555,000	-	(455,000)	22,100,000	475,000	21,625,000
2021A Unamortized bond premium	2,725,176	-	(279,765)	2,445,411	262,511	2,182,900
Subtotal	25,280,176	-	(734,765)	24,545,411	737,511	23,807,900
2021B Lease Revenue, LRB Westridge	3,730,000	-	(100,000)	3,630,000	100,000	3,530,000
2021B Unamortized bond discount	(49,505)	-	1,774	(47,731)	(1,773)	(45,958)
Subtotal	3,680,495	-	(98,226)	3,582,269	98,227	3,484,042
2023A Lease Revenue, LRB Westridge	17,300,000	-	-	17,300,000	-	17,300,000
2023A Unamortized bond premium	597,043	-	(87,602)	509,441	87,601	421,840
Subtotal	17,897,043	-	(87,602)	17,809,441	87,601	17,721,840
2024 Lease Revenue Bonds, Series A-1	-	35,000,000	-	35,000,000	-	35,000,000
2024A-1 Unamortized bond discount	-	(62,995)	87	(62,908)	(2,858)	(60,050)
Subtotal	-	34,937,005	87	34,937,092	(2,858)	34,939,950
2024 Lease Revenue Bonds, Series A-2	-	7,207,568	-	7,207,568	448,130	6,759,438
2024A-2 Unamortized bond premium	-	552,727	(2,522)	550,205	81,871	468,334
Subtotal	-	7,760,295	(2,522)	7,757,773	530,001	7,227,772

	Balance June 30, 2023	Debt Issued or Transferred In	Debt Retired or Transferred Out	Balance June 30, 2024	Due in One Year	Due in More Than One Year
Governmental Activities Debt, Continued:						
2024 Lease Revenue Bonds, Series B	\$ -	\$ 9,080,000	\$ -	\$ 9,080,000	\$ -	\$ 9,080,000
2024 Lease Revenue Bonds, Series C	-	27,175,000	-	27,175,000	-	27,175,000
2024C Unamortized bond premium	-	2,418,531	(7,098)	2,411,433	232,310	2,179,123
Subtotal	-	29,593,531	(7,098)	29,586,433	232,310	29,354,123
Subtotal bonds payable	211,195,976	81,370,831	(15,238,981)	277,327,826	10,836,597	266,491,229
Financed purchases and loans from direct borrowings						
Energy efficient Infrastructure -Capital						
One Financed Purchase	1,659,153	-	(392,759)	1,266,394	407,094	859,300
Sheriff CLIPS - Motorola INC Financed						
Purchase	110,066	-	(110,066)	-	-	-
Central Coast Community Energy Loan	1,707,997	-	(187,200)	1,520,797	190,718	1,330,079
188 Whiting Rd. Purchase - Lender						
Teresa Beserra Trust	-	1,140,000	(56,568)	1,083,432	70,436	1,012,996
Subtotal loans	3,477,216	1,140,000	(746,593)	3,870,623	668,248	3,202,375
Subtotal bonds and loans payable	214,673,192	82,510,831	(15,985,574)	281,198,449	11,504,845	269,693,604
Total OPEB liability	143,269,281	-	(8,117,211)	135,152,070	-	135,152,070
Net Pension liability	490,069,820	15,580,346	-	505,650,166	-	505,650,166
Compensated absences	32,340,105	29,654,057	(28,247,080)	33,747,082	29,474,702	4,272,380
Leases	19,098,901	547,281	(10,930,373)	8,715,809	1,802,801	6,913,008
Subscription Based Information						
Technology Agreements	1,610,689	-	(1,339,495)	271,194	141,633	129,561
Total governmental fund activities	<u>\$ 901,061,988</u>	<u>\$ 128,292,515</u>	<u>\$ (64,619,733)</u>	<u>\$ 964,734,770</u>	<u>\$ 42,923,981</u>	<u>\$ 921,810,789</u>
Internal Service Funds						
Total OPEB liability	\$ 20,785,903	\$ -	\$ (1,192,087)	\$ 19,593,816	\$ -	\$ 19,593,816
Net Pension liability	61,790,297	7,608,138	-	69,398,435	-	69,398,435
Compensated absences	5,675,498	3,979,952	(4,100,155)	5,555,295	4,033,909	1,521,386
Estimated claims	57,647,829	14,522,678	(12,182,539)	59,987,968	12,327,968	47,660,000
Leases	1,849,283	94,073	(245,890)	1,697,466	255,339	1,442,127
Subscription Based Information						
Technology Agreements	2,077,583	-	(1,065,493)	1,012,090	1,012,090	-
Total Internal Service Funds	<u>\$ 149,826,393</u>	<u>\$ 26,204,841</u>	<u>\$ (18,786,164)</u>	<u>\$ 157,245,070</u>	<u>\$ 17,629,306</u>	<u>\$ 139,615,764</u>
Total Governmental Activities						
Compensated absences	\$ 38,015,603	\$ 33,634,009	\$ (32,347,235)	\$ 39,302,377	\$ 33,508,611	\$ 5,793,766
Estimated claims	57,647,829	14,522,678	(12,182,539)	59,987,968	12,327,968	47,660,000
Other long-term liabilities:						
Bonds payable	211,195,976	81,370,831	(15,238,981)	277,327,826	10,836,597	266,491,229
Loans payable	3,477,216	1,140,000	(746,593)	3,870,623	668,248	3,202,375
Leases	20,948,184	641,354	(11,176,263)	10,413,275	2,058,140	8,355,135
Subscription Based Information						
Technology Agreements	3,688,272	0	(2,404,988)	1,283,284	1,153,723	129,561
Subtotal other long-term liabilities	<u>239,309,648</u>	<u>83,152,185</u>	<u>(29,566,825)</u>	<u>292,895,008</u>	<u>14,716,708</u>	<u>278,178,300</u>
Total OPEB liability	164,055,184	-	(9,309,298)	154,745,886	-	154,745,886
Net Pension liability	551,860,117	23,188,484	-	575,048,601	-	575,048,601
Total Governmental Activities	<u>\$ 1,050,888,381</u>	<u>\$ 154,497,356</u>	<u>\$ (83,405,897)</u>	<u>\$ 1,121,979,840</u>	<u>\$ 60,553,287</u>	<u>\$ 1,061,426,553</u>

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz

Fiscal Year ended June 30, 2024

	Balance June 30, 2023	Debt Issued or Transferred In	Debt Retired or Transferred Out	Balance June 30, 2024	Due in One Year	Due in More Than One Year
Business-Type Activities						
<i>Enterprise Funds</i>						
2014 Lease Revenue Bonds	\$ 4,685,000	\$ -	\$ (4,685,000)	\$ -	\$ -	\$ -
2014 Unamortized bond premium	176,483	-	(176,483)	-	-	-
	<u>4,861,483</u>	<u>-</u>	<u>(4,861,483)</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024A-2 Lease Revenue Bonds	\$ -	\$ 4,052,432	\$ -	\$ 4,052,432	\$ 596,870	\$ 3,455,562
2024A-2 Unamortized bond premium	-	418,141	(3,359)	414,782	109,044	305,738
	<u>-</u>	<u>4,470,573</u>	<u>(3,359)</u>	<u>4,467,214</u>	<u>705,914</u>	<u>3,761,300</u>
Subtotal Bonds Payable	<u>4,861,483</u>	<u>4,470,573</u>	<u>(4,864,842)</u>	<u>4,467,214</u>	<u>705,914</u>	<u>3,761,300</u>
Loans from direct borrowings						
Davenport County Sanitation District Heavy Equipment Financed Purchase - Lender for CSA9C	\$ 18,288	\$ -	\$ (15,331)	\$ 2,957	\$ 2,957	\$ -
Freedom County Sanitation District Excavator Finances Purchase - Lender for CSA9C	908,514	-	(170,551)	737,963	175,868	562,095
	4,310,000	-	(95,000)	4,215,000	96,000	4,119,000
	<u>-</u>	<u>602,236</u>	<u>(110,282)</u>	<u>491,954</u>	<u>115,145</u>	<u>376,809</u>
Subtotal Loans from direct borrowings	<u>5,236,802</u>	<u>602,236</u>	<u>(391,164)</u>	<u>5,447,874</u>	<u>389,970</u>	<u>5,057,904</u>
Subtotal Bonds and Loans from direct borrowings	<u>10,098,285</u>	<u>5,072,809</u>	<u>(5,256,006)</u>	<u>9,915,088</u>	<u>1,095,884</u>	<u>8,819,204</u>
Postclosure liability						
Enterprise Fund - County Disposal Sites CSA 9C	14,398,185	542,098	-	14,940,283	-	14,940,283
Total Business-Type Activities	<u>\$ 24,496,470</u>	<u>\$ 5,614,907</u>	<u>\$ (5,256,006)</u>	<u>\$ 24,855,371</u>	<u>\$ 1,095,884</u>	<u>\$ 23,759,487</u>
Component Unit - Santa Cruz County						
Sanitation District						
2022 Green Bond, 2022 Revenue Bonds	\$ 19,565,000	\$ -	\$ (325,000)	\$ 19,240,000	\$ 335,000	\$ 18,905,000
2022 Green Bond Unamortized Bond Premium	524,340	-	(18,081)	506,259	18,081	488,178
Subtotal	<u>20,089,340</u>	<u>-</u>	<u>(343,081)</u>	<u>19,746,259</u>	<u>353,081</u>	<u>19,393,178</u>
2024 Green Bond, 2024 Revenue Bonds	\$ -	\$ 27,990,000	\$ -	\$ 27,990,000	\$ 345,000	\$ 27,645,000
2024 Green Bond Unamortized Bond Premium	-	1,395,141	-	1,395,141	46,505	1,348,636
Subtotal	<u>-</u>	<u>29,385,141</u>	<u>-</u>	<u>29,385,141</u>	<u>391,505</u>	<u>28,993,636</u>
Subtotal Bonds Payable	<u>20,089,340</u>	<u>29,385,141</u>	<u>(343,081)</u>	<u>49,131,400</u>	<u>744,586</u>	<u>48,386,814</u>
Loans from direct borrowings						
2020 State Water Resources Control Board Loan	4,788,080	-	(133,018)	4,655,062	135,412	4,519,650
2009 State Water Resources Control Board Loan	6,299,476	-	(632,826)	5,666,650	648,646	5,018,004
IBank loan	6,552,802	-	(159,497)	6,393,305	165,017	6,228,288
SWRCB Loan	-	265,703	-	265,703	-	265,703
Subtotal Loans from direct borrowings	<u>17,640,358</u>	<u>265,703</u>	<u>(925,341)</u>	<u>16,980,720</u>	<u>949,075</u>	<u>16,031,645</u>
Total Component Unit	<u>\$ 37,729,698</u>	<u>\$ 29,650,844</u>	<u>\$ (1,268,422)</u>	<u>\$ 66,112,120</u>	<u>\$ 1,693,661</u>	<u>\$ 64,418,459</u>

Descriptions of the long-term liabilities at June 30, 2024, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2024
Governmental Activities:					
Debt Service					
<i>Refunding Certificates of Participation</i>					
1996 Issue (financed construction of the County Emeline Avenue Health Services building and an infirmary in the County Medium Security Detention Facility)					
Collateral: Health Services Administration Building/Jail Infirmary					
Serial certificates	9/1/97-9/1/26	4.00-5.65%	\$190,000-\$1,065,000	\$ 20,955,000	\$ 4,570,000
Term bonds	3/1/21-9/1/23	5.60%	\$1,230,000-\$1,370,000	3,900,000	-
				Total 1996 Issue	4,570,000
2014 Issue (defeased 2001 Series B Lease Revenue Bonds and refinanced existing leases)					
Collateral: Water Street Detention Facility/Blaine Street Women's Detention Facility					
Serial certificates	8/1/14-8/1/31	3.00-5.00%	\$280,000-\$485,000	6,285,000	3,385,000
Unamortized bond premium				297,707	132,317
				Total 2014 Issue	3,517,317
2015 Issue (defeased 2004 Lease Revenue Bonds and refinanced existing leases)					
Collateral: Main Administrative Building and Main Courts Building					
Serial certificates	6/1/16-6/1/25	1.14-3.97%	\$185,000-\$1,520,000	8,890,000	185,000
Term bonds	6/1/22-6/1/24	3.68%	\$1,570,000-\$1,685,000	4,880,000	-
				Total 2015 Issue	185,000
2016 Issue (defeased certain outstanding lease obligations and prepay the outstanding 2002 Refunding Certificates of Participation, 2005 Refunding Certificates of Participation, and 2006 Certificates of Participation; to finance a variety of capital improvements; to satisfy the Reserve Requirement for the certificates; and to pay the delivery costs of the certificates)					
Collateral: Water Street Detention Facility and Blaine Street Detention Facility					
Serial certificates	8/1/17-8/1/33	2.00-4.00%	\$340,000-\$920,000	8,865,000	4,350,000
Term bonds	8/1/34-8/1/36	3.00%	\$525,000-\$565,000	1,635,000	1,635,000
Unamortized bond premium				950,674	570,402
				Total 2016 Issue	6,555,402
				Total Refunding Certificates of Participation	14,125,000
				Net Premiums/(Discounts)	702,719
				Total including Premiums/(Discounts)	\$ 14,827,719
<i>Lease Revenue Bonds</i>					
2015 Series B Lease Revenue Bonds (financed capital improvements for various Santa Cruz County facilities and the Farm to Table Project)					
Collateral: Main Administrative Building and Main Courts Building					
Serial bonds	6/1/16-6/1/35	2.00-4.00%	\$180,000-\$395,000	6,115,000	\$ 3,830,000
Term bonds	6/1/36-6/1/40	4.00%	\$400,000-\$470,000	2,170,000	2,170,000
Term bonds	6/1/41-6/1/45	4.00%	\$305,000-\$360,000	1,660,000	1,660,000
Unamortized bond premium				60,130	42,094
				Total 2015 Issue	7,702,094
2017 Lease Revenue Bonds (financed acquisition and installation of photovoltaic energy systems at various County facilities and pay the cost of issuance)					
Collateral: Main Administrative Building and Main Courts Building					
Serial bonds	6/1/19-6/1/27	1.833-3.00%	\$415,000-\$470,000	4,075,000	1,395,000
Term bonds	6/1/28-6/1/31	3.38%	\$470,000-\$480,000	1,900,000	1,880,000
Term bonds	6/1/32-6/1/35	3.63%	\$485,000-\$495,000	1,965,000	1,945,000
Unamortized bond discount				(63,415)	(41,035)
				Total 2017 Issue	5,178,965

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2024
Governmental Activities, Continued:					
Debt Service, Continued					
2020 Series A Lease Revenue Bonds (financed various capital improvements and pay the cost of issuance)					
Collateral: Felton Branch Library and adjacent nature discovery park and the Simkins Family Swim Center					
Serial bonds	6/1/22-6/1/30	4.00%	\$215,000-\$290,000	\$ 2,255,000	\$ 1,590,000
Term bonds	6/1/31-6/1/35	4.00%	\$300,000-\$355,000	1,645,000	1,645,000
Term bonds	6/1/36-6/1/40	4.00%	\$370,000-\$435,000	2,005,000	2,005,000
Term bonds	6/1/41-6/1/45	4.00%	\$265,000-\$450,000	1,575,000	1,575,000
Term bonds	6/1/46-6/1/51	3.00%	\$310,000-\$360,000	2,010,000	2,010,000
Unamortized bond premium				1,025,480	664,505
					<u>9,489,505</u>
2021 Series A Lease Revenue Bonds (finance the acquisition and improvements to certain land and facilities and to pay the cost of issuance)					
Collateral: South County Service Center					
Serial bonds	6/1/24-6/1/41	4.00%	\$455,000-\$885,000	11,670,000	11,215,000
Term bonds	6/1/42-6/1/46	4.00%	\$4,990,000	4,990,000	4,990,000
Term bonds	6/1/47-6/1/51	2.50%	\$5,895,000	5,895,000	5,895,000
Unamortized bond premium				3,214,154	2,445,411
					<u>24,545,411</u>
2021 Series B Lease Revenue Bonds (finance the acquisition and improvements to certain land and facilities and to pay the cost of issuance)					
Collateral: South County Service Center					
Serial bonds	6/1/24-6/1/36	.611-2.709%	\$100,000-\$120,000	1,400,000	1,300,000
Term bonds	6/1/37-6/1/51	3.00%	\$2,330,000	2,330,000	2,330,000
Unamortized bond discount				(52,588)	(47,731)
					<u>3,582,269</u>
				Total 2021 Issue	<u>\$ 28,127,680</u>
2023 Series A Lease Revenue Bonds (finance the acquisition and improvements to certain land and facilities and to pay the cost of issuance)					
Collateral: South County Service Center					
Serial bonds	6/1/26-6/1/42	4.00-5.00%	\$350,000-\$730,000	8,795,000	8,795,000
Term bonds	6/1/43-6/1/45	4.00%	\$2,510,000	2,510,000	2,510,000
Term bonds	6/1/46-6/1/48	4.00%	\$2,825,000	2,825,000	2,825,000
Term bonds	6/1/49-6/1/51	4.00%	\$3,170,000	3,170,000	3,170,000
Unamortized bond premium				619,673	509,441
					<u>17,809,441</u>
2024 Series A-1 Lease Revenue Bonds (to reimburse the County for the costs of improvements to certain roads and facilities, to capitalize interest for a limited period and to pay for the cost of issuance)					
Collateral: County's main Administrative and Court Buildings					
Serial bonds	6/1/29-6/1/34	4.00%	\$2,590,000-\$3,155,000	17,190,000	17,190,000
Term bonds	6/1/35-6/1/39	4.13%	\$17,810,000	17,810,000	17,810,000
Unamortized bond discount				(62,995)	(62,908)
					<u>\$ 34,937,092</u>
2024 Series A-2 Lease Revenue Bonds (to reimburse the County for the costs of improvements to certain roads and facilities, to defease 2014 Lease Revenue Bonds and to pay for the cost of issuance)					
Collateral: County's main Administrative and Court Buildings					
Serial bonds	6/1/25-6/1/35	5.00%	\$406,400-\$1,017,600	7,207,568	7,207,568
Unamortized bond premium				552,727	550,205
					<u>7,757,773</u>
2024 Series B Taxable Lease Revenue Bonds (to reimburse the County for the costs of improvements to certain roads and facilities, to capitalize interest for a limited period and to pay for the cost of issuance)					
Collateral: County's main Administrative and Court Buildings					
Serial bonds	6/1/27-6/1/34	4.82-5.15%	\$440,000-\$1,065,000	6,230,000	6,230,000
Term bonds	6/1/35-6/1/39	5.45%	\$2,850,000	2,850,000	2,850,000
					<u>9,080,000</u>

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30,
Governmental Activities, Continued:					
Debt Service, Continued					
2024 Series C Lease Revenue Bonds (to reimburse the County for the costs of improvements to certain roads and facilities, to finance the acquisition of and improvements for certain facilities, to capitalize interest for a limited period and to pay for the cost of issuance)					
Collateral: South County Health Services Administrative Building, Live Oak Library, Aptos Library and the Behavioral Health Center					
Serial bonds	6/1/26-6/1/44	5.00%	\$180,000-\$1,795,000	21,615,000	\$ 21,615,000
Term bonds	6/1/45-6/1/49	4.00%	\$2,505,000	2,505,000	2,505,000
Term bonds	6/1/50-6/1/54	4.13%	\$3,055,000	3,055,000	3,055,000
Unamortized bond premium				2,418,531	2,411,433
					<u>29,586,433</u>
				Total 2024 Issue	<u>\$ 81,361,298</u>
				Total Lease Revenue Bonds	<u>\$ 143,197,568</u>
				Net Premiums/(Discounts)	<u>6,471,415</u>
				Total including Premiums/(Discounts)	<u>\$ 149,668,983</u>
Lease Revenue Refunding Bonds					
2012 Series A (refinanced construction and equipment costs for the Santa Cruz County Consolidated Emergency Communications Center)					
Collateral: Santa Cruz County Regional 911 Center					
Serial bonds	6/15/13-6/15/30	2.00-5.00%	\$115,000-\$225,000	\$ 1,402,135	\$ 575,113
Term Bonds	6/15/31-6/15/34	5.00%		482,430	482,430
Unamortized bond discount				(18,465)	(8,397)
				Total 2012 Issue	<u>1,049,146</u>
2020 Series B (refinanced 2011 Certificates of Participation and pay the cost of issuance)					
Collateral: Felton Branch Library and adjacent nature discovery park and the Simpkins Family Swim Center					
Serial bonds	6/1/21-6/1/25	1.22-2.04%	\$270,000-\$255,000	1,255,000	255,000
Term Bonds	6/1/26-6/1/30	2.63%	\$260,000-\$285,000	1,355,000	1,355,000
Term Bonds	6/1/31-6/1/36	3.00%	\$290,000-\$335,000	1,885,000	1,885,000
Unamortized bond discount				(30,895)	(23,022)
				Total 2020 Issue	<u>3,471,978</u>
				Total Lease Revenue Refunding Bonds	<u>4,552,543</u>
				Net Premiums/(Discounts)	<u>(31,419)</u>
				Total including Premiums/(Discounts)	<u>\$ 4,521,124</u>
Taxable Pension Obligation Bonds					
2021 Taxable Pension Obligation Bond (to pay a portion of the County's Safety and Sheriff unamortized, unfunded liability to CalPERS.)					
Serial bonds	6/1/22-6/1/36	.163-2.651%	\$5,505,000-\$6,325,000	\$ 83,910,000	\$ 68,025,000
Term Bonds	6/1/37-6/1/41	2.804%	\$28,490,000.00	28,490,000	28,490,000
Term Bonds	6/1/42-6/1/47	2.914%	\$11,750,000.00	11,795,000	11,795,000
				Total 2021 Issue	<u>108,310,000</u>
				Total General	<u>108,310,000</u>
				Net Premiums/(Discounts)	<u>-</u>
				Total including Premiums/(Discounts)	<u>\$ 108,310,000</u>
Financed purchases and loans from direct borrowings					
Energy efficient infrastructure - Capital					
One Financed Purchase	2008-2027	3.62%	\$135,989-\$220,635	\$ 5,989,594	\$ 1,266,394
Sheriff CLIPS- Motorola INC financed purchase	2019-2024	3.80%	\$94,813-\$110,067	690,592	-
Central Coast Community Energy (CCCE) loan	2022-2031	1.87%	\$91,152-\$108,448	2,000,000	1,520,797
188 Whiting Rd. Purchase - Lender Teresa Beserra Trust	2023-2035	4.03%	\$1,140,000	1,140,000	1,083,432
			Subtotal Financed purchases and loans		<u>\$ 3,870,623</u>
Leases and SBITAs					
Leases					\$ 10,413,275
Subscription Based Information Technology Agreements					<u>1,283,284</u>
			Subtotal Leases and SBITAs		<u>\$ 11,696,559</u>
			Total Governmental Activities		<u>\$ 292,895,008</u>

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2024
Business-Type Activities:					
2024 Series A-2 Lease Revenue Bonds (to reimburse the County for the costs of improvements to certain roads and facilities, to defease 2014 Lease Revenue Bonds, to capitalize interest for a limited period and to pay for the cost of issuance)					
Collateral: County's main Administrative and Court Buildings					
Serial bonds	6/1/25-6/1/35	5.00%	\$228,600-\$572,400	4,052,432	\$ 4,052,432
Unamortized bond premium				418,141	414,783
					<u>\$ 4,467,215</u>
<i>Financed purchases and loans from direct borrowings</i>					
Enterprise Fund - Davenport County Sanitation District					
California Technology, Trade & Commerce Agency (fund sanitation system improvements)					
	2/28/95-7/1/24	2.75%	\$3,550-\$4,817	310,691	2,957
Enterprise Fund - Heavy Equipment Fiananced Purchase - Lender for CSA 9C					
Zion Bank					
	12/19-12/27	3.18%	\$154,747-\$193,185	1,543,405	737,963
Enterprise Fund - Freedom County Sanitation District					
United States Department of Agriculture					
	7/1/22-7/1/60	1.13%	\$93,000-\$140,000	4,497,000	4,215,000
Enterprise Fund - Excavator Financed Purchase - Lender for CSA 9C					
ZMFU II, INC.					
	1/13/24-1/13/28	4.41%	\$110,282-\$131,061	602,236	491,954
			Total Financed Purchases and loans from direct borrowings		<u>5,447,874</u>
Landfill postclosure					14,940,283
				Total Business-Type Activities	<u>\$ 24,855,372</u>
Component Unit - Santa Cruz County Sanitation District (SCCSD):					
<i>Lease Bonds</i>					
2022 Green Bond, 2022 Revenue Bond (financed improvement of wastewater systems)					
Collateral: Trust Indenture Agreement entered into on June 1, 2022					
Serial bonds	8/1/15-8/1/34	5.000%	\$325,000-\$590,000	\$ 6,180,000	\$ 5,475,000
Term bonds	6/1/37-6/1/38	5.000%	\$1,265,000	1,265,000	1,265,000
Term bonds	6/1/39-6/1/40	4.000%	\$1,385,000	1,385,000	1,385,000
Term bonds	6/1/41-6/1/42	4.000%	\$1,500,000	1,500,000	1,500,000
Term bonds	6/1/43-6/1/45	4.125%	\$2,485,000	2,485,000	2,485,000
Term bonds	6/1/46-6/1/48	4.125%	\$2,810,000	2,810,000	2,810,000
Term bonds	6/1/49-6/1/52	4.250%	\$4,320,000	4,320,000	4,320,000
Unamortized bond premium				542,421	506,259
				Total 2022 Issue	<u>19,746,259</u>
2024 Green Bond, 2024 Revenue Bond (financed improvement to upgrade sewer and pump stations)					
Collateral: Trust Indenture Agreement entered into on April 1, 2024					
Serial bonds	6/1/25-6/1/49	4.00%-5.00%	\$335,000-\$1,330,000	\$ 20,520,000	20,520,000
Term bonds	6/1/20-6/1/51	4.000%	\$2,815,000	2,815,000	2,815,000
Term bonds	6/1/52-6/1/54	4.000%	\$4,655,000	4,655,000	4,655,000
Unamortized bond premium				1,395,141	1,395,141
				Total 2024 Issue	<u>29,385,141</u>
				Total Green Bonds	<u>47,230,000</u>
				Net Premiums/(Discounts)	<u>1,901,400</u>
				Total including Premiums/(Discounts)	<u>\$ 49,131,400</u>

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30,
Component Unit Activities, Continued:					
Debt Service, Continued					
General					
2020 State Water Resources Control Board Loan (Soquel Pump Station Force Main Replacement Project)	2020-2049	1.80%	\$125,744-\$213,286	\$ 4,259,957	\$ 4,655,062
2009 State Water Resources Control Board Loan (Aptos Transmission Main Relocation Project)	2013-2032	2.50%	\$630,445-\$959,296	11,981,910	5,666,650
IBank Loan (replace old and deteriorated sewer lines)	2019-2048	3.46%	\$144,025-\$1,745,807	7,000,000	6,393,303
23/24 State Water Resource Control Board Loan (Valencia Creek Sewer Relocation)	2024	0.90%	\$40,945-\$52,705	265,703	265,703
Subtotal Loans from direct borrowings					\$ 16,980,718
Total Green Bonds and Loans form direct borrowings					64,210,718
Net Premiums/(Discounts)					1,901,400
Total including Premiums/(Discounts)					66,112,118
Total Component Unit					\$ 66,112,118

A. Governmental Activities

Compensated absences and net pension/total OPEB liabilities attributable to governmental activities will be liquidated by the general fund and the internal service funds. Claims liability will generally be liquidated by the self-insurance internal service funds (see Note 18).

At June 30, 2024, annual debt service requirements of governmental activities to maturity are as follows:

Debt Service

Year Ending June 30,	Refunding Certificates of Participation		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 2,355,000	\$ 570,453	\$ 2,328,208	\$ 5,629,560
2026	2,280,000	449,666	3,220,120	5,913,600
2027	2,395,000	330,385	4,215,840	5,777,558
2028	820,000	252,844	5,011,560	5,596,150
2029	855,000	219,344	36,574,336	23,584,346
2030-2034	3,785,000	580,253	38,472,504	15,622,842
2035-2039	1,635,000	74,775	24,640,000	8,104,473
2040-2044	-	-	16,740,000	3,769,470
2045-2049	-	-	11,335,000	1,045,301
2050-2054	-	-	660,000	27,225
Total	\$ 14,125,000	\$ 2,477,720	\$ 143,197,568	\$ 75,070,525

Year Ending June 30,	Lease Revenue Refunding Bonds	
	Principal	Interest
2025	\$ 340,554	\$ 147,467
2026	350,307	138,634
2027	357,684	127,843
2028	1,959,712	462,218
2029	1,544,286	117,349
2030-2034	-	-
2035-2039	-	-
2040-2044	-	-
2045-2049	-	-
2050-2054	-	-
Total	\$ 4,552,543	\$ 993,511

General

Year Ending June 30,	Tax Pension Obligation Bonds	
	Principal	Interest
2025	\$ 5,225,000	\$ 2,413,784
2026	5,260,000	2,372,297
2027	5,320,000	2,318,435
2028	5,385,000	2,250,658
2029	5,465,000	2,172,899
2030-2034	28,875,000	9,305,797
2035-2039	30,560,000	5,686,502
2040-2044	19,550,000	1,838,008
2045-2049	2,670,000	123,116
2050-2054	-	-
Total	\$ 108,310,000	\$ 28,481,496

The Refunding Certificates of Participation Bonds, Lease Revenue Refunding Bonds, Certificates of Participation Bonds, and Lease Revenue Bonds retirement and related interest payments are paid from revenues from the General Fund.

The County issued Taxable Pension Obligation Bonds (POB) to prepay a partial obligation under its contract with CalPERS for the County's Unfunded Accrued Actuarial Liability (UAAL). The County's outstanding 2021 POB related to governmental activities of \$108,310,000 contain a provision that in an event of default, if the County is unable to make payment, all bonds then outstanding and the accrued interest may become due and payable immediately.

Defeasance of Bonds

On June 4, 2020, the County issued \$4,495,000 2020 Lease Revenue Refunding Bonds Series B ("2020B Bonds") at a discount of \$30,895, with interest rates ranging from 1.223% to 3.00%. The net proceeds of \$4,371,895 (after underwriter's discount of \$19,033 and payment of cost of issuance of \$73,177) plus an additional \$409,613 of the 2011 Certificates of Participation (the "2011 Certificates") reserve fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2011 Certificates. As a result, the 2011 Certificates are considered to be defeased and the liability for those have been removed from the long-term debt account.

As a result of the advance refunding of the 2011 Certificates, the County decreased its total debt service payments over the next 16 years by \$923,235 resulting in an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$463,471.

The net carrying amount of the old debt exceeded the reacquisition price by \$17,895 resulting in a deferred gain on refunding. This gain on refunding is amortized over 16 years, the life of the refunding bonds.

On June 20, 2024, the County issued \$11,260,000 2024 Lease Revenue Bonds Series A-2 ("2024-A-2 Bonds") including a premium of \$970,868 with an interest rate of 5.00%. A portion of the net proceeds of \$7,757,196 (after underwriter's discount of \$28,925 and payment of cost of issuance of \$40,960) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2014 Lease revenue bonds. As a result, the 2014 Lease revenue bonds are considered to be defeased and the liability for those have been removed from the long-term debt account.

As a result of the advance refunding of the 2014 Lease revenue bonds, the County decreased its total debt service payments over the next 11 fiscal years by \$127,429 resulting in an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$288,098.

The net carrying amount of the old debt exceeded the reacquisition price by \$315,322 resulting in a deferred gain on refunding. The \$315,322 gain is split between governmental of \$136,078 and component unit CSA 9C of \$179,214. This gain on refunding is amortized over 11 years, the life of the refunding bonds.

Business-Type Activities

At June 30, 2024, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30,	Lease Revenue Bonds		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$ 596,870	\$ 98,037	\$ 389,970	\$ 92,615
2026	299,880	195,279	398,684	80,824
2027	314,160	180,642	410,756	68,660
2028	328,440	165,291	423,465	56,068
2029	348,432	149,369	100,000	43,031
2030-2034	1,704,834	475,809	517,000	198,045
2035-2039	459,816	34,486	547,000	168,289
2040-2044	-	-	578,000	136,823
2045-2049	-	-	612,000	103,545
2050-2054	-	-	647,000	68,333
2055-2059	-	-	683,999	31,128
2060-2064	-	-	140,000	1,575
Total	<u>\$ 4,052,432</u>	<u>\$ 1,298,913</u>	<u>\$ 5,447,874</u>	<u>\$ 1,048,936</u>

Loans payable principal and interest are paid from various enterprise fund revenues.

B. Component Unit

At June 30, 2024, annual debt service requirements of the Santa Cruz County Sanitation District to maturity are as follows:

Year Ending June 30,	Green Revenue Bond		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$ 680,000	\$ 2,171,546	\$ 949,075	\$ 443,811
2026	820,000	2,033,119	973,438	419,349
2027	860,000	1,992,119	1,039,394	406,471
2028	905,000	1,949,119	1,065,134	380,625
2029	945,000	1,903,869	1,091,861	353,789
2030-2034	5,500,000	8,759,844	4,214,993	1,350,761
2035-2039	7,020,000	7,240,344	2,081,380	924,266
2040-2044	8,885,000	5,503,300	2,389,991	611,671
2045-2049	10,840,000	3,556,504	2,748,608	248,331
2050-2054	10,775,000	1,204,763	426,846	11,559
Total	<u>\$ 47,230,000</u>	<u>\$ 36,314,527</u>	<u>\$ 16,980,720</u>	<u>\$ 5,150,633</u>

State Water Resources Control Board Loan 2009

During 2009, the District entered into a Project Finance Agreement (Agreement) with the State Water Resources Control Board (SWRCB) to finance the Aptos Transmission Main Relocation Project. Under this Agreement, the SWRCB has agreed to loan the District a total of \$16,725,699. As of June 30, 2024, the District had a balance of \$5,666,650 in loan disbursements pursuant to this Agreement. Pursuant to the Agreement, the interest rate is 2.5% and the District began making payments to repay the loan in the 2013/2014 fiscal year.

California Infrastructure and Economic Development Bank (IBank) Loan

In April 2019, the District entered into an Installment Sale Agreement (IBank Loan Agreement) with IBank to reduce the frequency of Sanitary Sewer Overflows (SSO) and, wherever possible, prevent SSO while meeting all applicable regulatory requirements by replacing old and deteriorated sewer lines prior to their failure. Under this IBank Loan Agreement, IBank has agreed to loan the District a total of \$7,000,000. Pursuant to the Agreement, the interest rate is 3.46% with the first principal payment due on August 1, 2020 with a loan maturity date of August 1, 2048. As of June 30, 2024, the District had a balance of \$6,393,305 in loan distributions pursuant to this IBank Loan Agreement.

State Water Resources Control Board Loan 2020

During 2020, the District entered into a Construction Installment Sale Agreement (Agreement) with the SWRCB to finance the Soquel Pump Station Force Main Replacement Project. Under this Agreement, the SWRCB has agreed to loan the District a total of \$5,000,000. As of June 30, 2024, the District has received a total of \$4,655,062 in loan disbursements pursuant to this Agreement. Pursuant to the Agreement, the interest rate is 1.8% and the District began making payments to repay the loan in the 2021/2022 fiscal year.

Santa Cruz County Capital Financing Authority Revenue Bonds, Series 2022 (Green Bonds)

On June 1, 2022, the Santa Cruz County Capital Financing Authority issued Green Revenue Bonds for \$19,945,000. The bonds were issued in varying types. There are 14 serial bonds and 6 term bonds issued at a premium (the bonds). Serial bonds mature annually on June 1 between 2023 and 2036. The interest rate on the serial bonds is 5%. There are six term bonds. The first term bond, for \$1,265,000, was issued at an interest rate of 5% and matures on June 1, 2038. The second term bond for \$1,385,000, was issued at an interest rate of 4% and matures on June 1, 2040. The third term bond for \$1,500,000, was issued at an interest rate of 4% and matures on June

1, 2042. The fourth term bond for \$2,485,000, was issued at an interest rate of 4.125% and matures on June 1, 2045. The fifth term bond for \$2,810,000, was issued at an interest rate of 4.125% and matures on June 1, 2048. The sixth term bond for \$4,320,000 was issued at an interest rate of 4.25% and matures on June 1, 2052. The bonds were issued to finance wastewater improvements, specifically 5 separate components that make up the wastewater improvement project.

Santa Cruz County Capital Financing Authority Revenue Bonds, Series 2024 (Green Bonds)

On April 30, 2024, the Santa Cruz County Capital Financing Authority issued Green Revenue Bonds for \$27,990,000. The bonds were issued in varying types. There are 25 serial bonds and 2 term bonds issued at a premium (the bonds). Serial bonds mature annually on June 1 between 2025 and 2049. The interest rate on the serial bonds maturing between June 2025 and June 2039 is 5%. The interest rate on the serial bonds maturing between June 2040 and June 2049 is 4%. There are two term bonds. The first term bond, for \$2,815,000, was issued at an interest rate of 4% and matures on June 1, 2051. The second term bond for \$4,655,000, was issued at an interest rate of 4% and matures on June 1, 2054. The bonds were issued to finance wastewater improvements, reduce incidence of sanitary sewer overflows and provide critical maintenance of aging wastewater infrastructure, specifically 11 separate components that make up the wastewater improvement project.

C. Legal Debt Limit

The County's legal annual debt service limit as of June 30, 2024, is \$2,890,349,218. The County's legal debt service limit is 5% of the total full cash valuation of all real and personal property within the County.

D. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The County has hired a consultant to perform calculations of excess investment earnings on various bonds and financings, and it is anticipated that the County will be determined to be in compliance with arbitrage regulations.

NOTE 11 - PLEDGE OF FUTURE REVENUES

2024 Series C Lease Revenue Bond

The 2024 Series C Lease Revenue Bond is payable from the revenues pledged under an Indenture of Trust dated June 1, 2024. The County is required to make the Base Rental Payments from legally available funds. The County had made a covenant in the Lease Agreement to take all actions required to include all Base Rental Payments in its annual budgets during the term of the lease and to make the necessary annual appropriations for all such Lease Payments and Additional Rental Payments subject to complete or partial abatement of such Base Rental Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Annual principal and interest payments on the 2024 C Bond continue through 2054. At June 30, 2024, total principal and interest remaining to be paid on the 2024 C Bond is \$46,980,596.

2024 Lease Revenue Bonds

The 2024 Series A-1 Lease Revenue Bonds and the 2024 Series A-2 Lease Revenue Bonds and the Series B Taxable Lease Revenue Bonds, collectively referred to herein as the "2024 Bonds", are payable from revenues pledged under an Indenture of Trust dated June 1, 2024. The County is required to make the Lease Payments from legally available funds. The County had made a covenant in the Lease Agreement to take all actions required to include all Lease Payments in its annual budgets during the term of the lease and to make the necessary annual appropriations for all such Lease Payments and Additional Rental Payments subject to complete or partial abatement of such Lease Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Proceeds from the 2024 Bonds were used to reimburse the County for improvements to certain roads and facilities, capitalized interest and a portion of Series A-2 to refund the 2014 Lease Revenue Bonds originally related to the County and the County's Buena Vista Sanitary landfill. Annual principal and interest payments on the 2024 Bonds continue through 2039. At June 30, 2024, total principal and interest remaining to be paid on the 2024 Bonds is \$76,915,785 (\$71,564,440 from governmental activities and \$5,351,345 from business-type activities).

2023 Lease Revenue Bond

The 2023 Series A Lease Revenue Bond is payable from the revenues pledged under an Indenture of Trust dated March 1, 2023. The County is required to make the Lease Payments from legally available funds. The County had made a covenant in the Lease Agreement to take all actions required to include all Lease Payments in its annual budgets during the term of the lease and to make the necessary annual appropriations for all such Lease Payments and Additional Rental Payments subject to complete or partial abatement of such Lease Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Annual principal and interest payments on the 2023 A Bond continue through 2051. At June 30, 2024, total principal and interest remaining to be paid on the 2023 A Bond is \$29,412,400.

2021 Lease Revenue Bonds

The 2021 Series A Lease Revenue Bonds and the 2021 Series B Taxable Lease Revenue Bonds, collectively referred to herein as "2021 Bonds" are payable from the revenues pledged under an Indenture of Trust dated October 1, 2021. The County is required to make the Lease Payments from legally available funds. The County had made a covenant in the Lease Agreement to take all actions required to include all Lease Payments in its annual budgets during the term of the lease and to make the necessary annual appropriations for all such Lease Payments and Additional Rental Payments subject to complete or partial abatement of such Lease Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Annual principal and interest payments on the 2021 Bonds continue through 2051. At June 30, 2024, total principal and interest remaining to be paid on the 2021 Bonds is \$39,521,888.

2020 Lease Revenue Bonds

The 2020 Series A Lease Revenue Bonds and the 2020 Series B Taxable Lease Revenue Refunding Bonds, collectively referred to herein as “2020 Bonds” are payable from the revenues pledged under an Indenture of Trust dated June 1, 2020. The County is required to make the Lease Payments from legally available funds. The County had made a covenant in the Lease Agreement to take all actions required to include all Lease Payments in its annual budgets during the term of the lease and to make the necessary annual appropriations for all such Lease Payments and Additional Rental Payments subject to complete or partial abatement of such Lease Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Annual principal and interest payments on the 2020 Bonds continue through 2051. At June 30, 2024, total principal and interest remaining to be paid on the 2020 Bonds is \$17,636,176.

2015 & 2017 Lease Revenue Bonds

The 2015 and 2017 Lease Revenue Bonds, collectively referred to herein as “Bonds” are payable from the revenues pledged under the Indenture. The County is required to make the Lease Payments from legally available funds. The County has covenanted in the Lease Agreement to take such actions as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations for all such Lease Payments subject to complete or partial abatement of such Lease Payments resulting from a taking of the Leased Property (either in whole or in part) under the powers of eminent domain or resulting from title defect or damage or destruction of all or any portion of the Leased Property. Annual principal and interest payments on the 2015 bonds continue through 2045, while payments on the 2017 bonds continue through 2035. At June 30, 2024, total principal and interest remaining to be paid on the bonds is \$11,208,656 for the 2015 bonds and \$6,321,459 for the 2017 bonds.

2012A Lease Revenue Refunding Bonds

The revenues of the Santa Cruz Regional 911 (Regional 911) were pledged to repay \$3,965,000 in lease revenue refunding bonds issued in May 2012. The bonds were refunded on May 15, 2012. Regional 911 was formed in a Joint Powers Authority Agreement with the cities of Santa Cruz, Watsonville, and Capitola and the County of Santa Cruz. Proceeds from the bonds provided funds to refinance an existing lease and to fund equipment purchases. The bonds were payable from use payments paid to the Regional 911 by the different governmental agencies. Annual principal and interest payments on the bonds continue through 2034 and are expected to require less than 12 percent of revenues. The total principal and interest remaining to be paid on the bonds is \$2,861,094. Pursuant to the Joint Powers Authority Agreement, the County is responsible for 47.53% of the total liability, or \$1,359,877. Total principal and interest paid for the current year and total customer revenues were \$287,563 and \$10,106,400, respectively. The County paid \$136,678 of the current year principal and interest.

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE COSTS

The County operates the Buena Vista Landfill for the disposal of municipal waste and a transfer station at the site of the closed Ben Lomond Landfill. State and Federal laws and regulations, including the California Integrated Waste Management Board Title 14, California State Water Resources Control Board Title 23, and the Environmental Protection Agency Subtitle D of the Codified Federal Regulations 40, require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on the County landfill's capacity used as of June 30 of each year.

As of June 30, 2024, a liability for closure and postclosure maintenance in the amount of \$14,940,283 is reflected in the County Disposal Sites CSA 9C Enterprise Fund based upon landfill capacity used to date. As of June 30, 2024, Ben Lomond Landfill was filled to 100% capacity, and the County estimates that the Buena Vista Landfill is filled to 80.9% of capacity with an estimated remaining useful life of 10 years. The Ben Lomond Landfill was closed during 1989 and the closure costs have been fully paid. The County will recognize the remaining estimated cost of closure and postclosure maintenance of the Buena Vista Landfill of \$3,470,734 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The estimates will also be adjusted annually for inflation or deflation, in accordance with State guidelines.

The County is required by State and Federal laws and regulations to make annual contributions to a fund to finance closure and postclosure maintenance. The County is in compliance with these requirements, and at June 30, 2024, cash of \$14,940,283 is held for this purpose, reported as restricted assets on the Statement of Net Position. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users.

Postclosure maintenance for both the Buena Vista and closed Ben Lomond Landfills are provided for through a "Pledge of Revenue." The Board adopted resolutions pledging future County Disposal Sites CSA 9C Fund's revenues annually through the prescribed postclosure maintenance period. An initial postclosure cost was estimated at the time of adoption of the Pledge of Revenue resolutions and is adjusted for inflation on an annual basis.

NOTE 13 - DEFICIT NET POSITION AND FUND BALANCES

Individual governmental fund deficit fund balance and proprietary fund deficit net positions at June 30, 2024 were as follows:

Governmental Funds:	
Santa Cruz Flood Control and Water Conservation Zone 7	\$ 721,938
Internal Service Funds:	
Information Services	5,202,082
Public Works	35,967,955
Risk Management	920,587
Liability and Property Insurance	10,225,083
Workers' Compensation Insurance	14,557,313
Employee Benefit Staffing Fund	8,542

The deficit net position in the Santa Cruz Flood Control and Water Conservation Zone 7 Fund is due to unreimbursed expenditures resulting from the 2023 winter storms.

The deficit net positions in the Information Services, Public Works, Risk Management Fund and Employee Benefit Staffing are primarily due to the reporting of the net pension and total OPEB liabilities pursuant to the implementation of GASB Statement No. 68 and GASB Statement No. 75. The County is committed to fully funding the actuarially determined contributions annually.

The Liability and Property Insurance and Workers' Compensation Insurance Funds had deficit net positions of \$10,225,083 and \$14,557,313, respectively. The deficits are related to losses payable for claims and the inclusion of estimates for Incurred but Not Reported (IBNR) claims. Management anticipates that the County will have sufficient funds to pay annual requirements. These funds will normally show up as deficits since the County is set up on a pay-as-you go program.

NOTE 14 - PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the County's separate Miscellaneous (all other), Safety (police and fire), and Safety Sheriff Plans (the Plans), through agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

CalPERS GASB Statement No. 68 Accounting Valuation Report differs from the amounts recognized by the County due to Plan participants that are not part of the County. The amounts have been reduced based on payments within the Measurement Period of July 1, 2022 to June 30, 2023.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. All members are eligible for non-duty disability benefits based on the plan specifications. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2 Death Benefit. The cost of living adjustments for each Plan are applied as specified by the California Public Employees' Retirement Law.

The provisions and benefits of the Plans in effect at June 30, 2024, are summarized as follows:

	Miscellaneous		
	Prior to December 17, 2012	December 17, 2012 to December 31, 2012 or reciprocal *	On or after January 1, 2013
Hire Date			
Benefit Formula	2% at 55	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years	5 Years	5 Years
Earliest Retirement Age	50	50	52
Maximum Benefit Factor	2.418% at 63	2.418% at 63	2.5% at 67
Final Compensation	12 Months	36 Months	36 Months
Required Employee Contribution Rates	7.00%	7.0%	7.75%
Required Employer Contribution Rates	29.11%	29.11%	29.11%
Safety			
	Prior to June 9, 2012	June 9, 2012 to December 31, 2012 or reciprocal *	On or after January 1, 2013
Hire Date			
Benefit Formula	2% at 50	2% at 50	2.7% at 57
Benefit Vesting Schedule	5 Years	5 Years	5 Years
Earliest Retirement Age	50	50	50
Maximum Benefit Factor	2.7% at 55	2.7% at 55	2.7% at 57
Final Compensation	12 Months	36 Months	36 Months
Required Employee Contribution Rates	9.0%	9.0%	13.25%
Required Employer Contribution Rates	16.58%	16.58%	16.58%
Safety Sheriff			
	Prior to June 9, 2012	June 9, 2012 to December 31, 2012 or reciprocal *	On or after January 1, 2013
Hire Date			
Benefit Formula	3% at 50	3% at 55	2.7% at 57
Benefit Vesting Schedule	5 Years	5 Years	5 Years
Earliest Retirement Age	50	50	50
Maximum Benefit Factor	3% at 55	3% at 55	2.7% at 57
Final Compensation	12 Months	36 Months	36 Months
Required Employee Contribution Rates	9.0%	9.0%	13.5%
Required Employer Contribution Rates	29.34%	29.34%	29.34%

* Reciprocal: Any employee who starts working for the County of Santa Cruz within six months of separating from another public agency in California that is either in the CalPERS retirement system or another public retirement system that has reciprocity with CalPERS, so long as the employee began employment with that agency prior to January 1, 2013.

A. General Information about the Pension Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Employees Covered – At June 30, 2023, the following employees were covered by the benefit terms for each Plan⁽¹⁾:

	Miscellaneous	Safety	Safety Sheriff
Inactive Employees or Beneficiaries Currently Receiving Benefits	3,151	351	143
Inactive Employees Entitled to but not yet Receiving Benefits	1,933	315	127
Active Employees	2,187	220	147
Total	7,271	886	417

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

	Miscellaneous	Safety	Safety Sheriff
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Discount Rate	6.90%	6.90%	6.90%
Inflation	2.30%	2.30%	2.30%
Payroll Growth	2.80%	2.80%	2.80%
Projected Salary Increase	Varies ⁽¹⁾	Varies ⁽¹⁾	Varies ⁽¹⁾
Mortality Rate Table	Developed using CalPERS’ membership data for all Funds ⁽²⁾		
Post Retirement Benefit Increase	The lesser of contract Cost of Living Adjustment (COLA) or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter		

⁽¹⁾ Depending on Entry age and service

⁽²⁾ The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

B. Net Pension Liability (Continued)

Changes of Assumptions – There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the long-term expected real rate of return by asset class.

Asset class (a)	Current Target Allocation	Real Return
Global Equity - Cap Weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

Changes in the Net Pension Liability - The changes in the Net Pension Liability for each Plan follow:

Miscellaneous Plan

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 1,511,666,123	\$ 1,028,987,167	\$ 482,678,956
Changes in the year:			
Service Cost	29,604,586	-	29,604,586
Interest on the Total Pension Liability	103,807,463	-	103,807,463
Changes of Benefit Terms	1,926,083	-	1,926,083
Differences between Expected and Actual Experience	5,131,182	-	5,131,182
Contribution - Employer	-	54,186,761	(54,186,761)
Contribution - Employee	-	13,535,646	(13,535,646)
Net Investment Income	-	62,575,959	(62,575,959)
Benefit Payments, Including Refunds of Employee Contributions	(82,178,889)	(82,178,889)	-
Administrative Expenses	-	(764,802)	764,802
Net Changes	58,290,425	47,354,675	10,935,750
Balance at June 30, 2023	\$ 1,569,956,548	\$ 1,076,341,842	\$ 493,614,706

Safety Plan

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 256,561,311	\$ 225,398,892	\$ 31,162,419
Changes in the year:			
Service Cost	5,782,050	-	5,782,050
Interest on the Total Pension Liability	17,625,636	-	17,625,636
Changes of Benefit Terms	199,357	-	199,357
Differences between Expected and Actual Experience	1,914,589	-	1,914,589
Contribution - Employer	-	5,237,472	(5,237,472)
Contribution - Employee	-	2,404,792	(2,404,792)
Net Investment Income	-	13,502,488	(13,502,488)
Benefit Payments, Including Refunds of Employee Contributions	(12,240,591)	(12,240,591)	-
Administrative Expenses	-	(165,746)	165,746
Net Changes	13,281,041	8,738,415	4,542,626
Balance at June 30, 2023	\$ 269,842,352	\$ 234,137,307	\$ 35,705,045

Safety Sheriff Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 260,223,275	\$ 222,204,533	\$ 38,018,742
Changes in the year:			
Service Cost	6,010,624	-	6,010,624
Interest on the Total Pension Liability	18,056,355	-	18,056,355
Changes of Benefit Terms	68,272	-	68,272
Differences between Expected and Actual Experience	4,469,453	-	4,469,453
Contribution - Employer	-	5,645,714	(5,645,714)
Contribution - Employee	-	2,131,912	(2,131,912)
Net Investment Income	-	13,280,369	(13,280,369)
Benefit Payments, Including Refunds of Employee Contributions	(12,160,019)	(12,160,019)	-
Administrative Expenses	-	(163,399)	163,399
Net Changes	16,444,685	8,734,577	7,710,108
Balance at June 30, 2023	\$ 276,667,960	\$ 230,939,110	\$ 45,728,850

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90 percent) or one percentage point higher (7.90 percent) than the current rate:

	Miscellaneous	Safety	Safety Sheriff
1% Decrease			
Net Pension Liability	\$ 691,254,924	\$ 74,602,181	\$ 85,379,812
Current Discount Rate			
Net Pension Liability	493,614,706	35,705,045	45,728,850
1% Increase			
Net Pension Liability	328,966,352	4,054,789	13,412,479

Pension Plan Fiduciary Net Position – The Plans' fiduciary net position disclosed in the County's CalPERS GASB Statement No. 68 accounting valuation report may differ from the Plan assets reported in the County's CalPERS funding actuarial valuation report due to several reasons. For example, for the accounting valuations, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the County's funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves.

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

For the year ended June 30, 2024, the County recognized a pension expense of \$101,346,509 as follows:

Miscellaneous	Safety	Safety Sheriff	TOTAL
\$76,218,644	\$11,411,919	\$13,715,946	\$101,346,509

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz
Fiscal Year ended June 30, 2024

At June 30, 2024, the County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 56,030,305	\$ -
Changes in Assumptions	16,010,093	-
Differences between Actual and Expected Experience	3,768,176	2,387,250
Net Differences between Projected and Actual Earnings on Plan Investments	50,469,606	-
Total	\$ 126,278,180	\$ 2,387,250
	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,247,435	\$ -
Changes in Assumptions	1,894,054	-
Differences between Actual and Expected Experience	1,546,815	66,920
Net Differences between Projected and Actual Earnings on Plan Investments	11,990,280	-
Total	\$ 19,678,584	\$ 66,920
	Safety Sheriff	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 6,274,504	\$ -
Changes in Assumptions	6,346,436	-
Differences between Actual and Expected Experience	3,557,445	521,176
Net Differences between Projected and Actual Earnings on Plan Investments	12,043,379	-
Total	\$ 28,221,764	\$ 521,176
	TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 66,552,244	\$ -
Changes in Assumptions	24,250,583	-
Differences between Actual and Expected Experience	8,872,436	2,975,346
Net Differences between Projected and Actual Earnings on Plan Investments	74,503,265	-
Total	\$ 174,178,528	\$ 2,975,346

\$66,552,244 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Details for each of the Plan follow:

Miscellaneous	Safety	Safety Sheriff	TOTAL
\$ 56,030,305	\$ 4,247,435	\$ 6,274,504	\$ 66,552,244

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous Deferred Outflows (Inflows) of Resources	Safety Deferred Outflows (Inflows) of Resources	Safety Sheriff Deferred Outflows (Inflows) of Resources	TOTAL Deferred Outflows (Inflows) of Resources
2024	\$ 22,546,446	\$ 6,010,400	\$ 4,945,147	\$ 33,501,993
2025	9,271,017	5,323,649	3,069,942	17,664,608
2026	34,516,432	9,307,540	6,975,885	50,799,857
2027	1,526,730	784,495	373,255	2,684,480
2028	-	-	-	-
Total	\$ 67,860,625	\$ 21,426,084	\$ 15,364,229	\$ 104,650,938

C. Payable to the Pension Plans

At June 30, 2024, there was no outstanding amount of contributions payable to the Plans required for the year ended June 30, 2024.

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description. Employees of the County who retire through CalPERS, their spouse, and eligible dependents may receive health plan coverage through the Public Employees' Medical & Hospital Care Program Plan (OPEB Plan). The OPEB Plan is a single-employer defined benefit plan administered by CalPERS which provides the retirees a monthly medical contribution that is not to exceed the cost of the plan selected. The cost of the OPEB Plan to the County for each bargaining group will be determined through CalPERS' regulations and requirements. For the Physicians Bargaining Unit, the County contributes fixed dollar amounts that vary by coverage [\$327.21 (single) and \$388.41 (for one or more dependents)]. For other bargaining units, the County contributions are based on longevity schedules with fixed dollar scaling that varies by bargaining unit. The OPEB Plan does not issue a financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Eligibility. All County employees became participants in accordance with the Memorandum of Understanding (MOU) as negotiated by each group or bargaining unit. In order to receive benefits, eligible employees must meet the minimum requirements defined in their MOU.

The OPEB Plan is eligible to plan members who retire directly from the County through CalPERS at ages 50 or 55, depending on pension plan, with at least 5 years of service.

Employees Covered – At June 30, 2023, the measurement date, the following employees were covered by the benefit terms:

	Total
Active employees	2,382
Inactive employees or beneficiaries currently receiving benefit payments	1,469
Inactive employees entitled but not yet receiving benefit payments	436
Total	4,287

Contributions. The contribution requirements for the County are established by a Memorandum of Understanding as negotiated by each group or bargaining unit. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2024, the County contributed \$7,746,808 to the OPEB Plan, \$1,273,000 of which is an implicit subsidy.

B. **Total OPEB Liability**

The County's total OPEB liability of \$154,745,886 was measured as of June 30, 2023, the measurement date.

Actuarial Assumptions and other inputs. Actuarial valuations are conducted every two years. The total OPEB liability in the June 30, 2023 actuarial valuation report was determined using the following actuarial assumptions and other inputs applied to the period included in the measurement unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Funding Policy	Pay-as-you-go
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Amortization Period	16 years for discount rate sensitivity
Actuarial Assumptions:	
Contribution Policy	No pre-funding
Discount Rate	3.86%
Inflation	2.50% annually
Payroll Increases	Aggregate Increase -2.75%; Merit Increase - CalPERS 2000-2019 Experience Study
Mortality, Termination, Disability and Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - Actual Premium for 2024, 8.50% for 2025, decreasing to 3.45% in 2076; Medicare - Actual Premium for 2024, 7.50% for 2025, decreasing to 3.45% in 2076
PEMHCA* Minimum Increase Rate	3.50% annually

*Public Employees' Medical and Hospital Care Act (PEMHCA)

The discount rate was based on the Fidelity Municipal General Obligation AA 20-year bond index.

There was no experience study performed for the OPEB Plan. The actuarial assumptions used in the June 30, 2023 valuation were based on CalPERS experience studies, since covered employees are also in CalPERS plans. Mortality Improvement is the most recent Society of Actuaries table. Inflation is based on the actuary's estimate for the OPEB Plan's very long-time horizon. The short-term healthcare trend was developed in consultation by the actuary with Axene Health Partners' healthcare actuaries. The long-term healthcare trend was developed using Society of Actuaries' Getzen Model of Long-Run Medical Cost Trends.

Changes in the Total OPEB Liability - The changes in the Total OPEB Liability follow:

	Total OPEB Liability
Balance at June 30, 2023	\$ 164,055,184
Changes for the year:	
Service Cost	7,315,290
Interest	6,178,938
Differences between Actual and Expected Experience	(10,395,164)
Changes in Assumptions	(4,569,300)
Benefit Payments	(7,839,062)
Net Changes	(9,309,298)
Balance at June 30, 2024	\$ 154,745,886

Change of Assumptions – In 2023, the accounting discount rate increased from 3.69 percent to 3.86 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86 percent) or one percentage point higher (4.86 percent) than the current rate:

Total OPEB Liability		
2.86%	3.86%	4.86%
(1% Decrease)	(Current Discount Rate)	(1% Increase)
\$ 173,749,396	\$ 154,745,886	\$ 138,867,475

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

Total OPEB Liability		
(1% Decrease)	(Current Healthcare Trend)	(1% Increase)
\$ 146,281,586	\$ 154,745,886	\$ 168,641,382

C. **OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the County recognized OPEB expense of \$4,675,039.

At June 30, 2024, the County's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred of Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 7,746,808	\$ -
Differences Between Expected and Actual Experience	-	18,361,629
Changes in Assumptions or Other Inputs	11,262,785	33,187,527
Total	\$ 19,009,593	\$ 51,549,156

\$7,746,808 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2025	\$ (7,166,760)
2026	(7,007,985)
2027	(7,216,647)
2028	(9,270,702)
2029	(7,486,493)
Thereafter	(2,137,784)
Total	\$ (40,286,371)

NOTE 16 - DEFERRED COMPENSATION PLAN

The County offers all of its full-time employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. The deferred compensation plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or emergency. Employees direct the investment of deferred compensation plan assets into certificates of deposits and various mutual funds. The County has insignificant administrative duties.

As of June 30, 2024, the deferred compensation plan's assets of \$277,237,482 are not recorded in the County's financial statements as they are deposited with a third party administrator independent of the County.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

A. **Construction contracts**

As of June 30, 2024, the County has construction contract commitments included in the following funds in the following amounts:

Off Highway, Road, and Transportation Fund	\$ 11,191,654
Capital Projects Fund	6,715,439
	<u>\$ 17,907,093</u>

B. **Litigation**

There are several lawsuits and unresolved disputes involving the County or its employees in which the County is represented by the County Counsel. However, in the opinion of the County Counsel these actions will not, in the aggregate, have a material adverse effect upon the operations or financial position of the County.

C. **Federal and State Grants**

The County participates in a number of Federal and State grant programs subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, management does not believe that audit disallowances, if any, would have a significant effect on the financial position of the County.

D. **Medicare and Medi-Cal Reimbursements**

The County's Medicare and Medi-Cal cost reports for certain prior years are in various stages of review by the third-party intermediaries and have not been settled as a result of certain unresolved reimbursement issues. The County believes that it has adequately provided for any potential liabilities which may arise from the intermediaries' review.

E. **Encumbrances**

As discussed in the Required Supplementary Information of this report under Budgetary Principles, the County uses Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. This method of accounting ensures effective budgetary control and accountability, and facilitates effective cash planning and control. At year-end, the amount of encumbrances expected to be paid in the next year were as follows:

General Fund	\$ 7,030,857
Nonmajor Governmental	18,499,236
Enterprise Funds	17,054,976
Internal Service Funds	1,794,331
	<u>\$ 44,379,400</u>

NOTE 18 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; medical malpractice; unemployment coverage; and dental benefits to employees. The County is self-insured for its general and automobile liability, workers' compensation, property, unemployment insurance and employees' dental coverage. The County has chosen to establish risk-financing internal service funds, where assets are set aside for claim settlements associated with the above risk of loss up to certain limits. Excess coverage is provided by the California State Association of Counties (CSAC) Excess Insurance Authority (Insurance Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The Insurance Authority is governed by a Board of Directors consisting of representatives of the member counties. Self-insurance limits per occurrence and Insurance Authority limits per year are as presented in the Statistical Section of this report.

Amounts in excess of these limits are self-insured. None of the insurance settlements over the past three years has exceeded the amount of insurance coverage. As of June 30, 2024, the workers’ compensation liability limit per occurrence was \$500,000.

The unpaid claims liability included in each of the Self-Insurance Internal Service Funds is based on the results of actuarial studies and includes amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. It is the County’s practice to obtain full actuarial studies bi-annually for the Liability/Property and Workers Compensation program. Annual premiums are charged by each Self-Insurance fund using various allocation methods which include actual costs, claims experience, and number of participants.

The change in the balance of claims liabilities during the fiscal year ended June 30, 2024, and two prior years for all Self-Insurance Internal Service Funds combined is as follows:

	2024	2023	2022
Unpaid claims and claim adjustment expenses, beginning of the fiscal year	\$ 57,647,829	\$ 52,706,649	\$ 52,745,464
Incurred claims and claim adjustment expenses	14,522,677	11,192,103	10,929,583
Increase (decrease) in provision of insured events for prior years	2,340,139	4,941,180	(38,814)
Claim payments	(14,522,677)	(11,192,103)	(10,929,584)
Unpaid claims and claim adjustment expenses, end of the fiscal year	\$ 59,987,968	\$ 57,647,829	\$ 52,706,649

At June 30, 2024, the Self-Insurance Funds held a total of \$29,770,098 in cash for the payment of these claims.

A. **Workers’ Compensation**

The Workers’ Compensation self-insurance program is funded on a cash flow plus contingency reserve basis. The County is liable for the first \$500,000 and carries catastrophic insurance coverage. At June 30, 2024, the estimated future liabilities were \$37,738,000. As permitted by State and Federal guidelines, the Workers’ Compensation program is funded on a pay-as-you-go basis. The funding is closely monitored to ensure that claims are paid when due or required by law.

B. **Dental and Medical**

The County provides a self-funded indemnity dental program for employees and their dependents and is funded by the various County departments through charges to their salary and benefits budgets. At June 30, 2024, the County had an estimated future liability of \$369,733 for dental benefits. The County is fully insured for its alternative capitation dental program and for medical coverage for employees represented by the Santa Cruz County Deputy Sheriffs’ Association and the Santa Cruz County Lieutenants’ Association.

C. **Liability and Property**

The County has a self-insured retention of \$1 million with excess insurance coverage for the general liability program. At June 30, 2024, the County had estimated future liabilities totaling \$21,821,000 which included estimates for known claims and losses incurred but not reported (IBNR).

D. **Unemployment Insurance**

The Unemployment Insurance self-insurance program is considered a “reimbursable” program by the Employment Development Department (EDD), since EDD provides benefits and bills the County quarterly after the fact. As billings are always one quarter in arrears, the estimated future liabilities are based on 25% of the amount budgeted for the new fiscal year. At June 30, 2024, estimated future liabilities were \$59,235.

NOTE 19 - FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2024, is as follows:

	General Fund	Off Highway, Road, and Transportation Fund	Housing Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepays	\$ 1,655,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,655,408
Advances and loans	70,000	-	-	-	-	-	70,000
Total nonspendable fund balance	1,725,408	-	-	-	-	-	1,725,408
Restricted for:							
Purpose of fund	-	17,830,371	89,886,979	-	-	41,658,790	149,376,140
Debt service	-	-	-	-	32,118,716	-	32,118,716
Capital asset acquisition	-	-	-	2,163,871	-	-	2,163,871
COVID 19 Pandemic	13,656	-	-	-	-	-	13,656
Local Innovation	842,475	-	-	-	-	-	842,475
Cannabis Equity Grant Recorder	3,742	-	-	-	-	-	3,742
Micrographics	148,220	-	-	-	-	-	148,220
Recorder Improvement	823,384	-	-	-	-	-	823,384
Recorder Electronic Record Deletion	136,626	-	-	-	-	-	136,626
Vital Statistics	62,176	-	-	-	-	-	62,176
Child Support Services	476,744	-	-	-	-	-	476,744
DA Consumer Fraud	3,564,503	-	-	-	-	-	3,564,503
Emergency Watershed Projects	871,913	-	-	-	-	-	871,913
DA SLESF	-	-	-	-	-	-	-
Health Care Programs	7,787,455	-	-	-	-	-	7,787,455
Human Services/ Welfare Programs	1,392,659	-	-	-	-	-	1,392,659
Homeless Programs	495,252	-	-	-	-	-	495,252
Parks Projects	1,088,294	-	-	-	-	-	1,088,294
Veterans Memorial Building	12,291	-	-	-	-	-	12,291
Deferred Compensation Oversight	87,543	-	-	-	-	-	87,543
Planning Building Training	68,445	-	-	-	-	-	68,445
Emergency Rental Assistance	51	-	-	-	-	-	51
Probation Programs	3,864,884	-	-	-	-	-	3,864,884
Probation SLESF	900,379	-	-	-	-	-	900,379
Probation Realignment	13,256,217	-	-	-	-	-	13,256,217
Public Defender	204,999	-	-	-	-	-	204,999
Sheriff Drug Forfeiture	907,633	-	-	-	-	-	907,633
Sheriff Programs	3,077,737	-	-	-	-	-	3,077,737
Sheriff SLESA/SLESF	1,029,214	-	-	-	-	-	1,029,214
Sheriff Realignment	1,940,250	-	-	-	-	-	1,940,250
Total restricted fund balance	43,056,742	17,830,371	89,886,979	2,163,871	32,118,716	41,658,790	226,715,469

NOTES TO BASIC FINANCIAL STATEMENTS

The County Of Santa Cruz

Fiscal Year ended June 30, 2024

	General Fund	Off Highway, Road, and Transportation Fund	Housing Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed to:							
Natural Disasters	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Working Capital	6,000,000	-	-	-	-	-	6,000,000
Strategic reserve	10,000,000	-	-	-	-	-	10,000,000
MHSA Prudent Reserve	2,997,367	-	-	-	-	-	2,997,367
Total committed fund balance	20,997,367	-	-	-	-	-	20,997,367
Assigned to:							
Federally qualified health program	51,231,211	-	-	-	-	-	51,231,211
Budgeted structural deficit	11,646,039	-	-	-	-	-	11,646,039
Eliminate projected budgetary deficit in subsequent year's budget	39,395,363	-	-	-	-	-	39,395,363
Unanticipated liabilities	2,000,000	-	-	-	-	-	2,000,000
Human services programs	7,440,174	-	-	-	-	-	7,440,174
Salary savings	1,174,177	-	-	-	-	-	1,174,177
Other purposes	3,530,930	-	-	-	-	-	3,530,930
Total assigned fund balance	116,417,894	-	-	-	-	-	116,417,894
Unassigned Fund Balance	-	-	-	-	-	(721,939)	(721,939)
Total fund balances	\$ 182,197,411	\$ 17,830,371	\$ 89,886,979	\$ 2,163,871	\$ 32,118,716	\$ 40,936,851	\$ 365,134,199

NOTE 20 – CHANGES TO OR WITHIN THE FINANCIAL REPORTING ENTITY

Correction of Errors in Previously Issued Financial Statements

Housing Fund - In fiscal year 2024, the County of Santa Cruz Housing Fund identified seven affordable housing program loans that were written off from the original Developer's liability when the units were sold in fiscal year 2020. The seven new affordable housing loan agreements remained loan receivables when purchased by the new individual homeowners. Therefore, total loans receivable and fund balance were understated by \$1,526,086. The effect of correcting the error is an increase to fund balance of \$1,526,086 and is shown in the table below.

Boulder Creek CSA 7 - In fiscal year 2022 the Boulder Creek CSA 7 Enterprise fund submitted an insurance claim for \$2,169,476 for the cost to rebuild the Boulder Creek treatment plant, which was destroyed in the CZU Lightning Fire. In fiscal year 2024 the insurance carrier paid \$1,030,641 and denied the remaining \$1,138,835. Revenue from insurance proceeds should only be recognized once an insurance claim is approved. Therefore, revenue was overstated by \$2,169,467 for the fiscal year ended June 30, 2022, receivables were overstated by \$2,169,467 for the fiscal years ended June 30, 2022 and 2023, and revenue was understated by \$1,030,641 for the fiscal year ended June 30, 2024. The effect of correcting the error is a reduction to fund balance of \$1,138,835, and is shown in the table below.

Investment Trust Funds - Changes to beginning balances of investment trust funds are due to timing differences between when the County and the fiduciary funds issue financial reports. The differences require adjustments to ensure the accurate alignment of financial information between the entities.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances					
	Funds		Government-Wide		Fiduciary Funds
	Housing Fund	Boulder Creek CSA 7	Governmental Activities	Business-Type Activities	Investment Trust Funds
June 30, 2023, as previously reported	\$ 88,766,639	\$ 6,869,080	\$ 216,353,870	\$ 50,868,170	\$ 963,743,262
Error corrections	1,526,086	(1,138,835)	1,526,086	(1,138,835)	(5,882,255)
June 30, 2023, as restated	\$ 90,292,725	\$ 5,730,245	\$ 217,879,956	\$ 49,729,335	\$ 957,861,007

NOTE 21 - SUBSEQUENT EVENTS

On July 5, 2024, the County paid the principal and interest of the 2023-24 Tax and Revenue Anticipation Notes in the total amount of \$64,041,528. On July 2, 2024, the County issued the 2024-25 Tax and Revenue Anticipation Notes in the amount of \$ 48,000,000. The 2024-25 Tax and Revenue Anticipation Notes bear interest at the rate of 5.0% and mature on July 1, 2025. The County issues tax and revenue anticipation notes annually to meet current expenses, capital expenditures, and other obligations or indebtedness until sufficient taxes or revenues are collected to fund the County's operations.

NOTE 22 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following Funds had expenditures that exceeded appropriations:

Account with excess expenditures	Excess Amount
General Fund - Public Protection	
District Attorney - Services and supplies	\$ 11,219
Debt Service Fund	
Principal	3,326,539
Santa Cruz Flood and Water Conservation Fund	
Interest	46,371
Recreation and Cultural Services Fund	
Current expenditures	126,750

General Fund – Public Protection: District Attorney - Services and supplies. Expenditures exceeded appropriations due to a failure to budget for year-end expenditure accruals.

Debt Service Fund - Principal. Expenditures exceeded appropriations due to a failure to budget for the refunding payment for the 2014 bond.

Santa Cruz Flood and Water Conservation Fund - Interest. Expenditures exceeded appropriations due to a failure to budget expenditures for interest expense caused by negative monthly interest allocation as a result of negative cash balances.

Recreation and Cultural Services Fund – Current expenditures. Expenditures exceeded appropriations due to a failure to budget for un-posted transactions that were identified during the review process and recorded at year end.

NOTE 23 – TAX ABATEMENTS

The County provides property tax abatements through the Williamson Act program (the California Land Conservation Act of 1965), which allows eligible property owners to enter into a contract to preserve commercial agricultural land. Applications to enter into a new contract or to not renew or cancel an existing contract require approval from the County Board of Supervisors with recommendations from the Agricultural Policy Advisory Commission and the Planning Commission.

Contracts are usually approved for a term of 10 or 20 years and automatically renew every year. The contract is maintained at the original term until the contract is not renewed by the property owner or the County, or until the contract is canceled by the property owner. In the past, the State reimbursed counties to partially offset the loss of property tax revenue, but they discontinued the subvention payments in 2009. In response, the County resolved to not accept or take action on applications for new contracts.

To be eligible for the tax abatement, the parcels must be located within an Agricultural Preserve as Type 1, 2, or 3, and zoned Commercial Agriculture, Agriculture Preserve, or Timber Production. They must also be designated as Agriculture, Mountain Residential, Parks and Open Space, or Resource Conservation. Parcels must be at least 10 acres if designated as Type 1 or 3 and at least 40 acres if designated as Type 2.

Properties under contract will often be eligible for a reduced land value assessment. The Assessor's office values the parcels under contract annually using the lowest of three value calculations: the Proposition 13 value, the Fair value, or the Restricted value. The Restricted value is calculated based on the potential income the land could produce based on the land classification and type of agriculture it could support.

No other commitments were made by the County as part of the Williamson Act. For the fiscal year ended June 30, 2024, the Agricultural Preserve Program tax abatements were \$486,601.



Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

BUDGETARY PRINCIPLES

General Budget Policies

In accordance with Chapter 1, Division 3, Title 3, of the Government Code of the State of California, known as the "Budget Act," the County of Santa Cruz (County) prepares and adopts a budget for each fiscal year. The budget is a compilation of operating budgets from: individual functional units within the General Fund, Special Revenue Funds, Capital Projects Fund, and Proprietary Funds (operating plans).

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. On or before June 10, each official in charge of a budget provides the County Administrative Officer an itemized request detailing the estimate of financing sources, financing uses, and any other matters required by the Board of Supervisors (Board). The auditor provides the estimates for bonded debt service requirements.
- B. Prior to July 1, the County Administrative Officer submits to the Board a recommended budget for the fiscal year commencing the following July 1. By formal action, the Board approves the recommended budget, including the revisions it deems necessary.
- C. On or before September 8, the Board publishes a notice in a newspaper of general circulation stating that the recommended budget documents are available to the public, and the dates of the public hearings at which any member of the public may attend and be heard on any item in the recommended budget.
- D. On or before October 2, public hearings are conducted to obtain public comments, and the budget is legally adopted through the passage of a resolution. The public hearings shall be concluded within 14 calendar days.
- E. On or before December 1, the Auditor-Controller publishes a final budget as recommended by the County Administrative Officer and adopted by the Board, in a format prescribed by the State Controller.
- F. Budget units are expenditure classifications which identify accounting or cost centers necessary or desirable for control of the County financial operation.
- G. The County uses formal budgetary integration as a management control device during the year for the primary government and all blended component units, except the Financing Authorities and certain Special Revenue Funds, which do not annually adopt a budget.
- H. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except for the following different classifications:
 - Interfund transfers are reported as revenues or expenditures for budgetary purposes, however, for GAAP purposes are reported as other financing sources or uses.
 - Proceeds from the sale of assets and the issuance of new debt are reported as revenues for budgetary purposes, however, for GAAP purposes they are reported as other financing sources.
- I. Budgetary control is maintained at the character level, except for capital assets and other charges which are controlled by line item. Character levels are appropriation totals for salaries and employee benefits, and services and supplies. The Board approves all transfers of budgeted appropriation amounts between budget units within any fund or between expenditures outside of budgetary control limits. Unencumbered appropriations at year-end lapse into fund balance. See the following paragraph for encumbered appropriations at year-end.

The Board made several supplementary budgetary appropriations throughout the year, primarily to the Special Revenue and Capital Projects Funds. Other supplemental budgetary appropriations in other funds were not considered material.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary accounting in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as part of the fund balance assigned to eliminate projected budgetary deficit in subsequent year's budget since they do not constitute expenditures or liabilities. Encumbrances at year-end are re-budgeted in the new year.

BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 179,783,152	\$ 180,063,152	\$ 172,926,545	\$ (7,136,607)
Licenses and permits	18,283,060	18,283,060	16,915,955	(1,367,105)
Fines, forfeits and penalties	8,909,035	8,909,035	6,625,072	(2,283,963)
Use of money and property	3,518,671	3,534,023	11,623,116	8,089,093
Aid from other governments	416,014,415	481,359,711	455,653,741	(25,705,970)
Charges for services	97,387,501	100,701,259	79,286,489	(21,414,770)
Other	8,946,119	11,786,579	10,182,802	(1,603,777)
Total Revenues	732,841,953	804,636,819	753,213,720	(51,423,099)
EXPENDITURES:				
General Government:				
Board of Supervisors				
Salaries and employee benefits	3,364,717	3,364,717	3,229,920	134,797
Services and supplies	238,576	267,575	251,391	16,184
Total	3,603,293	3,632,292	3,481,311	150,981
Administrative Office				
Salaries and employee benefits	6,672,891	6,737,641	6,134,379	603,262
Services and supplies	5,019,252	10,805,317	2,666,837	8,138,480
Other charges	315	315	-	315
Intrafund transfers	(1,329,478)	449,007	(1,132,594)	1,581,601
Total	10,362,980	17,992,280	7,668,622	10,323,658
Auditor-Controller				
Salaries and employee benefits	6,646,564	6,805,159	6,805,158	1
Services and supplies	2,444,797	2,240,074	1,968,851	271,223
Capital assets	-	39,047	39,046	1
Intrafund transfers	(2,366,065)	(2,900,017)	(2,633,232)	(266,785)
Appropriations for contingencies	-	7,081	-	7,081
Total	6,725,296	6,191,344	6,179,823	11,521
Assessor				
Salaries and employee benefits	3,381,490	3,426,430	3,372,968	53,462
Services and supplies	793,375	790,875	595,295	195,580
Intrafund transfers	(184,918)	(184,918)	49,986	(234,904)
Total	3,989,947	4,032,387	4,018,249	14,138
County Counsel				
Salaries and employee benefits	5,140,013	5,145,677	5,145,677	-
Services and supplies	274,737	269,661	267,486	2,175
Other charges	-	322,428	322,428	-
Intrafund transfers	(1,665,634)	(1,940,584)	(1,791,555)	(149,029)
Total	3,749,116	3,797,182	3,944,036	(146,854)
Personnel				
Salaries and employee benefits	4,771,259	5,061,302	5,061,301	1
Services and supplies	4,060,005	4,111,993	3,995,295	116,698
Intrafund transfers	(1,837,967)	(2,101,238)	(2,103,902)	2,664
Total	6,993,297	7,072,057	6,952,694	119,363

BUDGETARY COMPARISON SCHEDULE (CONTINUED)

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES, Continued:				
General Government, Continued:				
County Clerk/Elections				
Salaries and employee benefits	\$ 2,552,260	\$ 2,552,260	\$ 2,508,159	\$ 44,101
Services and supplies	2,560,669	2,740,267	2,427,439	312,828
Intrafund transfers	-	-	384	(384)
Appropriations for contingencies	-	175,815	-	175,815
Total	5,112,929	5,468,342	4,935,982	532,360
Communications				
Salaries and employee benefits	943,165	990,083	980,627	9,456
Services and supplies	754,711	631,022	471,291	159,731
Capital assets	55,000	94,781	94,781	-
Intrafund transfers	(1,030,547)	(1,040,923)	(1,117,751)	76,828
Total	722,329	674,963	428,948	246,015
General Services				
Salaries and employee benefits	7,930,792	8,134,604	7,518,001	616,603
Services and supplies	5,661,066	5,809,603	5,800,832	8,771
Other charges	-	17,535	17,535	-
Capital assets	-	30,000	28,334	1,666
Intrafund transfers	(8,027,547)	(7,250,025)	(6,959,683)	(290,342)
Appropriations for contingencies	-	41,720	-	41,720
Total	5,564,311	6,783,437	6,405,019	378,418
Emergency Services				
Services and supplies	2,032,317	2,032,318	2,032,318	-
Other charges	519,387	519,386	519,386	-
Intrafund transfers	-	-	4,526	(4,526)
Total	2,551,704	2,551,704	2,556,230	(4,526)
Community and Agency Support				
Services and supplies	9,709,367	9,624,885	9,043,827	581,058
Other charges	880,145	880,145	91,289	788,856
Intrafund transfers	(4,264,940)	(4,099,588)	(1,473,389)	(2,626,199)
Appropriations for contingencies	7,571,385	7,333,900	-	7,333,900
Total	13,895,957	13,739,342	7,661,727	6,077,615
Surveyor				
Services and supplies	629,417	619,750	437,419	182,331
Appropriations for contingencies	-	9,667	-	9,667
Total	629,417	629,417	437,419	191,998
Plant Acquisition				
Services and supplies	454,573	454,573	-	454,573
Total	454,573	454,573	-	454,573
Total General Government	64,355,149	73,019,320	54,670,060	18,349,260
Public Protection				
Courts				
Services and supplies	270,300	270,300	240,256	30,044
Other charges	1,737,863	1,737,863	1,737,862	1
Total	2,008,163	2,008,163	1,978,118	30,045

BUDGETARY COMPARISON SCHEDULE (CONTINUED) GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES, Continued:				
Public Protection, Continued:				
Grand Jury				
Services and supplies	\$ 51,422	\$ 51,422	\$ 51,102	\$ 320
Total	51,422	51,422	51,102	320
Child Support				
Salaries and employee benefits	5,004,581	5,004,581	4,371,966	632,615
Services and supplies	805,213	673,668	265,250	408,418
Other charges	103,218	-	-	-
Intrafund transfers	1,000	250,032	311,030	(60,998)
Total	5,914,012	5,928,281	4,948,246	980,035
District Attorney				
Salaries and employee benefits	23,050,941	22,693,168	21,498,646	1,194,522
Services and supplies	2,338,051	2,306,014	2,317,233	(11,219)
Other charges	373,001	373,001	310,166	62,835
Capital assets	-	195,662	195,662	-
Intrafund transfers	(915,846)	(830,775)	(170,545)	(660,230)
Total	24,846,147	24,737,070	24,151,162	585,908
Public Defender				
Salaries and employee benefits	11,570,081	11,667,135	11,667,135	-
Services and supplies	5,350,812	4,972,519	4,955,910	16,609
Other charges	-	2,994	2,994	-
Intrafund transfers	-	9,100	(170,825)	179,925
Total	16,920,893	16,651,748	16,455,214	196,534
Sheriff-Coroner				
Salaries and employee benefits	71,684,086	73,827,319	68,400,058	5,427,261
Services and supplies	27,870,658	25,462,222	24,247,231	1,214,991
Other charges	191,323	180,607	157,577	23,030
Capital assets	193,542	898,196	898,196	-
Intrafund transfers	815,360	1,596,563	1,593,733	2,830
Appropriations for contingencies	-	1,794,137	-	1,794,137
Total	100,754,969	103,759,044	95,296,795	8,462,249
Probation Department				
Salaries and employee benefits	20,610,430	20,956,537	19,170,537	1,786,000
Services and supplies	9,102,211	8,795,165	7,322,727	1,472,438
Other charges	29,000	29,000	1,412	27,588
Capital assets	-	26,566	26,566	-
Intrafund transfers	3,172,690	3,289,802	2,549,497	740,305
Appropriations for contingencies	-	14,675	-	14,675
Total	32,914,331	33,111,745	29,070,739	4,041,006
Agricultural Commissioner/Weights and Measures				
Salaries and employee benefits	2,628,587	2,628,587	2,436,438	192,149
Services and supplies	391,498	391,498	364,798	26,700
Intrafund transfers	(153,102)	(153,102)	(138,366)	(14,736)
Total	2,866,983	2,866,983	2,662,870	204,113

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES, Continued:				
Public Protection, Continued:				
Public Works - Roads				
Services and supplies	\$ 275,000	\$ 275,000	\$ 88,329	\$ 186,671
Total	275,000	275,000	88,329	186,671
Recorder				
Salaries and employee benefits	877,676	903,339	903,339	-
Services and supplies	1,186,563	975,982	479,851	496,131
Other charges	64,636	-	-	-
Intrafund transfers	-	320,848	329,741	(8,893)
Total	2,128,875	2,200,169	1,712,931	487,238
County Emergency Office				
Salaries and employee benefits	66,743	83,830	42,746	41,084
Services and supplies	1,144,028	1,079,424	550,648	528,776
Other charges	102,174	619,189	210,858	408,331
Capital assets	35,599	35,599	15,324	20,275
Intrafund transfers	210,632	39,709	214,010	(174,301)
Appropriations for contingencies	-	935	-	935
Total	1,559,176	1,858,686	1,033,586	825,100
Planning Department				
Salaries and employee benefits	12,899,814	12,899,814	12,494,786	405,028
Services and supplies	4,143,476	5,619,569	3,946,716	1,672,853
Other charges	1,380,358	664,670	74,579	590,091
Capital assets	-	15,769	15,768	1
Intrafund transfers	(192,794)	(95,590)	1,405,021	(1,500,611)
Appropriations for contingencies	-	198,094	-	198,094
Total	18,230,854	19,302,326	17,936,870	1,365,456
Other Public Protection				
Other charges	2,182,138	2,182,138	2,150,722	31,416
Total	2,182,138	2,182,138	2,150,722	31,416
Total Public Protection	210,652,963	214,932,775	197,536,684	17,396,091
Health and Sanitation:				
Health Services Agency				
Salaries and employee benefits	118,053,695	115,974,484	107,054,111	8,920,373
Services and supplies	107,874,765	124,806,563	103,054,856	21,751,707
Other charges	35,185,480	27,805,279	25,340,452	2,464,827
Capital assets	1,010,511	1,592,082	271,143	1,320,939
Intrafund transfers	(16,874,064)	8,042,998	3,874,531	4,168,467
Appropriations for contingencies	-	1,084	-	1,084
Total	245,250,387	278,222,490	239,595,093	38,627,397
Mosquito Abatement				
Salaries and employee benefits	1,286,465	1,286,465	1,178,920	107,545
Services and supplies	692,652	692,652	336,650	356,002
Intrafund transfers	-	-	13,705	(13,705)
Total	1,979,117	1,979,117	1,529,275	449,842

BUDGETARY COMPARISON SCHEDULE (CONTINUED) GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES, Continued:				
Health and Sanitation, Continued:				
Air Pollution				
Other charges	\$ 66,283	\$ 66,283	\$ 66,283	\$ -
Total	66,283	66,283	66,283	-
Total Health and Sanitation	247,295,787	280,267,890	241,190,651	39,077,239
Public Assistance:				
Human Services Department				
Salaries and employee benefits	78,124,329	75,217,310	74,819,920	397,390
Services and supplies	21,003,140	24,256,282	18,291,966	5,964,316
Other charges	55,764,590	54,803,262	51,402,192	3,401,070
Capital assets	118,000	677,303	420,875	256,428
Intrafund transfers	6,591,758	7,493,743	6,262,222	1,231,521
Appropriations for contingencies	-	313,070	-	313,070
Total	161,601,817	162,760,970	151,197,175	11,563,795
Community Programs				
Other charges	5,958,853	5,958,853	5,764,664	194,189
Total	5,958,853	5,958,853	5,764,664	194,189
Homeless				
Salaries and employee benefits	4,573,163	4,949,992	4,360,795	589,197
Services and supplies	13,704,908	15,101,928	12,921,163	2,180,765
Other charges	9,523,099	9,820,944	6,062,553	3,758,391
Intrafund transfers	(707,792)	(807,792)	(220,780)	(587,012)
Appropriations for contingencies	-	15,310	-	15,310
Total	27,093,378	29,080,382	23,123,731	5,956,651
Public Guardian				
Salaries and employee benefits	1,141,037	1,114,629	999,976	114,653
Services and supplies	96,466	122,874	60,145	62,729
Intrafund transfers	(755,870)	(755,870)	(225,497)	(530,373)
Total	481,633	481,633	834,624	(352,991)
Wards of Court				
Services and supplies	30,000	30,000	585	29,415
Other charges	1,369,000	1,369,000	455,391	913,609
Intrafund transfers	291	291	548,618	(548,327)
Total	1,399,291	1,399,291	1,004,594	394,697
Veterans Service Officer				
Salaries and employee benefits	606,516	606,516	603,630	2,886
Services and supplies	128,161	125,232	112,193	13,039
Appropriations for contingencies	-	2,929	-	2,929
Total	734,677	734,677	715,823	18,854
Total Public Assistance	197,269,649	200,415,806	182,640,611	17,775,195
Education:				
Agricultural Extension Services				
Salaries and employee benefits	128,588	125,920	109,502	16,418
Services and supplies	25,814	33,482	33,482	-
Other charges	5,000	-	-	-
Total	159,402	159,402	142,984	16,418
Total Education	159,402	159,402	142,984	16,418

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES, Continued:				
Recreation and Culture:				
Recreation and Cultural Services				
Salaries and employee benefits	\$ 7,939,343	\$ 7,689,343	\$ 7,665,666	\$ 23,677
Services and supplies	4,835,958	7,396,869	5,067,004	2,329,865
Other charges	572,086	572,086	529,575	42,511
Capital assets	360,000	360,000	-	360,000
Intrafund transfers	(386,649)	(567,533)	(484,354)	(83,179)
Appropriations for contingencies	-	79,666	-	79,666
Total	<u>13,320,738</u>	<u>15,530,431</u>	<u>12,777,891</u>	<u>2,752,540</u>
Total Recreation and Culture	<u>13,320,738</u>	<u>15,530,431</u>	<u>12,777,891</u>	<u>2,752,540</u>
Debt Service				
Services and supplies	167,000	167,000	135,461	31,539
Intrafund transfers	(8,394,474)	(8,338,028)	(669,253)	(7,668,775)
Principal	5,970,167	7,627,491	3,677,363	3,950,128
Interest	3,630,085	3,853,945	2,001,377	1,852,568
Total	<u>1,372,778</u>	<u>3,310,408</u>	<u>5,144,948</u>	<u>(1,834,540)</u>
Total Debt Service	<u>1,372,778</u>	<u>3,310,408</u>	<u>5,144,948</u>	<u>(1,834,540)</u>
Total Expenditures	<u>734,426,466</u>	<u>787,636,032</u>	<u>694,103,829</u>	<u>93,532,203</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,584,513)</u>	<u>17,000,787</u>	<u>59,109,891</u>	<u>42,109,104</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,538,921	3,156,503	3,255,930	99,427
Transfers Out	(31,833,667)	(49,861,144)	(20,127,888)	29,733,256
Lease inception	-	-	547,281	547,281
Total other financing sources (uses)	<u>(26,294,746)</u>	<u>(46,704,641)</u>	<u>(16,324,677)</u>	<u>30,379,964</u>
Net change in fund balance	<u>(27,879,259)</u>	<u>(29,703,854)</u>	<u>42,785,214</u>	<u>72,489,068</u>
Fund balance, beginning	139,412,197	139,412,197	139,412,197	-
FUND BALANCE, ENDING	<u>\$ 111,532,938</u>	<u>\$ 109,708,343</u>	<u>\$ 182,197,411</u>	<u>\$ 72,489,068</u>

**BUDGETARY COMPARISON SCHEDULE
OFF HIGHWAY, ROAD, AND TRANSPORTATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 3,668,209	\$ 3,668,209	\$ 3,978,376	\$ 310,167
Use of money and property	(242,300)	(242,300)	559,448	801,748
Aid from other governments	147,396,341	172,207,311	71,221,880	(100,985,431)
Charges for services	3,637,270	4,037,270	2,585,894	(1,451,376)
Other	25,000	25,000	319,783	294,783
Total revenues	154,484,520	179,695,490	78,665,381	(101,030,109)
EXPENDITURES:				
Current:				
Public ways and facilities	141,333,755	166,083,579	92,401,670	73,681,909
Principal	26,374	26,374	-	26,374
Interest	-	2,089,482	2,089,482	-
Total expenditures	141,360,129	168,199,435	94,491,152	73,708,283
REVENUES OVER (UNDER) EXPENDITURES	13,124,391	11,496,055	(15,825,771)	(27,321,826)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,000,000	54,195,455	54,578,195	382,740
Total other financing sources (uses)	2,000,000	54,195,455	54,578,195	382,740
Net change in fund balances	15,124,391	65,691,510	38,752,424	(26,939,086)
Fund balance - beginning	(20,922,053)	(20,922,053)	(20,922,053)	-
FUND BALANCE, ENDING	\$ (5,797,662)	\$ 44,769,457	\$ 17,830,371	\$ (26,939,086)

**BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ 514,450	\$ 514,450	\$ 1,624,737	\$ 1,110,287
Aid from other governments	11,682,254	11,682,254	4,130,977	(7,551,277)
Charges for services	500,000	500,000	795,567	295,567
Other	10,000	10,000	545,834	535,834
Total revenues	12,706,704	12,706,704	7,097,115	(5,609,589)
EXPENDITURES:				
Current:				
Public assistance	16,729,989	16,729,989	6,831,535	9,898,454
Total expenditures	16,729,989	16,729,989	6,831,535	9,898,454
REVENUES OVER (UNDER) EXPENDITURES	(4,023,285)	(4,023,285)	265,580	4,288,865
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,305,073)	(2,305,073)	(671,326)	1,633,747
Sale of general capital assets	(350,000)	(350,000)	-	350,000
Total other financing sources (uses)	(2,655,073)	(2,655,073)	(671,326)	1,983,747
Net change in fund balances	(6,678,358)	(6,678,358)	(405,746)	6,272,612
Fund balance - beginning, as previously reported	88,766,639	88,766,639	88,766,639	-
Restatement for correction of an error	-	-	1,526,086	1,526,086
Fund balance - beginning, as restated	88,766,639	88,766,639	90,292,725	1,526,086
FUND BALANCE, ENDING	\$ 82,088,281	\$ 82,088,281	\$ 89,886,979	\$ 7,798,698

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS AS OF JUNE 30, 2024 LAST 10 YEARS

Measurement Period	Miscellaneous									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Total Pension Liability										
Service Cost	\$ 29,604,586	\$ 29,071,891	\$ 26,758,403	\$ 24,938,175	\$ 24,139,995	\$ 24,150,259	\$ 22,555,385	\$ 20,403,352	\$ 18,761,846	\$ 19,489,676
Interest on the Total Pension Liability	103,807,463	99,697,278	96,844,686	91,880,806	87,980,867	84,049,445	77,995,878	78,852,555	71,962,162	68,452,545
Changes of Benefit Terms	1,926,083	-	-	-	-	-	-	-	-	-
Changes in Assumptions	0	42,608,913	-	-	-	(7,767,870)	62,091,454	-	(16,868,274)	-
Differences between Expected and	0	-	-	-	-	-	-	-	-	-
Actual Experience	5,131,182	(6,353,377)	3,829,166	9,699,599	21,647,964	10,391,498	4,974,813	3,966,020	(13,201,310)	-
Benefit Payments, Including Refunds of										
Employee Contributions	(82,178,889)	(76,914,435)	(72,485,176)	(66,769,592)	(62,255,277)	(57,081,704)	(51,229,871)	(50,461,359)	(44,263,142)	(40,206,837)
Net Change in Total Pension Liability	58,290,425	88,110,270	54,947,079	59,748,988	71,513,549	53,741,628	116,387,659	52,760,568	16,391,282	47,735,384
Total Pension Liability - Beginning	1,511,666,123	1,423,555,853	1,368,608,774	1,281,589,245	1,210,075,696	1,156,334,068	1,039,946,409	987,185,841	970,794,559	923,059,175
Restatement for correction of an error	-	-	-	27,270,541	-	-	-	-	-	-
Total Pension Liability - as Restated	1,511,666,123	1,423,555,853	1,368,608,774	1,308,859,786	1,210,075,696	1,156,334,068	1,039,946,409	987,185,841	970,794,559	923,059,175
Total Pension Liability - Ending (a)	<u>\$ 1,569,956,548</u>	<u>\$ 1,511,666,123</u>	<u>\$ 1,423,555,853</u>	<u>\$ 1,368,608,774</u>	<u>\$ 1,281,589,245</u>	<u>\$ 1,210,075,696</u>	<u>\$ 1,156,334,068</u>	<u>\$ 1,039,946,409</u>	<u>\$ 987,185,841</u>	<u>\$ 970,794,559</u>
Plan Fiduciary Net Position										
Contribution - Employer	\$ 54,186,761	\$ 47,941,887	\$ 43,047,943	\$ 39,110,970	\$ 34,309,935	\$ 29,696,722	\$ 28,166,164	\$ 24,836,370	\$ 20,788,368	\$ 18,466,079
Contribution - Employee	13,535,646	11,958,088	11,872,705	11,821,856	10,979,359	10,680,415	10,534,891	9,898,794	9,264,211	8,586,012
Net Investment Income	62,575,959	(85,822,849)	204,724,368	48,459,289	56,536,290	69,528,113	82,225,749	4,227,340	16,986,820	112,250,826
Benefit Payments, Including Refunds of										
Employee Contributions	(82,178,889)	(76,914,435)	(72,485,176)	(66,769,592)	(62,255,277)	(57,081,704)	(51,229,871)	(50,461,359)	(44,263,142)	(40,206,837)
Net Plan to Plan Resource Movement	-	-	-	-	-	3,748	(61,373)	2,727	(29,360)	-
Administrative Expenses	(764,802)	(710,586)	(944,765)	(1,277,475)	(621,076)	(1,297,010)	(1,092,049)	(482,672)	(855,524)	-
Other Miscellaneous Income (Expense) ⁽¹⁾	-	-	-	-	2,017	(2,463,046)	-	-	-	-
Net Change in Plan Fiduciary Net Position	47,354,675	(103,547,895)	186,215,075	31,345,048	38,951,248	49,067,238	68,543,511	(11,978,800)	1,891,373	99,096,080
Plan Fiduciary Net Position - Beginning ⁽²⁾	1,028,987,167	1,132,535,062	946,319,987	895,167,097	856,215,849	807,148,611	738,605,100	750,583,900	748,692,527	649,596,447
Restatement for correction of an error	-	-	-	19,807,842	-	-	-	-	-	-
Plan Fiduciary Net Position - as Restated	1,028,987,167	1,132,535,062	946,319,987	914,974,939	856,215,849	807,148,611	738,605,100	750,583,900	748,692,527	649,596,447
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,076,341,842</u>	<u>\$ 1,028,987,167</u>	<u>\$ 1,132,535,062</u>	<u>\$ 946,319,987</u>	<u>\$ 895,167,097</u>	<u>\$ 856,215,849</u>	<u>\$ 807,148,611</u>	<u>\$ 738,605,100</u>	<u>\$ 750,583,900</u>	<u>\$ 748,692,527</u>
Net Pension Liability - [(a) - (b)]	<u>\$ 493,614,706</u>	<u>\$ 482,678,956</u>	<u>\$ 291,020,791</u>	<u>\$ 422,288,787</u>	<u>\$ 386,422,148</u>	<u>\$ 353,859,847</u>	<u>\$ 349,185,457</u>	<u>\$ 301,341,309</u>	<u>\$ 236,601,941</u>	<u>\$ 222,102,032</u>

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Miscellaneous									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.56%	57.85%	79.56%	69.14%	69.85%	70.76%	69.80%	71.02%	76.03%	77.12%
Covered Payroll ⁽¹⁾	\$ 200,139,534	\$ 175,923,248	\$ 174,373,516	\$ 165,010,030	\$ 155,681,644	\$ 154,561,652	\$ 143,976,672	\$ 142,900,632	\$ 129,365,289	\$ 128,891,450
Net Pension Liability as a Percentage of Covered Payroll	246.64%	274.37%	166.90%	255.92%	248.21%	228.94%	242.53%	210.87%	182.89%	172.32%

⁽¹⁾ During Fiscal Year 2017/18, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017/18 CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

⁽²⁾ Includes any beginning of year adjustment.

⁽³⁾ Includes one year's payroll growth using 2.80% for fiscal years ended June 30, 2023, 2.75% for fiscal years ended June 30, 2018-22; 3.0% payroll growth for June 30, 2014-2017.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

Measurement Period	Safety									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Total Pension Liability										
Service Cost	\$ 5,782,050	\$ 5,666,318	\$ 5,336,326	\$ 5,091,972	\$ 4,558,119	\$ 4,574,156	\$ 4,308,824	\$ 3,699,113	\$ 3,634,483	\$ 3,669,984
Interest on the Total Pension Liability	17,625,636	16,747,614	16,272,917	15,446,336	13,872,701	13,301,864	12,144,727	12,245,682	10,356,153	10,663,258
Changes of Benefit Terms	199,357	-	-	-	-	-	-	-	-	-
Changes in Assumptions Differences between Expected and	-	4,807,984	-	-	-	(987,231)	10,635,917	-	(2,711,954)	-
Actual Experience Benefit Payments, Including Refunds of Employee Contributions	1,914,589	(169,874)	1,613,751	365,539	1,607,319	3,844,045	(170,518)	(115,359)	2,154,731	-
	(12,240,591)	(11,480,993)	(11,090,130)	(10,335,185)	(9,257,666)	(8,907,017)	(8,473,271)	(7,830,764)	(5,050,435)	(6,316,966)
Net Change in Total Pension Liability	13,281,041	15,571,049	12,132,864	10,568,662	10,780,473	11,825,817	18,445,679	7,998,672	8,382,978	8,016,276
Total Pension Liability - Beginning	256,561,311	240,990,262	228,857,398	208,950,158	198,169,685	186,343,868	167,898,189	159,899,517	151,516,539	143,500,263
Restatement for correction of an error	-	-	-	9,338,578	-	-	-	-	-	-
Total Pension Liability - as Restated	256,561,311	240,990,262	228,857,398	218,288,736	198,169,685	186,343,868	167,898,189	159,899,517	151,516,539	143,500,263
Total Pension Liability - Ending (a)	<u>\$ 269,842,352</u>	<u>\$ 256,561,311</u>	<u>\$ 240,990,262</u>	<u>\$ 228,857,398</u>	<u>\$ 208,950,158</u>	<u>\$ 198,169,685</u>	<u>\$ 186,343,868</u>	<u>\$ 167,898,189</u>	<u>\$ 159,899,517</u>	<u>\$ 151,516,539</u>
Plan Fiduciary Net Position										
Contribution - Employer	\$ 5,237,472	\$ 60,247,161	\$ 7,900,517	\$ 7,088,547	\$ 5,787,644	\$ 4,922,020	\$ 4,636,859	\$ 3,731,613	\$ 4,503,776	\$ 2,833,995
Contribution - Employee	2,404,792	2,330,061	2,184,434	2,135,615	1,839,392	1,845,744	1,731,239	1,613,925	1,200,032	1,364,228
Net Investment Income	13,502,488	(17,436,008)	35,254,179	7,472,935	8,840,214	10,848,222	12,764,280	588,970	2,087,758	17,564,582
Benefit Payments, Including Refunds of Employee Contributions	(12,240,591)	(11,480,993)	(11,090,130)	(10,335,185)	(9,257,666)	(8,907,017)	(8,473,271)	(7,830,764)	(5,050,435)	(6,316,966)
Net Plan to Plan Resource Movement	-	-	-	-	-	5,196	3,626	(106,353)	-	-
Administrative Expenses	(165,746)	(119,515)	(157,599)	(213,745)	(96,965)	(201,770)	(170,140)	(75,328)	(107,841)	-
Other Miscellaneous Income (Expense) ⁽¹⁾	-	-	-	-	315	(383,165)	-	-	-	-
Net Change in Plan Fiduciary Net Position	8,738,415	33,540,706	34,091,401	6,148,167	7,112,934	8,129,230	10,492,593	(2,077,937)	2,633,290	15,445,839
Plan Fiduciary Net Position - Beginning ⁽²⁾	225,398,892	191,858,186	157,766,785	143,301,146	136,188,212	128,058,982	117,566,389	119,644,326	117,011,036	101,565,197
Restatement for correction of an error	-	-	-	8,317,472	-	-	-	-	-	-
Total Pension Liability - as Restated	225,398,892	191,858,186	157,766,785	151,618,618	136,188,212	128,058,982	117,566,389	119,644,326	117,011,036	101,565,197
Plan Fiduciary Net Position - Ending (b)	<u>\$ 234,137,307</u>	<u>\$ 225,398,892</u>	<u>\$ 191,858,186</u>	<u>\$ 157,766,785</u>	<u>\$ 143,301,146</u>	<u>\$ 136,188,212</u>	<u>\$ 128,058,982</u>	<u>\$ 117,566,389</u>	<u>\$ 119,644,326</u>	<u>\$ 117,011,036</u>
Net Pension Liability - [(a) - (b)]	<u>\$ 35,705,045</u>	<u>\$ 31,162,419</u>	<u>\$ 49,132,076</u>	<u>\$ 71,090,613</u>	<u>\$ 65,649,012</u>	<u>\$ 61,981,473</u>	<u>\$ 58,284,886</u>	<u>\$ 50,331,800</u>	<u>\$ 40,255,191</u>	<u>\$ 34,505,503</u>

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Safety									
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.77%	95.15%	79.61%	68.94%	68.58%	68.72%	68.72%	70.02%	74.82%	77.23%
Covered Payroll ⁽²⁾	\$ 21,907,647	\$ 21,251,640	\$ 21,508,771	\$ 19,318,222	\$ 18,152,606	\$ 18,204,149	\$ 17,259,459	\$ 16,451,469	\$ 15,444,933	\$ 15,601,682
Net Pension Liability as a Percentage of Covered Payroll	162.98%	146.64%	228.43%	368.00%	361.65%	340.48%	337.70%	305.94%	260.64%	221.17%

⁽¹⁾ During Fiscal Year 2016/17, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2016/17 CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

⁽²⁾ Includes any beginning of year adjustment.

⁽³⁾ Includes one year's payroll growth using 2.80% for fiscal years ended June 30, 2023, 2.75% for fiscal years ended June 30, 2018-20; 3.0% payroll growth for June 30, 2014-2017.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED) AS OF JUNE 30, 2024 LAST 10 YEARS

Measurement Period	Safety Sheriff									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Total Pension Liability										
Service Cost	\$ 6,010,624	\$ 6,180,206	\$ 5,589,220	\$ 5,369,171	\$ 4,665,792	\$ 4,674,676	\$ 4,330,397	\$ 3,942,199	\$ 3,490,555	\$ 3,589,667
Interest on the Total Pension Liability	18,056,355	16,957,037	16,035,608	15,255,279	13,603,359	12,876,163	11,690,824	11,528,363	11,193,336	9,442,627
Changes of Benefit Terms	68,272	-	-	-	-	-	-	-	-	-
Changes in Assumptions	-	10,879,604	-	-	-	(600,321)	10,427,243	-	(2,818,825)	-
Differences between Expected and Actual Experience	4,469,453	(748,278)	(211,700)	518,877	2,640,793	2,605,790	1,105,968	531,702	(2,577,906)	-
Benefit Payments, Including Refunds of Employee Contributions	(12,160,019)	(11,156,038)	(9,987,419)	(9,230,726)	(7,914,704)	(7,436,783)	(6,321,116)	(5,816,534)	(7,060,615)	(4,529,774)
Net Change in Total Pension Liability	16,444,685	22,112,531	11,425,709	11,912,601	12,995,240	12,119,525	21,233,316	10,185,730	2,226,545	8,502,520
Total Pension Liability - Beginning	260,223,275	238,110,744	226,685,035	193,634,623	180,639,383	168,519,858	147,286,542	137,100,812	134,874,267	126,371,747
Restatement for correction of an error	-	-	-	21,137,811	-	-	-	-	-	-
Total Pension Liability - as Restated	260,223,275	238,110,744	226,685,035	214,772,434	180,639,383	168,519,858	147,286,542	137,100,812	134,874,267	126,371,747
Total Pension Liability - Ending (a)	<u>\$ 276,667,960</u>	<u>\$ 260,223,275</u>	<u>\$ 238,110,744</u>	<u>\$ 226,685,035</u>	<u>\$ 193,634,623</u>	<u>\$ 180,639,383</u>	<u>\$ 168,519,858</u>	<u>\$ 147,286,542</u>	<u>\$ 137,100,812</u>	<u>\$ 134,874,267</u>
Plan Fiduciary Net Position										
Contribution - Employer	\$ 5,645,714	\$ 73,186,382	\$ 9,350,436	\$ 8,388,407	\$ 6,884,641	\$ 6,124,769	\$ 5,773,111	\$ 5,279,477	\$ 3,212,095	\$ 3,752,346
Contribution - Employee	2,131,912	1,909,269	2,057,951	1,890,730	1,614,412	1,650,182	1,417,068	1,383,847	1,434,076	1,538,338
Net Investment Income	13,280,369	(16,837,943)	32,004,948	6,714,522	7,744,718	9,329,278	10,827,138	509,520	2,674,451	13,619,878
Benefit Payments, Including Refunds of Employee Contributions	(12,160,019)	(11,156,038)	(9,987,419)	(9,230,726)	(7,914,704)	(7,436,783)	(6,321,116)	(5,816,534)	(7,060,615)	(4,529,774)
Net Plan to Plan Resource Movement	-	-	-	-	-	(11,582)	53,634	(3,877)	-	-
Administrative Expenses	(163,399)	(109,147)	(141,777)	(189,407)	(84,414)	(172,445)	(141,537)	(60,831)	(133,531)	-
Other Miscellaneous Income (Expense) ⁽¹⁾	-	-	-	-	274	(327,476)	-	-	-	-
Net Change in Plan Fiduciary Net Position	8,734,577	46,992,523	33,284,139	7,573,526	8,244,927	9,155,943	11,608,298	1,291,602	126,476	14,380,788
Plan Fiduciary Net Position - Beginning ⁽²⁾	222,204,533	175,212,010	141,927,871	122,444,282	114,199,355	105,043,412	93,435,114	92,143,512	92,017,036	77,636,247
Restatement for correction of an error	-	-	-	11,910,063	-	-	-	-	-	-
Total Pension Liability - as Restated	222,204,533	175,212,010	141,927,871	134,354,345	114,199,355	105,043,412	93,435,114	92,143,512	92,017,036	77,636,247
Plan Fiduciary Net Position - Ending (b)	<u>\$ 230,939,110</u>	<u>\$ 222,204,533</u>	<u>\$ 175,212,010</u>	<u>\$ 141,927,871</u>	<u>\$ 122,444,282</u>	<u>\$ 114,199,355</u>	<u>\$ 105,043,412</u>	<u>\$ 93,435,114</u>	<u>\$ 92,143,512</u>	<u>\$ 92,017,035</u>
Net Pension Liability - [(a) - (b)]	<u>\$ 45,728,850</u>	<u>\$ 38,018,742</u>	<u>\$ 62,898,734</u>	<u>\$ 84,757,164</u>	<u>\$ 71,190,341</u>	<u>\$ 66,440,028</u>	<u>\$ 63,476,446</u>	<u>\$ 53,851,428</u>	<u>\$ 44,957,300</u>	<u>\$ 42,857,232</u>

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Safety Sheriff									
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.47%	95.35%	73.58%	73.58%	62.61%	63.23%	63.22%	62.33%	63.44%	67.21%
Covered Payroll ⁽¹⁾	\$ 18,987,676	\$ 19,142,239	\$ 19,246,627	\$ 17,416,105	\$ 15,811,955	\$ 15,575,504	\$ 14,344,287	\$ 14,432,887	\$ 13,136,045	\$ 12,367,504
Net Pension Liability as a Percentage of Covered Payroll	240.83%	198.61%	326.80%	486.66%	450.23%	426.57%	442.52%	373.12%	342.24%	346.53%

⁽¹⁾ During Fiscal Year 2016/17, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2016/17 CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

⁽²⁾ Includes any beginning of year adjustment.

⁽³⁾ Includes one year's payroll growth using 2.80% for fiscal years ended June 30, 2023, 2.75% for fiscal years ended June 30, 2018-20; 3.0% payroll growth for June 30, 2014-2017.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED) AS OF JUNE 30, 2024 LAST 10 YEARS

Measurement Period	TOTAL									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Total Pension Liability										
Service Cost	\$ 41,397,260	\$ 40,918,415	\$ 37,683,949	\$ 35,399,318	\$ 33,363,906	\$ 33,399,091	\$ 31,194,606	\$ 28,044,664	\$ 25,886,884	\$ 26,749,327
Interest on the Total Pension Liability	139,489,454	133,401,929	129,153,211	122,582,421	115,456,927	110,227,472	101,831,429	102,626,600	93,511,651	88,558,430
Changes of Benefit Terms	2,193,712	-	-	-	-	-	-	-	-	-
Changes in Assumptions	-	58,296,501	-	-	-	(9,355,422)	83,154,614	-	(22,399,053)	-
Differences between Expected and										
Actual Experience	11,515,224	(7,271,529)	5,231,217	10,584,015	25,896,076	16,841,333	5,910,263	4,382,363	(13,624,485)	-
Benefit Payments, Including Refunds of Employee Contributions	(106,579,499)	(99,551,466)	(93,562,725)	(86,335,503)	(79,427,647)	(73,425,504)	(66,024,258)	(64,108,657)	(56,374,192)	(51,053,577)
Net Change in Total Pension Liability	88,016,151	125,793,850	78,505,652	82,230,251	95,289,262	77,686,970	156,066,654	70,944,970	27,000,805	64,254,180
Total Pension Liability - Beginning	2,028,450,709	1,902,656,859	1,824,151,207	1,684,174,026	1,588,884,764	1,511,197,794	1,355,131,140	1,284,186,170	1,257,185,365	1,192,931,185
Restatement for correction of an error	-	-	-	57,746,930	-	-	-	-	-	-
Total Pension Liability - as Restated	2,028,450,709	1,902,656,859	1,824,151,207	1,741,920,956	1,588,884,764	1,511,197,794	1,355,131,140	1,284,186,170	1,257,185,365	1,192,931,185
Total Pension Liability - Ending (a)	\$ 2,116,466,860	\$ 2,028,450,709	\$ 1,902,656,859	\$ 1,824,151,207	\$ 1,684,174,026	\$ 1,588,884,764	\$ 1,511,197,794	\$ 1,355,131,140	\$ 1,284,186,170	\$ 1,257,185,365
Plan Fiduciary Net Position										
Contribution - Employer	\$ 65,069,947	\$ 181,375,430	\$ 60,298,896	\$ 54,587,924	\$ 46,982,220	\$ 40,743,511	\$ 38,576,134	\$ 33,847,460	\$ 28,504,239	\$ 25,052,420
Contribution - Employee	18,072,350	16,197,418	16,115,090	15,848,201	14,433,163	14,176,341	13,683,198	12,896,566	11,898,319	11,488,578
Net Investment Income	89,358,816	(120,096,800)	271,983,495	62,646,746	73,121,222	89,705,613	105,817,167	5,325,830	21,749,029	143,435,286
Benefit Payments, Including Refunds of Employee Contributions	(106,579,499)	(99,551,466)	(93,562,725)	(86,335,503)	(79,427,647)	(73,425,504)	(66,024,258)	(64,108,657)	(56,374,192)	(51,053,577)
Net Plan to Plan Resource Movement	-	-	-	-	-	(2,638)	(4,113)	(107,503)	(29,360)	-
Administrative Expenses	(1,093,947)	(939,248)	(1,244,141)	(1,680,627)	(802,455)	(1,671,225)	(1,403,726)	(618,831)	(1,096,896)	-
Other Miscellaneous Income (Expense) ⁽¹⁾	-	-	-	-	2,606	(3,173,687)	-	-	-	-
Net Change in Plan Fiduciary Net Position	64,827,667	(23,014,666)	253,590,615	45,066,741	54,309,109	66,352,411	90,644,402	(12,765,135)	4,651,139	128,922,707
Plan Fiduciary Net Position - Beginning ⁽²⁾	1,476,590,592	1,499,605,258	1,246,014,643	1,160,912,525	1,106,603,416	1,040,251,005	949,606,603	962,371,738	957,720,599	828,797,891
Restatement for correction of an error	-	-	-	40,035,377	-	-	-	-	-	-
Total Pension Liability - as Restated	1,476,590,592	1,499,605,258	1,246,014,643	1,200,947,902	1,106,603,416	1,040,251,005	949,606,603	962,371,738	957,720,599	828,797,891
Plan Fiduciary Net Position - Ending (b)	\$ 1,541,418,259	\$ 1,476,590,592	\$ 1,499,605,258	\$ 1,246,014,643	\$ 1,160,912,525	\$ 1,106,603,416	\$ 1,040,251,005	\$ 949,606,603	\$ 962,371,738	\$ 957,720,598
Net Pension Liability - [(a) - (b)]	\$ 575,048,601	\$ 551,860,117	\$ 403,051,601	\$ 578,136,564	\$ 523,261,501	\$ 482,281,348	\$ 470,946,789	\$ 405,524,537	\$ 321,814,432	\$ 299,464,767

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	TOTAL									
	2022-23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.83%	72.79%	78.82%	68.31%	68.93%	69.65%	68.84%	70.07%	74.94%	76.18%
Covered Payroll ⁽¹⁾	\$ 241,034,857	\$ 216,317,127	\$ 215,128,914	\$ 201,744,357	\$ 189,646,205	\$ 188,341,305	\$ 175,580,418	\$ 173,784,988	\$ 157,946,267	\$ 156,860,636
Net Pension Liability as a Percentage of Covered Payroll	238.57%	255.12%	187.35%	286.57%	275.91%	256.07%	268.22%	233.35%	203.75%	190.91%

⁽¹⁾ During Fiscal Year 2016/17, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2016/17 CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

⁽²⁾ Includes any beginning of year adjustment.

⁽³⁾ Includes one year's payroll growth using 2.80% for fiscal years ended June 30, 2023, 2.75% for fiscal years ended June 30, 2018-21; 3.0% payroll growth for June 30, 2014-2017.

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2024
LAST 10 YEARS

	Miscellaneous									
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Actuarially Determined Contribution	\$ 56,030,307	\$ 49,660,268	\$ 45,370,797	\$ 42,429,388	\$ 38,999,757	\$ 34,309,935	\$ 29,696,722	\$ 28,166,164	\$ 24,836,370	\$ 20,788,368
Contributions in Relation to the Actuarially Determined Contribution	56,030,307	49,660,268	45,370,797	42,429,388	38,999,757	34,309,935	29,696,722	28,166,164	24,836,370	20,788,368
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 200,634,825	\$ 181,956,276	\$ 175,923,248	\$ 174,373,516	\$ 165,010,030	\$ 155,681,644	\$ 154,561,652	\$ 143,976,672	\$ 142,900,632	\$ 129,365,289
Contributions as a Percentage of Covered Payroll	27.93%	27.29%	25.79%	24.33%	23.63%	22.04%	19.21%	19.56%	17.38%	16.07%

Notes to Schedule:

Valuation date:	June 30,2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013, June 30, 2012 and June 30, 2011, respectively
Methods and assumptions used to set the actuarially determined contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of payroll
Asset valuation method	Fair Value of Assets
Inflation	2.30%, previously 2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.80% for fiscal years ended June 30, 2023; 2.75% for fiscal years ended June 30, 2018-2022; 3.00% for fiscal years ended June 30, 2014-17
Investment rate of return	6.80%, previously 7.00% in prior fiscal year, 7.375% in earlier year, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% Scale MP-2016 published by the Society of Actuaries.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Safety									
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Actuarially Determined Contribution	\$ 4,247,435	\$ 6,720,634	\$ 8,624,596	\$ 7,599,933	\$ 6,670,471	\$ 5,787,644	\$ 4,922,020	\$ 4,636,859	\$ 3,731,613	\$ 4,503,776
Contributions in Relation to the Actuarially Determined Contribution	4,247,435	6,720,634	8,624,596	7,599,933	6,670,471	5,787,644	4,922,020	4,636,859	3,731,613	4,503,776
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 23,772,287	\$ 21,907,647	\$ 21,251,640	\$ 21,508,771	\$ 19,318,222	\$ 18,152,606	\$ 18,204,149	\$ 17,259,459	\$ 16,451,469	\$ 15,444,933
Contributions as a Percentage of Covered Payroll	17.87%	30.68%	40.58%	35.33%	34.53%	31.88%	27.04%	26.87%	22.68%	29.16%

Notes to Schedule:

Valuation date: June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013, June 30, 2012 and June 30, 2011, respectively

Methods and assumptions used to set the actuarially determined contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of payroll
Asset valuation method	Fair Value of Assets
Inflation	2.30%, previously 2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.80% for fiscal years ended June 30, 2023; 2.75% for fiscal years ended June 30, 2018-2022; 3.00% for fiscal years ended June 30, 2014-17
Investment rate of return	6.80%, previously 7.00% in prior fiscal year, 7.375% in earlier year, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% Scale MP-2016 published by the Society of Actuaries.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Safety Sheriff									
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Actuarially Determined Contribution	\$ 6,247,504	\$ 6,418,679	\$ 9,959,735	\$ 8,762,077	\$ 7,753,959	\$ 6,884,641	\$ 6,124,769	\$ 5,773,111	\$ 5,279,477	\$ 3,212,095
Contributions in Relation to the Actuarially Determined Contribution	6,247,504	6,418,679	9,959,735	8,762,077	7,753,959	6,884,641	6,124,769	5,773,111	5,279,477	3,212,095
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 20,639,485	\$ 18,987,676	\$ 19,142,239	\$ 19,246,627	\$ 17,416,105	\$ 15,811,955	\$ 15,575,504	\$ 14,344,287	\$ 14,344,287	\$ 13,136,045
Contributions as a Percentage of Covered Payroll	30.27%	33.80%	52.03%	45.53%	44.52%	43.54%	39.32%	40.25%	36.81%	24.45%

Notes to Schedule:

Valuation date: June 30,2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013, June 30, 2012 and June 30, 2011, respectively

Methods and assumptions used to set the actuarially determined contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of payroll
Asset valuation method	Fair Value of Assets
Inflation	2.30%, previously 2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.80% for fiscal years ended June 30, 2023; 2.75% for fiscal years ended June 30, 2018-2022; 3.00% for fiscal years ended June 30, 2014-17 6.80%, previously 7.00% in prior fiscal year, 7.375% in earlier year, net of pension plan investment and administrative expenses, including inflation
Investment rate of return	
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% Scale MP-2016 published by the Society of Actuaries.

AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	TOTAL									
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Actuarially Determined Contribution	\$ 66,525,246	\$ 62,799,581	\$ 63,955,128	\$ 58,791,398	\$ 53,424,187	\$ 46,982,220	\$ 40,743,511	\$ 38,576,134	\$ 33,847,460	\$ 28,504,239
Contributions in Relation to the Actuarially Determined Contribution	66,525,246	62,799,581	63,955,128	58,791,398	53,424,187	46,982,220	40,743,511	38,576,134	33,847,460	28,504,239
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 245,046,597	\$ 222,851,599	\$ 216,317,127	\$ 215,128,914	\$ 201,744,357	\$ 189,646,205	\$ 188,341,305	\$ 175,580,418	\$ 173,784,988	\$ 157,946,267
Contributions as a Percentage of Covered Payroll	27.15%	28.18%	29.57%	27.33%	26.48%	24.77%	21.63%	21.97%	19.48%	18.05%

Notes to Schedule:

Valuation date: June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013, June 30, 2012 and June 30, 2011, respectively

Methods and assumptions used to set the actuarially determined contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of payroll
Asset valuation method	Fair Value of Assets
Inflation	2.30%, previously 2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.80% for fiscal years ended June 30, 2023; 2.75% for fiscal years ended June 30, 2018-2022; 3.00% for fiscal years ended June 30, 2014-17
Investment rate of return	6.80%, previously 7.00% in prior fiscal year, 7.375% in earlier year, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% Scale MP-2016 published by the Society of Actuaries.

A SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2024
LAST 10 YEARS*

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Total OPEB Liability							
Service Cost	\$ 7,315,290	\$ 10,812,207	\$ 10,755,256	\$ 8,885,901	\$ 7,853,538	\$ 7,732,196	\$ 8,738,882
Interest	6,178,938	3,936,054	5,047,732	5,649,710	6,258,826	5,955,259	5,117,000
Changes of Benefit Terms	-	-	-	-	-	-	-
Changes in Assumptions	(4,569,300)	(41,006,803)	3,569,076	16,761,397	8,314,270	(1,276,771)	(14,014,000)
Differences between Actual and Expected Experience	(10,395,164)	-	(12,691,709)	-	(8,605,453)	-	-
Benefit Payments	(7,839,062)	(7,753,833)	(7,774,779)	(7,502,010)	(6,992,820)	(6,844,850)	(6,773,092)
Net Change in Total OPEB Liability	(9,309,298)	(34,012,375)	(1,094,424)	23,794,998	6,828,361	5,565,834	(6,931,210)
Total OPEB Liability - Beginning	164,055,184	198,067,559	199,161,983	175,366,985	168,538,624	162,972,790	169,904,000
Total OPEB Liability - Ending	<u>\$ 154,745,886</u>	<u>\$ 164,055,184</u>	<u>\$ 198,067,559</u>	<u>\$ 199,161,983</u>	<u>\$ 175,366,985</u>	<u>\$ 168,538,624</u>	<u>\$ 162,972,790</u>
Covered Payroll	\$ 261,656,768	\$ 242,721,718	\$ 230,823,941	\$ 230,343,320	\$ 213,716,345	\$ 203,044,467	\$ 195,374,299
Total OPEB Liability as a Percentage of Covered Payroll	59.14%	67.59%	85.81%	86.46%	82.06%	83.01%	83.42%

* Fiscal year 17/18 was the 1st year of GASB Statement No.75 implementation.

Notes to Schedule: The label of Year refers to the measurement period, not the fiscal year.

Change in Assumptions. The accounting discount rate increased from 3.69 percent in 2022 to 3.86 percent in 2023, increased from 1.92 percent from 2021 to 3.69 percent in 2022, decreased from 2.45 percent in 2020 to 1.92 percent in 2021, decreased from 3.13 percent to 2.45 percent in 2020, 3.62 percent to 3.13 percent in 2019 and increased from 3.56 percent to 3.62 percent in 2018.

A SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2024
LAST 10 YEARS*

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Actuarially Determined Contributions	\$ 7,746,808	\$ 7,872,181	\$ 7,778,586	\$ 7,798,262	\$ 7,526,724	\$ 7,014,009	\$ 6,873,540	\$ 6,773,092
Contributions in Relation to the Actuarially Determined Contributions	7,746,808	7,872,181	7,778,586	7,798,262	7,526,724	7,014,009	6,873,540	6,773,092
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$261,656,768	\$261,656,768	\$242,721,718	\$230,823,941	\$230,343,320	\$213,716,345	\$203,044,467	\$195,374,299
Contributions as a Percentage of Covered Payroll	2.96%	3.01%	3.20%	3.38%	3.27%	3.28%	3.39%	3.47%

* Fiscal year 17/18 was the 1st year of GASB Statement No. 75 implementation.

Notes to Schedule:

Valuation date: June 30, 2023; June 30, 2021; June 30, 2019; June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of payroll
Discount rate	3.86% in 2022-23; 1.92% in 2020-2021; 2.45% in 2019-2020; 3.13% in 2018-2019; 3.62% in 2017-18; 3.56% in 2016-17- No prefunding. Based on the Fidelity Municipal General Obligation AA 20-year bond index.
Inflation	2.50% per annum
Payroll increases	Aggregate Increases - 2.75%; Merit Increases - CalPERS 2000-2019 Experience Study
Retirement	The probabilities of retirement are based on the CalPERS 2000-2019 Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS 2000-2019 Experience Study. Post-retirement mortality projected fully generational with Society of Actuaries mortality improvement Scale MP-2021.



Other Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 482	\$ 580,482	\$ 94,498	\$ (485,984)
Aid from other governments	17,955,753	18,755,753	1,100,283	(17,655,470)
Other	1,092,233	1,022,315	296,548	(725,767)
Total revenues	<u>19,048,468</u>	<u>20,358,550</u>	<u>1,491,329</u>	<u>(18,867,221)</u>
EXPENDITURES:				
Capital outlay	<u>85,638,260</u>	<u>112,738,263</u>	<u>35,859,678</u>	<u>76,878,585</u>
Total expenditures	<u>85,638,260</u>	<u>112,738,263</u>	<u>35,859,678</u>	<u>76,878,585</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(66,589,792)</u>	<u>(92,379,713)</u>	<u>(34,368,349)</u>	<u>(95,745,806)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	24,572,769	54,250,885	28,403,810	(25,847,075)
Transfers out	(2,482,332)	(2,507,332)	-	2,507,332
Bond proceeds	<u>34,098,103</u>	<u>34,098,103</u>	<u>-</u>	<u>(34,098,103)</u>
Total other financing sources (uses)	<u>56,188,540</u>	<u>85,841,656</u>	<u>28,403,810</u>	<u>(57,437,846)</u>
Net change in fund balance	<u>(10,401,252)</u>	<u>(6,538,057)</u>	<u>(5,964,539)</u>	<u>(153,183,652)</u>
Fund balance - beginning	<u>8,128,410</u>	<u>8,128,410</u>	<u>8,128,410</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ (2,272,842)</u>	<u>\$ 1,590,353</u>	<u>\$ 2,163,871</u>	<u>\$ (153,183,652)</u>

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ -	\$ 1,058,445	\$ 1,577,485	\$ 519,040
Other	-	7,625,213	-	(7,625,213)
Total revenues	-	8,683,658	1,577,485	(7,106,173)
EXPENDITURES:				
Current:				
Principal	-	11,220,000	14,546,539	(3,326,539)
Interest	-	5,877,523	5,877,523	-
Bond issuance costs	-	866,970	829,165	37,805
Fiscal charges	-	-	(2,995)	2,995
Total expenditures	-	17,964,493	21,250,232	(3,285,739)
REVENUES OVER (UNDER) EXPENDITURES	-	(9,280,835)	(19,672,747)	(3,820,434)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,427,391	16,052,603	7,625,212
Transfers out	-	(57,029,263)	(78,241,177)	(21,211,914)
Bond proceeds	-	82,515,000	78,462,568	(4,052,432)
Bond premiums	-	3,389,400	2,971,258	(418,142)
Bond discounts	-	(62,996)	(62,995)	1
Total other financing sources (uses)	-	37,239,532	19,182,257	(18,057,275)
Net change in fund balances	-	27,958,697	(490,490)	(21,877,709)
Fund balance - beginning	32,609,206	32,609,206	32,609,206	-
Fund balance - beginning, as restated	32,609,206	32,609,206	32,609,206	-
FUND BALANCE, ENDING	<u>\$ 32,609,206</u>	<u>\$ 60,567,903</u>	<u>\$ 32,118,716</u>	<u>\$ (21,877,709)</u>



Combining and Individual Fund Statements and Schedules

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Nonmajor Special Revenue Funds

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Special Revenue Funds:

Library Fund – The Library Fund finances library services in the unincorporated area of the County through contracts with the cities of Santa Cruz and Watsonville. Revenue is collected from property taxes in the unincorporated area of the County and from the cities of Scotts Valley and Capitola and is dedicated to the Santa Cruz County Library Joint Powers Authority for library operations.

Fire Fund – The Fire Fund provides support for coordinating fire protection and prevention activities with local fire protection agencies, County departments, and advisory bodies. Revenues consist of taxes and charges for services.

Fish and Game Fund – The Fish and Game Fund provides for expenditures, which are used for the protection and propagation of fish and game. Revenues are from the County's share of fines collected for violations of fish and game laws.

Park Dedication and State Park Bonds Fund – The Park Dedication and State Park Bonds Fund finances park land acquisition and park development. Revenues come from development impact fees charged on new residential development and major residential remodeling.

Health Services Fund – The Health Services Fund provides for future purchases of health facilities.

Santa Cruz Flood Control and Water Conservation - Zone 7 – The Santa Cruz Flood Control and Water Conservation - Zone 7 Fund supports a special purpose district fund administered by the Department of Public Works. It is governed by an independent Board of Directors. Revenues consist largely of service charges.

Districts Governed by the Board of Supervisors: Public Protection, Health and Sanitation, Recreation and Cultural Services, and Public Ways and Facilities Funds – The Public Protection, Health and Sanitation, Recreation and Cultural Services, and Public Ways and Facilities Funds support a number of special purpose district funds administered by the Department of Public Works. Revenues consist of tax levies and service charges.

Districts Governed by the Board of Supervisors: Geologic Hazard Abatement Districts Fund – The Geologic Hazard Abatement Districts Fund provides for financing and maintaining improvements necessary or incidental to the prevention, mitigation, abatement, or control of geologic hazards.

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024**

	Library	Fire	Fish and Game	Park Dedication and State Park Bonds	Health Services
ASSETS					
Cash and investments	\$ 7,487,891	\$ 12,274,742	\$ 49,109	\$ 1,931,353	\$ 14,915
Receivables, net	-	59,191	-	13,766	-
Total assets	<u>\$ 7,487,891</u>	<u>\$ 12,333,933</u>	<u>\$ 49,109</u>	<u>\$ 1,945,119</u>	<u>\$ 14,915</u>
LIABILITIES					
Accounts payables	\$ -	\$ 1,830,315	\$ 8,560	\$ 58,147	\$ -
Salaries and benefits payable	-	783	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,831,098</u>	<u>8,560</u>	<u>58,147</u>	<u>-</u>
FUND BALANCES					
Restricted	7,487,891	10,502,835	40,549	1,886,972	14,915
Unassigned	-	-	-	-	-
Total fund balances	<u>7,487,891</u>	<u>10,502,835</u>	<u>40,549</u>	<u>1,886,972</u>	<u>14,915</u>
Total liabilities and fund balances	<u>\$ 7,487,891</u>	<u>\$ 12,333,933</u>	<u>\$ 49,109</u>	<u>\$ 1,945,119</u>	<u>\$ 14,915</u>

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

Santa Cruz Flood Control and Water Conservation-Zone 7	Board of Supervisors Governed					Total Nonmajor Special Revenue Funds
	Public Protection	Health and Sanitation	Recreation and Cultural Services	Public Ways and Facilities	Geologic Hazard Abatement Districts	
\$ -	\$ 10,854,309	\$ 1,890,626	\$ 2,411,767	\$ 6,026,947	\$ 210,735	\$ 43,152,394
500,000	-	-	-	1,595,929	-	2,168,886
<u>\$ 500,000</u>	<u>\$ 10,854,309</u>	<u>\$ 1,890,626</u>	<u>\$ 2,411,767</u>	<u>\$ 7,622,876</u>	<u>\$ 210,735</u>	<u>\$ 45,321,280</u>
\$ 283	\$ 695,843	\$ -	\$ 129,530	\$ 395,032	\$ -	\$ 3,117,710
-	-	-	-	-	-	783
1,221,656	-	-	-	-	-	1,221,656
-	40,345	-	3,935	-	-	44,280
<u>1,221,939</u>	<u>736,188</u>	<u>-</u>	<u>133,465</u>	<u>395,032</u>	<u>-</u>	<u>4,384,429</u>
-	10,118,121	1,890,626	2,278,302	7,227,844	210,735	41,658,790
(721,939)	-	-	-	-	-	(721,939)
<u>(721,939)</u>	<u>10,118,121</u>	<u>1,890,626</u>	<u>2,278,302</u>	<u>7,227,844</u>	<u>210,735</u>	<u>40,936,851</u>
<u>\$ 500,000</u>	<u>\$ 10,854,309</u>	<u>\$ 1,890,626</u>	<u>\$ 2,411,767</u>	<u>\$ 7,622,876</u>	<u>\$ 210,735</u>	<u>\$ 45,321,280</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Library	Fire	Fish and Game	Park Dedication and State Park Bonds	Health Services
REVENUES:					
Taxes	\$ 8,985,156	\$ 2,914,166	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeits and penalties	2,543	879	6,324	-	-
Use of money and property	-	433,076	2,412	98,505	588
Aid from other governments	92,866	237,174	-	37,645	-
Charges for services	-	3,044,802	-	419,108	-
Other	-	59,191	-	21,075	-
Total revenues	<u>9,080,565</u>	<u>6,689,288</u>	<u>8,736</u>	<u>576,333</u>	<u>588</u>
EXPENDITURES:					
Current:					
General government	-	-	-	908,935	-
Public protection	-	4,785,274	24,560	-	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Education	7,025,307	-	-	-	-
Recreation and cultural services	-	-	-	200,423	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>7,025,307</u>	<u>4,785,274</u>	<u>24,560</u>	<u>1,109,358</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,055,258</u>	<u>1,904,014</u>	<u>(15,824)</u>	<u>(533,025)</u>	<u>588</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Transfers out	(70,481)	-	-	(22,446)	-
Total other financing sources (uses)	<u>(70,481)</u>	<u>-</u>	<u>-</u>	<u>(22,446)</u>	<u>-</u>
Net change in fund balances	<u>1,984,777</u>	<u>1,904,014</u>	<u>(15,824)</u>	<u>(555,471)</u>	<u>588</u>
Fund balances - beginning	<u>5,503,114</u>	<u>8,598,821</u>	<u>56,373</u>	<u>2,442,443</u>	<u>14,327</u>
Fund balances - ending	<u>\$ 7,487,891</u>	<u>\$ 10,502,835</u>	<u>\$ 40,549</u>	<u>\$ 1,886,972</u>	<u>\$ 14,915</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Santa Cruz Flood Control and Water Conservation-Zone 7	Board of Supervisors Governed					Total Nonmajor Special Revenue Funds
	Public Protection	Health and Sanitation	Recreation and Cultural Services	Public Ways and Facilities	Geologic Hazard Abatement Districts	
\$ -	\$ 11,912,066	\$ -	\$ 2,266,225	\$ 1,213,562	\$ -	\$ 27,291,175
-	23,100	-	-	-	-	23,100
-	2,644	-	178	486	-	13,054
8,369	389,777	73,954	137,582	223,415	8,302	1,375,980
516,344	1,612,364	-	6,135	1,036,046	-	3,538,574
2,337,231	1,728,781	1,625,173	-	4,627,770	-	13,782,865
-	156,374	-	-	21,976	-	258,616
2,861,944	15,825,106	1,699,127	2,410,120	7,123,255	8,302	46,283,364
-	-	-	-	-	-	908,935
3,161,589	12,980,768	-	-	-	-	20,952,191
-	-	-	-	6,763,813	-	6,763,813
-	-	30,927	-	-	-	30,927
-	-	-	-	-	-	7,025,307
-	-	-	3,969,371	-	-	4,169,794
-	-	-	56,568	19,253	-	75,821
46,371	-	-	37,560	1,159	-	85,090
3,207,960	12,980,768	30,927	4,063,499	6,784,225	-	40,011,878
(346,016)	2,844,338	1,668,200	(1,653,379)	339,030	8,302	6,271,486
-	-	-	1,140,000	-	-	1,140,000
-	(800,000)	(1,529,274)	(64,595)	-	-	(2,486,796)
-	(800,000)	(1,529,274)	1,075,405	-	-	(1,346,796)
(346,016)	2,044,338	138,926	(577,974)	339,030	8,302	4,924,690
(375,923)	8,073,783	1,751,700	2,856,276	6,888,814	202,433	36,012,161
\$ (721,939)	\$ 10,118,121	\$ 1,890,626	\$ 2,278,302	\$ 7,227,844	\$ 210,735	\$ 40,936,851

**BUDGETARY COMPARISON SCHEDULE
 LIBRARY SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 8,276,541	\$ 8,576,541	\$ 8,985,156	\$ 408,615
Fines, forfeitures and penalties	1,000	1,000	2,543	1,543
Aid from other governments	90,000	90,000	92,866	2,866
Total revenues	<u>8,367,541</u>	<u>8,667,541</u>	<u>9,080,565</u>	<u>413,024</u>
EXPENDITURES:				
Current:				
Education	7,367,541	7,246,698	7,025,307	221,391
Total expenditures	<u>7,367,541</u>	<u>7,246,698</u>	<u>7,025,307</u>	<u>221,391</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,000,000</u>	<u>1,420,843</u>	<u>2,055,258</u>	<u>634,415</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(25,000)	(80,481)	(70,481)	10,000
Total other financing sources (uses)	<u>(25,000)</u>	<u>(80,481)</u>	<u>(70,481)</u>	<u>10,000</u>
Net change in fund balance	975,000	1,340,362	1,984,777	644,415
Fund balance - beginning	5,503,114	5,503,114	5,503,114	-
FUND BALANCE, ENDING	<u>\$ 6,478,114</u>	<u>\$ 6,843,476</u>	<u>\$ 7,487,891</u>	<u>\$ 644,415</u>

**BUDGETARY COMPARISON SCHEDULE
FIRE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 2,786,646	\$ 2,786,646	\$ 2,914,166	\$ 127,520
Fines, forfeitures and penalties	-	-	879	879
Use of money and property	80,300	80,300	433,076	352,776
Aid from other governments	128,601	136,726	237,174	100,448
Charges for services	3,028,746	3,028,746	3,044,802	16,056
Other	-	-	59,191	59,191
Total revenues	<u>6,024,293</u>	<u>6,032,418</u>	<u>6,689,288</u>	<u>656,870</u>
EXPENDITURES:				
Current:				
Public protection	12,591,957	12,588,544	4,785,274	7,803,270
Total expenditures	<u>12,591,957</u>	<u>12,588,544</u>	<u>4,785,274</u>	<u>7,803,270</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,567,664)</u>	<u>(6,556,126)</u>	<u>1,904,014</u>	<u>8,460,140</u>
Net change in fund balance	(6,567,664)	(6,556,126)	1,904,014	8,460,140
Fund balance - beginning	8,598,821	8,598,821	8,598,821	-
FUND BALANCE, ENDING	<u>\$ 2,031,157</u>	<u>\$ 2,042,695</u>	<u>\$ 10,502,835</u>	<u>\$ 8,460,140</u>

**BUDGETARY COMPARISON SCHEDULE
 FISH AND GAME SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Fines, forfeitures and penalties	\$ 12,000	\$ 12,000	\$ 6,324	\$ (5,676)
Use of money and property	300	300	2,412	2,112
Total revenues	<u>12,300</u>	<u>12,300</u>	<u>8,736</u>	<u>(3,564)</u>
EXPENDITURES:				
Current:				
Public protection	16,000	24,560	24,560	-
Total expenditures	<u>16,000</u>	<u>24,560</u>	<u>24,560</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,700)</u>	<u>(12,260)</u>	<u>(15,824)</u>	<u>(3,564)</u>
Net change in fund balance	(3,700)	(12,260)	(15,824)	(3,564)
Fund balances - beginning	56,373	56,373	56,373	-
FUND BALANCES, ENDING	<u>\$ 52,673</u>	<u>\$ 44,113</u>	<u>\$ 40,549</u>	<u>\$ (3,564)</u>

**PARK DEDICATION AND STATE PARK BONDS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ 10,995	\$ 10,995	\$ 98,505	\$ 87,510
Aid from other governments	943,788	1,153,788	37,645	(1,116,143)
Charges for services	370,659	370,659	419,108	48,449
Other	13,500	150,500	21,075	(129,425)
Total revenues	<u>1,338,942</u>	<u>1,685,942</u>	<u>576,333</u>	<u>(1,109,609)</u>
EXPENDITURES:				
Current:				
General government	3,223,028	3,410,582	908,935	2,501,647
Recreation and cultural services	218,600	355,600	200,423	155,177
Total expenditures	<u>3,441,628</u>	<u>3,766,182</u>	<u>1,109,358</u>	<u>2,656,824</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,102,686)</u>	<u>(2,080,240)</u>	<u>(533,025)</u>	<u>1,547,215</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(250,000)	(272,446)	(22,446)	250,000
Total other financing sources (uses)	<u>(250,000)</u>	<u>(272,446)</u>	<u>(22,446)</u>	<u>250,000</u>
Net change in fund balance	<u>(2,352,686)</u>	<u>(2,352,686)</u>	<u>(555,471)</u>	<u>1,797,215</u>
Fund balance - beginning	2,442,443	2,442,443	2,442,443	-
FUND BALANCE, ENDING	<u>\$ 89,757</u>	<u>\$ 89,757</u>	<u>\$ 1,886,972</u>	<u>\$ 1,797,215</u>

BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 588	\$ 588
Total revenues	-	-	588	588
REVENUES OVER (UNDER) EXPENDITURES	-	-	588	588
Net change in fund balance	-	-	588	588
Fund balance - beginning	14,327	14,327	14,327	-
FUND BALANCE, ENDING	<u>\$ 14,327</u>	<u>\$ 14,327</u>	<u>\$ 14,915</u>	<u>\$ 588</u>

**BUDGETARY COMPARISON SCHEDULE
SANTA CRUZ FLOOD CONTROL AND WATER CONSERVATION - ZONE 7 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 8,369	\$ 8,369
Aid from other governments	1,300,000	1,300,000	516,344	(783,656)
Charges for services	2,339,516	2,339,516	2,337,231	(2,285)
Total revenues	<u>3,639,516</u>	<u>3,639,516</u>	<u>2,861,944</u>	<u>(777,572)</u>
EXPENDITURES:				
Current:				
Public protection	3,271,962	3,271,962	3,161,589	110,373
Interest	-	-	46,371	(46,371)
Total expenditures	<u>3,271,962</u>	<u>3,271,962</u>	<u>3,207,960</u>	<u>64,002</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>367,554</u>	<u>367,554</u>	<u>(346,016)</u>	<u>(713,570)</u>
Net change in fund balance	367,554	367,554	(346,016)	(713,570)
Fund balance - beginning	(375,923)	(375,923)	(375,923)	-
FUND BALANCE, ENDING	<u>\$ (8,369)</u>	<u>\$ (8,369)</u>	<u>\$ (721,939)</u>	<u>\$ (713,570)</u>

BUDGETARY COMPARISON SCHEDULE
DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS - PUBLIC PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES:				
Taxes	\$ 10,909,045	\$ 10,909,045	\$ 11,912,066	\$ 1,003,021
Licenses and permits	26,790	26,790	23,100	(3,690)
Fines, forfeitures and penalties	755	755	2,644	1,889
Use of money and property	81,715	81,715	389,777	308,062
Aid from other governments	1,310,362	1,310,362	1,612,364	302,002
Charges for services	1,308,578	1,308,578	1,728,781	420,203
Other	-	-	156,374	156,374
Total revenues	<u>13,637,245</u>	<u>13,637,245</u>	<u>15,825,106</u>	<u>2,187,861</u>
EXPENDITURES:				
Current:				
Public protection	20,845,248	20,837,487	12,980,768	7,856,719
Total expenditures	<u>20,845,248</u>	<u>20,837,487</u>	<u>12,980,768</u>	<u>7,856,719</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,208,003)</u>	<u>(7,200,242)</u>	<u>2,844,338</u>	<u>10,044,580</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net change in fund balance	<u>(8,008,003)</u>	<u>(8,000,242)</u>	<u>2,044,338</u>	<u>10,044,580</u>
Fund balance - beginning	8,073,783	8,073,783	8,073,783	-
FUND BALANCE, ENDING	<u>\$ 65,780</u>	<u>\$ 73,541</u>	<u>\$ 10,118,121</u>	<u>\$ 10,044,580</u>

BUDGETARY COMPARISON SCHEDULE
DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS - HEALTH AND SANITATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Use of money and property	\$ 8,300	\$ 8,300	\$ 73,954	\$ 65,654
Charges for services	1,539,032	1,539,032	1,625,173	86,141
Total revenues	<u>1,547,332</u>	<u>1,547,332</u>	<u>1,699,127</u>	<u>151,795</u>
EXPENDITURES:				
Current:				
Health and sanitation	15,911	30,937	30,927	10
Total expenditures	<u>15,911</u>	<u>30,937</u>	<u>30,927</u>	<u>10</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,531,421</u>	<u>1,516,395</u>	<u>1,668,200</u>	<u>151,805</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,979,117)	(1,979,117)	(1,529,274)	449,843
Total other financing sources (uses)	<u>(1,979,117)</u>	<u>(1,979,117)</u>	<u>(1,529,274)</u>	<u>449,843</u>
Net change in fund balance	(447,696)	(462,722)	138,926	601,648
Fund balance - beginning	1,751,700	1,751,700	1,751,700	-
FUND BALANCE, ENDING	<u>\$ 1,304,004</u>	<u>\$ 1,288,978</u>	<u>\$ 1,890,626</u>	<u>\$ 601,648</u>

BUDGETARY COMPARISON SCHEDULE
DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS - RECREATION AND CULTURAL SERVICES
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 1,999,779	\$ 1,999,779	\$ 2,266,225	\$ 266,446
Fines, forfeitures and penalties	-	-	178	178
Use of money and property	9,580	9,580	137,582	128,002
Aid from other governments	12,422	12,422	6,135	(6,287)
Total revenues	<u>2,021,781</u>	<u>2,021,781</u>	<u>2,410,120</u>	<u>388,339</u>
EXPENDITURES:				
Current:				
Recreation and cultural services	2,914,258	3,842,621	3,969,371	(126,750)
Debt service:				
Principal	-	68,111	56,568	11,543
Interest	-	44,694	37,560	7,134
Total expenditures	<u>2,914,258</u>	<u>3,955,426</u>	<u>4,063,499</u>	<u>(108,073)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(892,477)</u>	<u>(1,933,645)</u>	<u>(1,653,379)</u>	<u>280,266</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(65,568)	(125,568)	(64,595)	60,973
Issuance of Debt	-	591,749	1,140,000	548,251
Total other financing sources (uses)	<u>(65,568)</u>	<u>466,181</u>	<u>1,075,405</u>	<u>609,224</u>
Net change in fund balance	<u>(958,045)</u>	<u>(1,467,464)</u>	<u>(577,974)</u>	<u>889,490</u>
Fund balance - beginning	2,856,276	2,856,276	2,856,276	-
Fund balances - beginning as restated	2,856,276	2,856,276	2,856,276	-
FUND BALANCE, ENDING	<u>\$ 1,898,231</u>	<u>\$ 1,388,812</u>	<u>\$ 2,278,302</u>	<u>\$ 889,490</u>

BUDGETARY COMPARISON SCHEDULE
DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS-PUBLIC WAYS AND FACILITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 1,141,841	\$ 1,141,841	\$ 1,213,562	\$ 71,721
Fines, forfeitures and penalties	255	255	486	231
Use of money and property	61,849	61,849	223,415	161,566
Aid from other governments	3,202,401	3,202,401	1,036,046	(2,166,355)
Charges for services	4,635,867	4,656,207	4,627,770	(28,437)
Other	37,647	37,647	21,976	(15,671)
Total revenues	<u>9,079,860</u>	<u>9,100,200</u>	<u>7,123,255</u>	<u>(1,976,945)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	15,928,462	15,948,802	6,763,813	9,184,989
Debt service:				
Principal	21,785	21,785	19,253	2,532
Interest	3,747	3,747	1,159	2,588
Total expenditures	<u>15,953,994</u>	<u>15,974,334</u>	<u>6,784,225</u>	<u>9,190,109</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,874,134)</u>	<u>(6,874,134)</u>	<u>339,030</u>	<u>7,213,164</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	89	89	-	(89)
Total other financing sources (uses)	<u>89</u>	<u>89</u>	<u>-</u>	<u>(89)</u>
Net change in fund balance	<u>(6,874,045)</u>	<u>(6,874,045)</u>	<u>339,030</u>	<u>7,213,075</u>
Fund balance - beginning	6,888,814	6,888,814	6,888,814	-
FUND BALANCE, ENDING	<u>\$ 14,769</u>	<u>\$ 14,769</u>	<u>\$ 7,227,844</u>	<u>\$ 7,213,075</u>



Nonmajor Enterprise Funds

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Boulder Creek CSA 7, Rolling Woods CSA 10, Place de Mer CSA 2, Sand Dollar Beach CSA 5, and Trestle Beach CSA 20 – These County Service Areas provide sewage collection, treatment, and disposal services to residents within each district's area. User fees are the principal source of revenue.

Septic Tank Maintenance CSA 12 – This County Service Area provides maintenance for septic tanks in unincorporated areas of the County. User fees are the principal source of revenue.

Freedom County Sanitation District – This district provides sewage collection, treatment, and disposal services for the residents of the Freedom area. User fees are the principal source of revenue.

Davenport County Sanitation District – This district provides sewage collection, treatment, and disposal services as well as the supplying and treatment of water to Davenport, Newtown, and San Vicente. User fees and contributions from the principal commercial customer are the principal sources of revenue.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

	Boulder Creek CSA 7	Rolling Woods CSA 10	Place de Mer CSA 2	Sand Dollar Beach CSA 5
ASSETS				
Current assets:				
Cash and investments	\$ 142,676	\$ 1,099,459	\$ 55,658	\$ 244,293
Receivables	-	-	-	958
Total current assets	<u>142,676</u>	<u>1,099,459</u>	<u>55,658</u>	<u>245,251</u>
Noncurrent assets:				
Loans receivable	-	-	-	-
Capital assets:				
Construction-in-progress	229,138	-	194,805	-
Buildings and structures	6,115,267	360,778	188,209	1,066,285
Equipment	46,448	-	-	-
Accumulated depreciation	(838,417)	(304,872)	(158,619)	(561,530)
Capital assets, net	<u>5,552,436</u>	<u>55,906</u>	<u>224,395</u>	<u>504,755</u>
Total noncurrent assets	<u>5,552,436</u>	<u>55,906</u>	<u>224,395</u>	<u>504,755</u>
Total assets	<u>5,695,112</u>	<u>1,155,365</u>	<u>280,053</u>	<u>750,006</u>
LIABILITIES				
Current liabilities:				
Accounts payables	5,093	231	23,307	290
Due to other funds	-	-	-	-
Current portion of long-term liabilities	-	-	-	-
Accrued interest payable	-	-	-	-
Total current liabilities	<u>5,093</u>	<u>231</u>	<u>23,307</u>	<u>290</u>
Noncurrent liabilities:				
Long-term liabilities	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,093</u>	<u>231</u>	<u>23,307</u>	<u>290</u>
NET POSITION				
Net investment in capital assets	5,552,436	55,906	224,395	504,755
Restricted for:				
Debt service	-	-	-	-
Unrestricted	137,583	1,099,228	32,351	244,961
Total net position	<u>\$ 5,690,019</u>	<u>\$ 1,155,134</u>	<u>\$ 256,746</u>	<u>\$ 749,716</u>

COMBINING STATEMENT OF NET POSITION (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

Trestle Beach CSA 20	Septic Tank Maintenance CSA 12	Freedom County Sanitation District	Davenport County Sanitation District	Total
\$ 6,755	\$ 2,169,866	\$ -	\$ -	\$ 3,718,707
-	-	3,844,316	1,804,997	5,650,271
6,755	2,169,866	3,844,316	1,804,997	9,368,978
-	5,051	-	-	5,051
-	-	4,715,730	2,130,805	7,270,478
-	-	20,794,452	11,989,698	40,514,689
-	35,138	-	-	81,586
-	(35,138)	(6,681,242)	(4,402,235)	(12,982,053)
-	-	18,828,940	9,718,268	34,884,700
-	5,051	18,828,940	9,718,268	34,889,751
6,755	2,174,917	22,673,256	11,523,265	44,258,729
831	3,070	598,158	540,994	1,171,974
-	-	3,278,708	1,314,198	4,592,906
-	-	96,000	2,956	98,956
-	-	-	6	6
831	3,070	3,972,866	1,858,154	5,863,842
-	-	4,119,000	-	4,119,000
-	-	4,119,000	-	4,119,000
831	3,070	8,091,866	1,858,154	9,982,842
-	-	14,613,940	9,715,312	30,666,744
-	-	71,251	11,549	82,800
5,924	2,171,847	(103,801)	(61,750)	3,526,343
\$ 5,924	\$ 2,171,847	\$ 14,581,390	\$ 9,665,111	\$ 34,275,887

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Boulder Creek CSA 7	Rolling Woods CSA 10	Place de Mer CSA 2	Sand Dollar Beach CSA 5
OPERATING REVENUES				
Charges for services	\$ 592,056	\$ 81,109	\$ 112,662	\$ 342,721
Other	-	-	-	-
Total operating revenues	<u>592,056</u>	<u>81,109</u>	<u>112,662</u>	<u>342,721</u>
OPERATING EXPENSES:				
Services and supplies	447,555	18,105	148,612	331,642
Depreciation and amortization	160,861	9,019	5,542	18,735
Total operating expenses	<u>608,416</u>	<u>27,124</u>	<u>154,154</u>	<u>350,377</u>
Operating income (loss)	<u>(16,360)</u>	<u>53,985</u>	<u>(41,492)</u>	<u>(7,656)</u>
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	-	-	-	-
Interest and investment income	(2,214)	40,929	2,727	13,203
Property taxes	-	-	-	-
Interest expense	(21,622)	-	-	-
Other nonoperating revenue	-	-	-	54,800
Total nonoperating revenues (expenses)	<u>(23,836)</u>	<u>40,929</u>	<u>2,727</u>	<u>68,003</u>
Income (loss) before capital contributions and transfers	<u>(40,196)</u>	<u>94,914</u>	<u>(38,765)</u>	<u>60,347</u>
Change in net position	<u>(40,196)</u>	<u>94,914</u>	<u>(38,765)</u>	<u>60,347</u>
Net position - beginning, as previously reported	6,869,050	1,060,220	295,511	689,369
Restatement for correction of an error	(1,138,835)	-	-	-
Net position - beginning as restated	<u>\$ 5,730,215</u>	<u>\$ 1,060,220</u>	<u>\$ 295,511</u>	<u>\$ 689,369</u>
Net position - ending	<u>\$ 5,690,019</u>	<u>\$ 1,155,134</u>	<u>\$ 256,746</u>	<u>\$ 749,716</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Trestle Beach CSA 20	Septic Tank Maintenance CSA 12	Freedom County Sanitation District	Davenport County Sanitation District	Total
\$ 84,673	\$ 2,062,575	\$ 1,446,720	\$ 625,731	\$ 5,348,247
-	-	-	-	-
84,673	2,062,575	1,446,720	625,731	5,348,247
83,828	2,010,412	1,127,995	426,929	4,595,078
-	545	529,354	305,889	1,029,945
83,828	2,010,957	1,657,349	732,818	5,625,023
845	51,618	(210,629)	(107,087)	(276,776)
-	-	3,917,318	1,810,365	5,727,683
106	92,937	27,873	913	176,474
-	-	-	53,417	53,417
-	-	(48,488)	(28,531)	(98,641)
-	-	-	-	54,800
106	92,937	3,896,703	1,836,164	5,913,733
951	144,555	3,686,074	1,729,077	5,636,957
951	144,555	3,686,074	1,729,077	5,636,957
4,973	2,027,292	10,895,316	7,936,034	29,777,765
-	-	-	-	(1,138,835)
\$ 4,973	\$ 2,027,292	\$ 10,895,316	\$ 7,936,034	\$ 28,638,930
\$ 5,924	\$ 2,171,847	\$ 14,581,390	\$ 9,665,111	\$ 34,275,887

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Boulder Creek CSA 7	Rolling Woods CSA 10	Place de Mer CSA 2	Sand Dollar Beach CSA 5
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 592,056	\$ 81,109	\$ 112,662	\$ 343,783
Payments to suppliers for goods and services	(453,446)	(18,588)	(129,632)	(331,352)
Net cash provided (used) by operating activities	<u>138,610</u>	<u>62,521</u>	<u>(16,970)</u>	<u>12,431</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Accounts receivable	1,030,642	-	-	-
Loans receivable	-	-	-	-
Due to other funds	(1,050,000)	-	-	-
Matured interest payable	-	-	-	-
Intergovernmental receipts	-	-	-	-
Property taxes	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(19,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,783)	-	-	(157,316)
Insurance proceeds	-	-	-	54,800
Principal paid on lease agreements	-	-	-	-
Interest paid on capital debt	(21,622)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(23,405)</u>	<u>-</u>	<u>-</u>	<u>(102,516)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	(2,214)	40,929	2,727	13,203
Net cash provided by investing activities	<u>(2,214)</u>	<u>40,929</u>	<u>2,727</u>	<u>13,203</u>
Net increase (decrease) in cash and cash equivalents	93,633	103,450	(14,243)	(76,882)
Cash and cash equivalents at beginning of year	49,043	996,009	69,901	321,175
Cash and cash equivalents at end of year	<u>\$ 142,676</u>	<u>\$ 1,099,459</u>	<u>\$ 55,658</u>	<u>\$ 244,293</u>

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Trestle Beach CSA 20	Septic Tank Maintenance CSA 12	Freedom County Sanitation District	Davenport County Sanitation District	Total
\$ 84,673	\$ 2,062,575	\$ 1,446,720	\$ 625,731	\$ 5,349,309
(90,637)	(2,008,240)	(550,351)	(284,400)	(3,866,646)
(5,964)	54,335	896,369	341,331	1,482,663
-	-	-	-	1,030,642
-	1,316	-	-	1,316
-	-	3,278,709	1,264,198	3,492,907
-	-	-	(32)	(32)
-	-	73,003	5,368	78,371
-	-	-	53,417	53,417
-	1,316	3,351,712	1,322,951	4,656,621
-	-	(5,110,836)	(1,643,685)	(6,913,620)
-	-	-	-	54,800
-	-	(95,000)	(15,330)	(110,330)
-	-	(48,488)	(28,531)	(98,641)
-	-	(5,254,324)	(1,687,546)	(7,067,791)
106	92,937	27,873	913	176,474
106	92,937	27,873	913	176,474
(5,858)	148,588	(978,370)	(22,351)	(752,033)
12,613	2,021,278	978,370	22,351	4,470,740
\$ 6,755	\$ 2,169,866	\$ -	\$ -	\$ 3,718,707

(Continued)

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Boulder Creek CSA 7	Rolling Woods CSA 10	Place de Mer CSA 2	Sand Dollar Beach CSA 5
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (16,360)	\$ 53,985	\$ (41,492)	\$ (7,656)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	160,861	9,019	5,542	18,735
Changes in assets and liabilities:				
(Increase) decrease in:				
Receivables	-	-	-	1,062
Increase (decrease) in:				
Payables	(5,891)	(483)	18,980	290
Total adjustments	154,970	8,536	24,522	20,087
Net cash provided (used) by operating activities	<u>\$ 138,610</u>	<u>\$ 62,521</u>	<u>\$ (16,970)</u>	<u>\$ 12,431</u>
Schedule of non-cash capital and related financing activities:				
Purchase of capital assets on account	\$ 1,783	\$ -	\$ -	\$ 157,316

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Trestle Beach CSA 20	Septic Tank Maintenance CSA 12	Freedom County Sanitation District	Davenport County Sanitation District	Total
\$ 845	\$ 51,618	\$ (210,629)	\$ (107,087)	\$ (276,776)
-	545	529,354	305,889	1,029,945
-	-	-	-	1,062
(6,809)	2,172	577,644	142,529	728,432
(6,809)	2,717	1,106,998	448,418	1,759,439
<u>\$ (5,964)</u>	<u>\$ 54,335</u>	<u>\$ 896,369</u>	<u>\$ 341,331</u>	<u>\$ 1,482,663</u>
\$ -	\$ -	\$ -	\$ 5,110,836	\$ 5,269,935



Internal Service Funds

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Central Duplicating Fund – The Central Duplicating Fund accounts for the County print shop, copy center, and mail room.

Information Services Fund – The Information Services Fund accounts for data processing and telecommunications services provided to County departments.

Public Works Fund – The Public Works Fund accounts for such County functions as construction and maintenance of the County road system and management of certain special districts and other related activities.

Service Center Fund – The Service Center Fund accounts for the maintenance of the County fleet of vehicles and for related services to other County departments.

Self-Insurance Funds – The Self-Insurance Funds account for the County's self-insured risk management, dental and health insurance, liability and property insurance, workers' compensation insurance, employee benefit staffing, and State unemployment insurance program.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

ASSETS	Information Services	Public Works	Service Center
Current assets:			
Cash and investments	\$ 7,617,694	\$ 11,654,056	\$ 4,209,990
Receivables	355,957	194,694	-
Due from other funds	-	8,724,512	-
Deposits with others	-	-	-
Inventory	-	581,396	82,921
Prepaid items	7,627	-	-
Advances to other funds	-	-	-
Total current assets	<u>7,981,278</u>	<u>21,154,658</u>	<u>4,292,911</u>
Capital assets:			
Land	-	62,914	34,173
Buildings and structures	254,751	3,945,991	445,586
Equipment	12,659,138	13,019,114	15,902,447
ROU Equipment	1,797,662	10,267	426,540
Subscription based information technology agreements	3,194,334	-	-
Accumulated depreciation	(13,325,742)	(11,569,889)	(12,342,954)
Capital assets, net	<u>4,580,143</u>	<u>5,468,397</u>	<u>4,465,792</u>
Total assets	<u>12,561,421</u>	<u>26,623,055</u>	<u>8,758,703</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension	3,941,127	14,935,622	192,525
Deferred OPEB	373,360	1,914,464	31,775
Total deferred outflows of resources	<u>4,314,487</u>	<u>16,850,086</u>	<u>224,300</u>
LIABILITIES			
Current liabilities:			
Accounts payables	191,925	443,054	133,018
Accrued salaries and benefits payable	191,938	752,688	7,603
Deposits payable	-	715,021	-
Due to other funds	-	-	-
Lease payable	1,188,489	-	78,940
Claims liabilities	-	-	-
Compensated absences, due within one year	799,591	3,095,083	33,847
Accrued interest payable	52,126	-	6,318
Total current liabilities	<u>2,424,069</u>	<u>5,005,846</u>	<u>259,726</u>
Noncurrent liabilities:			
Lease payable	1,200,098	-	242,029
Claims liability	-	-	-
Compensated absences, due in more than one year	482,270	907,592	-
Total OPEB liability	3,039,305	15,584,521	258,664
Net pension liability	13,848,139	52,480,065	676,483
Total noncurrent liabilities	<u>18,569,812</u>	<u>68,972,178</u>	<u>1,177,176</u>
Total liabilities	<u>20,993,881</u>	<u>73,978,024</u>	<u>1,436,902</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension	71,652	271,536	3,501
Deferred OPEB	1,012,457	5,191,536	86,167
Total deferred inflows of resources	<u>1,084,109</u>	<u>5,463,072</u>	<u>89,668</u>
NET POSITION			
Net investment in capital assets	2,191,556	5,468,397	4,144,823
Restricted for:			
Debt service	-	-	-
Unrestricted	(7,393,638)	(41,436,352)	3,311,610
Total net position	<u>\$ (5,202,082)</u>	<u>\$ (35,967,955)</u>	<u>\$ 7,456,433</u>

COMBINING STATEMENT OF NET POSITION (CONTINUED)

INTERNAL SERVICE FUNDS

JUNE 30, 2024

Risk Management	Self-Insurance					Total
	Dental and Health Insurance	Liability and Property Insurance	Workers' Compensation Insurance	Employee Benefit Staffing	State Unemployment Insurance Program	
\$ 1,125,464	\$ 1,961,429	\$ 12,777,549	\$ 14,431,279	\$ 785,423	\$ 599,841	\$ 55,162,725
-	53,602	-	-	-	-	604,253
-	-	-	6,471,799	-	-	15,196,311
-	-	-	805,000	-	-	805,000
-	-	-	-	-	-	664,317
24,558	-	-	-	-	-	32,185
-	-	-	2,531,845	-	-	2,531,845
1,150,022	2,015,031	12,777,549	24,239,923	785,423	599,841	74,996,636
-	-	-	-	-	-	97,087
-	-	-	-	-	-	4,646,328
16,605	-	-	-	-	-	41,597,304
-	-	-	-	-	-	2,234,469
-	-	-	-	-	-	3,194,334
(16,605)	-	-	-	-	-	(37,255,190)
-	-	-	-	-	-	14,514,332
1,150,022	2,015,031	12,777,549	24,239,923	785,423	599,841	89,510,968
494,940	-	-	-	186,311	-	19,750,525
63,551	-	-	-	23,831	-	2,406,981
558,491	-	-	-	210,142	-	22,157,506
7,955	183,299	1,181,632	1,059,236	258	-	3,200,377
25,991	-	-	-	7,677	-	985,897
-	-	-	-	-	-	715,021
-	-	-	-	-	75,695	75,695
-	-	-	-	-	-	1,267,429
-	369,733	6,003,000	5,896,000	-	59,235	12,327,968
84,468	-	-	-	20,919	-	4,033,908
-	-	-	-	-	-	58,444
118,414	553,032	7,184,632	6,955,236	28,854	134,930	22,664,739
-	-	-	-	-	-	1,442,127
-	-	15,818,000	31,842,000	-	-	47,660,000
72,933	-	-	-	58,591	-	1,521,386
517,328	-	-	-	193,998	-	19,593,816
1,739,094	-	-	-	654,652	-	69,398,433
2,329,355	-	15,818,000	31,842,000	907,241	-	139,615,762
2,447,769	553,032	23,002,632	38,797,236	936,095	134,930	162,280,501
8,998	-	-	-	3,387	-	359,074
172,333	-	-	-	64,625	-	6,527,118
181,331	-	-	-	68,012	-	6,886,192
-	-	-	-	-	-	11,804,776
-	-	-	459,787	-	-	459,787
(920,587)	1,461,999	(10,225,083)	(15,017,100)	(8,542)	464,911	(69,762,782)
\$ (920,587)	\$ 1,461,999	\$ (10,225,083)	\$ (14,557,313)	\$ (8,542)	\$ 464,911	\$ (57,498,219)

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Information Services	Public Works	Service Center
OPERATING REVENUES:			
Charges for services	\$ 19,486,520	\$ 58,340,031	\$ 4,804,753
Other revenues	2,518,438	200	42,000
Total operating revenues	<u>22,004,958</u>	<u>58,340,231</u>	<u>4,846,753</u>
OPERATING EXPENSES:			
Salaries and employee benefits	10,956,836	44,214,310	590,817
Services and supplies	7,644,885	13,915,111	2,476,012
Insurance and compensation claims	-	-	-
Depreciation and amortization	2,279,719	862,420	1,454,089
Total operating expenses	<u>20,881,440</u>	<u>58,991,841</u>	<u>4,520,918</u>
Operating income (loss)	<u>1,123,518</u>	<u>(651,610)</u>	<u>325,835</u>
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	177,649	19	-
Interest and investment income	-	57,005	-
Gain on disposal of capital assets	-	171,150	18,177
Interest expense	(99,399)	(428)	(171,681)
Other nonoperating revenue	-	-	20,589
Total nonoperating revenues (expenses)	<u>78,250</u>	<u>227,746</u>	<u>(132,915)</u>
Income (loss) before capital contributions and transfers	1,201,768	(423,864)	192,920
Transfers in	-	25,000	-
Transfers out	(788,351)	-	-
Change in net position	<u>413,417</u>	<u>(398,864)</u>	<u>192,920</u>
Net position - beginning	(5,615,499)	(35,569,091)	7,263,513
Net position - ending	<u>\$ (5,202,082)</u>	<u>\$ (35,967,955)</u>	<u>\$ 7,456,433</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Risk Management	Self-Insurance					Total
	Dental and Health Insurance	Liability and Property Insurance	Workers' Compensation Insurance	Employee Benefit Staffing	State Unemployment Insurance Program	
\$ 2,313,866	\$ 9,139,412	\$ 17,623,941	\$ 8,510,784	\$ 1,387,256	\$ 1,100,000	\$ 122,706,563
-	-	-	293	-	-	2,560,931
2,313,866	9,139,412	17,623,941	8,511,077	1,387,256	1,100,000	125,267,494
1,315,441	-	-	-	523,614	-	57,601,018
506,889	6,856,445	10,540,235	6,846,668	935,784	244,890	49,966,919
-	1,980,921	7,074,282	5,283,961	-	183,513	14,522,677
-	-	-	-	-	-	4,596,228
1,822,330	8,837,366	17,614,517	12,130,629	1,459,398	428,403	126,686,842
491,536	302,046	9,424	(3,619,552)	(72,142)	671,597	(1,419,348)
-	77,225	-	-	-	-	254,893
30,004	49,370	245,560	904,767	39,080	9,827	1,335,613
-	-	-	-	-	-	189,327
-	-	-	-	-	-	(271,508)
-	-	4,900,000	7,174	-	-	4,927,763
30,004	126,595	5,145,560	911,941	39,080	9,827	6,436,088
521,540	428,641	5,154,984	(2,707,611)	(33,062)	681,424	5,016,740
-	-	-	-	-	-	25,000
-	-	-	-	-	-	(788,351)
521,540	428,641	5,154,984	(2,707,611)	(33,062)	681,424	4,253,389
(1,442,127)	1,033,358	(15,380,067)	(11,849,702)	24,520	(216,513)	(61,751,608)
\$ (920,587)	\$ 1,461,999	\$ (10,225,083)	\$ (14,557,313)	\$ (8,542)	\$ 464,911	\$ (57,498,219)

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Information Services	Public Works	Service Center
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 19,303,560	\$ 57,770,718	\$ 4,804,753
Payments to suppliers for goods and services	(7,846,935)	(14,343,039)	(2,457,596)
Payments to employees for salaries and benefits	(9,877,852)	(38,727,480)	(490,999)
Payments for judgments and claims	-	-	-
Other receipts	2,518,438	200	42,000
Net cash provided (used) by operating activities	4,097,211	4,700,399	1,898,158
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental receipts	177,649	19	-
Deposits with others	-	-	-
Due from other funds	-	3,675,488	-
Due to other funds	-	-	-
Transfers from other funds	-	25,000	-
Transfers to other funds	(788,351)	-	-
Net cash provided (used) by noncapital financing activities	(610,702)	3,700,507	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	-	(123,134)	-
Acquisition of equipment	(409,302)	(910,447)	(1,009,523)
Insurance proceeds	-	-	20,589
Principal paid on lease agreements	(1,238,399)	(4,830)	(68,154)
Interest payable	(8,209)	(40)	2,702
Interest expense	(99,399)	(428)	(171,681)
Proceeds from sale of capital assets	-	171,150	32,019
Net cash provided (used) by capital and related financing activities	(1,755,309)	(867,729)	(1,194,048)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	-	57,005	-
Net increase (decrease) in cash and cash equivalents	1,731,200	7,590,182	704,110
Cash and cash equivalents at beginning of year	5,886,494	4,063,874	3,505,880
Cash and cash equivalents at end of year	<u>\$ 7,617,694</u>	<u>\$ 11,654,056</u>	<u>\$ 4,209,990</u>

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Self-Insurance

Risk Management	Dental and Health Insurance	Liability and Property Insurance	Workers' Compensation Insurance	Employee Benefit Staffing	State Unemployment Insurance Program	Total
\$ 2,313,866	\$ 9,136,268	\$ 17,623,941	\$ 8,510,784	\$ 1,387,256	\$ 1,100,000	\$ 121,951,146
(528,644)	(6,762,743)	(10,294,848)	(6,348,598)	(935,629)	(244,890)	(49,762,922)
(1,451,788)	-	-	-	(431,635)	-	(50,979,754)
-	(1,990,318)	(7,454,282)	(2,472,961)	-	(264,977)	(12,182,538)
-	-	-	293	-	-	2,560,931
333,434	383,207	(125,189)	(310,482)	19,992	590,133	11,586,863
-	77,225	-	-	-	-	254,893
-	-	-	(345,213)	-	-	(345,213)
-	-	-	(5,696,052)	-	-	(2,020,564)
-	-	-	-	-	(150)	(150)
-	-	-	-	-	-	25,000
-	-	-	-	-	-	(788,351)
-	77,225	-	(6,041,265)	-	(150)	(2,874,385)
-	-	-	-	-	-	(123,134)
-	-	-	-	-	-	(2,329,272)
-	-	4,900,000	7,174	-	-	4,927,763
-	-	-	-	-	-	(1,311,383)
-	-	-	-	-	-	(5,547)
-	-	-	-	-	-	(271,508)
-	-	-	-	-	-	203,169
-	-	4,900,000	7,174	-	-	1,090,088
30,003	49,370	245,560	904,766	39,079	9,827	1,335,610
363,437	509,802	5,020,371	(5,439,807)	59,071	599,810	11,138,176
762,027	1,451,627	7,757,178	19,871,086	726,352	31	44,024,549
\$ 1,125,464	\$ 1,961,429	\$ 12,777,549	\$ 14,431,279	\$ 785,423	\$ 599,841	\$ 55,162,725

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Information Services	Public Works	Service Center
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,123,518	\$ (651,610)	\$ 325,835
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	2,279,719	862,420	1,454,089
Changes in assets and liabilities:			
Receivables	(182,960)	73,581	-
Inventory	-	(67,870)	(58,401)
Prepaid items	(129)	-	-
Payables	(201,921)	(360,058)	76,817
Deposits payable	-	(642,894)	-
Claims liabilities	-	-	-
Accrued salaries and benefits	1,078,984	5,486,830	99,818
Total adjustments	2,973,693	5,352,009	1,572,323
Net cash provided (used) by operating activities	<u>\$ 4,097,211</u>	<u>\$ 4,700,399</u>	<u>\$ 1,898,158</u>
Schedule of non-cash capital and related financing activities:			
Purchase of capital assets on account	\$ 420,458	\$ 1,033,702	\$ 1,009,523
Lease and SBITA inception	94,073	-	-

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Risk Management	Self-Insurance					Total
	Dental and Health Insurance	Liability and Property Insurance	Workers' Compensation Insurance	Employee Benefit Staffing	State Unemployment Insurance Program	
\$ 491,536	\$ 302,046	\$ 9,424	\$ (3,619,552)	\$ (72,142)	\$ 671,597	\$ (1,419,348)
-	-	-	-	-	-	4,596,228
-	(3,144)	-	-	-	-	(112,523)
-	-	-	-	-	-	(126,271)
(24,558)	5,119	-	-	-	-	(19,568)
2,803	88,583	245,387	498,070	155	-	349,836
-	-	-	-	-	-	(642,894)
-	(9,397)	(380,000)	2,811,000	-	(81,464)	2,340,139
(136,347)	-	-	-	91,979	-	6,621,264
(158,102)	81,161	(134,613)	3,309,070	92,134	(81,464)	13,006,211
\$ 333,434	\$ 383,207	\$ (125,189)	\$ (310,482)	\$ 19,992	\$ 590,133	\$ 11,586,863
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,463,683
-	-	-	-	-	-	94,073



Fiduciary Funds

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



Custodial Funds

Unapportioned Collections - The Unapportioned Collections Fund is used to account for property taxes receivable, amounts which are impounded because of disputes or litigation, as well as amounts held pending authority for apportionment.

Other Custodial Funds – Custodial Funds are used to account for money or resources that are held on behalf of another party, such as an individual, private organization, or other government. The County's Other Custodial Funds include funds that temporarily hold monies for the State of California, various Cities in Santa Cruz County, Special Districts, and other organizations in the County.

Private-Purpose Trust Funds

Public Guardian - The Public Guardian Fund is used to account for assets which are held in trust for Santa Cruz County Residents who, as a result of a disability, have lost the ability to care for themselves and have no one else willing and able to care for them.

Redevelopment Successor Agency - The Redevelopment Successor Agency accounts for assets held by the County in a trust to wind down the affairs of the former Redevelopment Agency.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	Unapportioned Collections	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 822,931	\$ 19,748,445	\$ 20,571,376
Restricted cash with fiscal agents	-	247,875	247,875
Receivables:			
Taxes for other governments	15,582,228	-	15,582,228
Total assets	<u>16,405,159</u>	<u>19,996,320</u>	<u>36,401,479</u>
LIABILITIES			
Accounts payable and other liabilities	9,221,599	3,043,478	12,265,077
Other liabilities	124,200	327,176	451,376
Total liabilities	<u>9,345,799</u>	<u>3,370,654</u>	<u>12,716,453</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	7,059,360	16,625,666	23,685,026
Total net position	<u>\$ 7,059,360</u>	<u>\$ 16,625,666</u>	<u>\$ 23,685,026</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Unapportioned Collections	Other Custodial Funds	Total
ADDITIONS			
Gifts and bequests	\$ -	\$ 97	\$ 97
Interest, dividends and other	895,349	785,682	1,681,031
Tax collections	773,956,861	132,000,080	905,956,941
Other contributions	7,357,964	31,004,438	38,362,402
Total additions	<u>782,210,174</u>	<u>163,790,297</u>	<u>946,000,471</u>
DEDUCTIONS			
Administrative expenses	14,805	93,601	108,406
Payments to other local governments	22,385,105	42,538,100	64,923,205
Payments of taxes to other local governments	757,960,086	19,858,247	777,818,333
Interest expense	421,803	10,286	432,089
Distributions from pooled investments	5,441	115,414,022	115,419,463
Total deductions	<u>780,787,240</u>	<u>177,914,256</u>	<u>958,701,496</u>
Net increase in fiduciary net position	1,422,934	(14,123,959)	(12,701,025)
Net position - beginning, as previously reported	<u>5,636,426</u>	<u>30,556,696</u>	<u>36,193,122</u>
Restatements	-	192,929	192,929
Net position - beginning, as restated	<u>5,636,426</u>	<u>30,749,625</u>	<u>36,386,051</u>
Net position - ending	<u>\$ 7,059,360</u>	<u>\$ 16,625,666</u>	<u>\$ 23,685,026</u>

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2024

	Public Guardian	Redevelopment Successor Agency	Total
ASSETS			
Cash and cash equivalents	\$ 1,146,251	\$ 14,675,582	\$ 15,821,833
Restricted cash with fiscal agents	-	10,671	10,671
Prepaid expenses	-	917,364	917,364
Receivables:			
Nondepreciable capital assets	-	7,425,950	7,425,950
Total assets	<u>1,146,251</u>	<u>23,029,567</u>	<u>24,175,818</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	-	186,601	186,601
Total deferred outflows of resources	<u>-</u>	<u>186,601</u>	<u>186,601</u>
LIABILITIES			
Accounts payable and other liabilities	1,878	30,577	32,455
Interest payable	-	2,295,650	2,295,650
Other liabilities	100,000	161,656,472	161,756,472
Total liabilities	<u>101,878</u>	<u>163,982,699</u>	<u>164,084,577</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding of debt	-	759,854	759,854
Total deferred inflows of resources	<u>-</u>	<u>759,854</u>	<u>759,854</u>
NET POSITION			
Restricted for:			
Individuals, organizations and other governments	1,044,373	(141,526,385)	(140,482,012)
Total net position	<u>\$ 1,044,373</u>	<u>\$ (141,526,385)</u>	<u>\$ (140,482,012)</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Public Guardian	Redevelopment Successor Agency	Total
ADDITIONS			
Interest, dividends and other	\$ 45,965	\$ 467,765	\$ 513,730
Tax collections	-	16,464,909	16,464,909
Other contributions	1,131	317,097	318,228
Total additions	<u>47,096</u>	<u>17,249,771</u>	<u>17,296,867</u>
DEDUCTIONS			
Beneficiary payments to individuals	91,720	-	91,720
Administrative expenses	-	113,671	113,671
Interest expense	7,740	5,762,674	5,770,414
Other deductions	-	493,529	493,529
Total deductions	<u>99,460</u>	<u>6,369,874</u>	<u>6,469,334</u>
Net increase in fiduciary net position	(52,364)	10,879,897	10,827,533
Net position - beginning	1,096,737	(152,406,282)	(151,309,545)
Net position - ending	<u>\$ 1,044,373</u>	<u>\$ (141,526,385)</u>	<u>\$ (140,482,012)</u>



Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

TABLE OF CONTENTS

STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	211
Revenue Capacity	
These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	216
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.	220
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	224
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	229

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Reported in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 657,074	\$ 642,444	\$ 631,244	\$ 601,792	\$ 567,960	\$ 546,806	\$ 509,726	\$ 476,456	\$ 468,999	\$ 484,646
Restricted	182,937	110,108 ⁽²⁾	151,725 ⁽²⁾	126,899 ⁽²⁾	133,596 ⁽²⁾	67,917 ⁽²⁾	56,859 ⁽²⁾	58,886 ⁽²⁾	65,406 ⁽²⁾	57,382 ⁽²⁾
Unrestricted	(546,137)	(534,673)	(606,264)	(613,189)	(603,792)	(471,054)	(423,493)	(396,329) ⁽¹⁾	(374,141)	(399,332)
Total governmental activities net position	<u>\$ 293,874</u>	<u>\$ 217,879</u>	<u>\$ 176,705</u>	<u>\$ 115,502</u>	<u>\$ 97,764</u>	<u>\$ 143,669</u>	<u>\$ 143,092</u>	<u>\$ 139,013</u>	<u>\$ 160,264</u>	<u>\$ 142,696</u>
Business-type activities										
Net investment in capital assets	\$ 37,936	\$ 32,266	\$ 31,920	\$ 30,575	\$ 24,395	\$ 24,615	\$ 21,690	\$ 20,724	\$ 28,466	\$ 28,585
Restricted	605	14,986	534	566	43	43	634	381	390	260
Unrestricted	22,687	2,477 ⁽²⁾	10,092 ⁽²⁾	10,554	328	1,304	3,255	2,062	(1,962)	3,620
Total business-type activities net position	<u>\$ 61,228</u>	<u>\$ 49,729</u>	<u>\$ 42,546</u>	<u>\$ 41,695</u>	<u>\$ 24,766</u>	<u>\$ 25,962</u>	<u>\$ 25,579</u>	<u>\$ 23,167</u>	<u>\$ 26,894</u>	<u>\$ 32,465</u>
Total primary government										
Net investment in capital assets	\$ 695,010	\$ 674,710	\$ 663,164	\$ 632,367	\$ 592,355	\$ 571,421	\$ 531,416	\$ 497,180	\$ 497,465	\$ 513,231
Restricted	183,542	125,094	152,259	127,465	133,639	67,960	57,493	59,267	65,796	57,642
Unrestricted	(523,450)	(532,196)	(596,172)	(602,635)	(603,464)	(469,750)	(420,238)	(394,267)	(376,103)	(395,712)
Total primary government net position	<u>\$ 355,102</u>	<u>\$ 267,608</u>	<u>\$ 219,251</u>	<u>\$ 157,197</u>	<u>\$ 122,530</u>	<u>\$ 169,631</u>	<u>\$ 168,671</u>	<u>\$ 162,180</u>	<u>\$ 187,158</u>	<u>\$ 175,161</u>

⁽¹⁾ The 2017 reported unrestricted balances have been restated due to the implementation of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

⁽²⁾ Net positions by component have been restated based on Restatements of Beginning Balances described in Note 20

GOVERNMENT-WIDE CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Reported in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
General government	\$ 59,377	\$ 81,907	\$ 42,187	\$ 50,868	\$ 49,370	\$ 42,773	\$ 39,812	\$ 43,566	\$ 35,068	\$ 33,544
Public protection	230,280	222,982	201,256	223,651	207,831	195,327	177,636	157,415	141,370	131,718
Public ways and facilities	44,314	31,112	30,783	43,683	31,139	27,258	29,193	24,716	28,271	32,900
Health and sanitation	250,821	226,021	195,858	197,848	179,330	154,536	141,327	123,519	114,209	108,999
Public assistance	194,719	191,422	179,814	205,806	160,348	144,066	132,801	129,000	126,834	116,902
Education	8,014	7,525	6,305	6,099	5,757	5,996	5,884	5,746	6,005	5,537
Recreation and cultural services	18,099	15,068	11,452	11,485	12,182	11,772	11,549	10,784	8,900	7,202
Interest on long-term debt	12,832	11,757	4,760	1,890	3,270	2,157	1,746	2,210	2,764	3,307
Total government activities expenses	818,456	787,794	672,415	741,330	649,227	583,885	539,948	496,956	463,421	440,109
Business-type activities:										
County Disposal Sites										
CSA 9C	23,507	18,515	22,816	16,217	19,393	17,873	14,859	13,283	12,018	11,785
Boulder Creek CSA 7	632	464	467	428	419	542	401	308	362	332
Rolling Woods CSA 10	27	16	28	29	17	21	31	32	15	12
Septic Tank Maintenance										
CSA 12	2,011	1,532	1,426	1,555	1,328	1,124	923	1,016	1,090	1,058
Freedom County										
Sanitation District	1,711	1,289	1,183	1,175	1,206	766	1,123	1,090	808	965
Davenport County										
Sanitation District	763	800	833	1,127	810	551	581	556	518	656
Place de Mer CSA 2	155	94	124	234	176	164	157	30	38	50
Sand Dollar Beach CSA 5	352	381	273	309	294	328	323	247	237	275
Trestle Beach CSA 20	84	68	83	69	95	51	56	62	45	51
Summit West CSA 54	-	-	-	-	-	2	-	-	-	-
Graham Hill CSA 57	-	-	-	-	-	-	-	8	11	35
Total business-type activities expenses	29,242	23,159	27,233	21,143	23,738	21,422	18,454	16,632	15,142	15,219
Total primary government expenses	\$ 847,698	\$ 810,953	\$ 699,648	\$ 762,473	\$ 672,965	\$ 605,307	\$ 558,402	\$ 513,588	\$ 478,563	\$ 455,328
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 24,833	\$ 30,702	\$ 27,224	\$ 23,901	\$ 23,768	\$ 26,432	\$ 19,799	\$ 21,379	\$ 19,053	\$ 18,605
Public protection	26,768	26,981	28,937	31,132	22,982	23,899	23,357	22,877	22,514	22,913
Public ways and facilities	7,214	6,800	7,374	7,535	6,528	7,085	6,154	6,129	4,930	5,624
Health and sanitation	54,436	69,704	46,012	41,979	41,219	39,863	41,364	38,413	33,927	27,520
Public assistance	1,424	1,533	1,123	589	524	1,071	1,278	415	700	568
Education	3	2	1	2	2	1	-	-	-	-
Recreation and cultural services	4,764	4,273	2,708	2,332	3,014	3,354	3,392	3,279	3,122	2,594
Debt service	-	-	41	2,106	1,560	285	-	-	-	-
Operating grants and contributions	488,720	447,171	399,130	369,375	290,021	279,861	259,972	261,567	244,016	243,896
Capital grants and contributions	47,180	16,015	14,984	32,521	18,532	22,829	19,532	8,193	8,798	7,005
Total governmental activities program revenues	655,342	603,181	527,534	511,472	408,150	404,680	374,848	362,252	337,060	328,725
Business-type activities:										
Charges for services	32,718	28,655	22,274	22,817	21,291	18,506	18,022	15,638	14,763	13,933
Operating grants and contributions	6,494	726	2,712	2,941	425	1,232	2,856	342	490	226
Capital grants and contributions	1	4	-	-	-	-	-	327	129	118
Total business-type activities program revenues	39,213	29,385	24,986	25,758	21,716	19,738	20,878	16,307	15,382	14,277
Total primary government program revenues	\$ 694,555	\$ 632,566	\$ 552,520	\$ 537,230	\$ 429,866	\$ 424,418	\$ 395,726	\$ 378,559	\$ 352,442	\$ 343,002
Net (expense)/revenue	\$ (163,114)	\$ (184,613)	\$ (144,881)	\$ (229,858)	\$ (241,077)	\$ (179,205)	\$ (165,100)	\$ (134,704)	\$ (126,361)	\$ (111,384)
Governmental activities	9,971	6,226	(2,247)	4,615	(2,022)	(1,683)	2,424	(325)	240	(942)
Business-type activities										
Total primary government net expense	\$ (153,143)	\$ (178,387)	\$ (147,128)	\$ (225,243)	\$ (243,099)	\$ (180,888)	\$ (162,676)	\$ (135,029)	\$ (126,121)	\$ (112,326)

(Continued)

Fiscal Year ended June 30, 2024

GOVERNMENT-WIDE CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Reported in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 152,963	\$ 145,671	\$ 136,154	\$ 129,749	\$ 123,044	\$ 118,051	\$ 117,337	\$ 107,283	\$ 100,143	\$ 93,563
Other taxes	51,233	48,352	53,369	50,497	36,906	35,107	31,143	27,410	24,256	21,831
Grants and contributions not restricted for specific purposes	-	-	-	-	487	-	-	-	-	-
Interest and investment earnings	18,191	10,786	(4,067)	4,186	-	-	-	-	-	-
Use of money and property	-	-	-	-	6,283	6,619	4,454	3,741	4,096	3,473
Miscellaneous Gain (Loss) on sale of assets	16,531	8,355	12,010	25,207	28,371	19,945	16,253	7,960	9,460	4,306
Total governmental activities	190	54	20	10	81	60	(7)	6	98	-
Business-type activities:										
Property taxes	239,108	213,218	197,486	209,649	195,172	179,782	169,180	146,400	138,053	123,173
Interest and investment earnings	53	53	49	45	44	40	35	32	29	27
Use of money and property	1,216	523	(497)	165	-	-	-	-	-	-
Miscellaneous Gain (Loss) on sale of assets	-	-	-	-	334	366	(25)	(232)	(170)	49
Total business-type activities	242	289	3,545 ⁽¹⁾	820	448	1,608	70	333	332	6,539
Total primary government	17	-	-	-	-	52	(91)	-	-	-
Change in Net Position	1,528	865	3,097	1,030	826	2,066	(11)	133	191	6,615
Governmental activities	\$ 240,636	\$ 214,083	\$ 200,583	\$ 210,679	\$ 195,998	\$ 181,848	\$ 169,169	\$ 146,533	\$ 138,244	\$ 129,788
Business-type activities										
Total primary government	\$ 75,994	\$ 28,514	\$ 52,603	\$ (20,210)	\$ (45,905)	\$ 577	\$ 4,080	\$ 11,696	\$ 11,692	\$ 11,789
Change in Net Position	11,499	7,183	852	5,645	(1,196)	383	2,413	(192)	431	5,673
Total primary government	\$ 87,493	\$ 35,697	\$ 53,455	\$ (14,565)	\$ (47,101)	\$ 960	\$ 6,493	\$ 11,504	\$ 12,123	\$ 17,462

⁽¹⁾ Miscellaneous revenues have been restated based on Restatements of Beginning Balances described in Note 20

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Reported in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 1,725	\$ 1,974	\$ 1,402	\$ 1,696	\$ 1,547	\$ 1,707	\$ 1,758	\$ 703	\$ 751	\$ 1,135
Restricted	43,057	34,741	33,022	25,484	-	-	-	-	-	1
Committed	20,997	20,997	20,956	20,956	19,756	19,957	21,557	18,000	17,251	20,081
Assigned	116,418	81,700	80,169	63,583	36,390	48,162	37,094	37,159	33,767	29,059
Unassigned	-	-	-	-	-	-	-	(71)	(33)	(71)
Total General Fund	<u>\$ 182,197</u>	<u>\$ 139,412</u>	<u>\$ 135,549</u>	<u>\$ 111,719</u>	<u>\$ 57,693</u>	<u>\$ 69,826</u>	<u>\$ 60,409</u>	<u>\$ 55,791</u>	<u>\$ 51,736</u>	<u>\$ 50,205</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,558	\$ -	\$ 61,184
Restricted	183,659	167,418 ⁽¹⁾	151,725 ⁽¹⁾	128,805 ⁽¹⁾	132,107 ⁽¹⁾	122,614 ⁽¹⁾	118,138 ⁽¹⁾	56,120 ⁽¹⁾	126,295 ⁽¹⁾	57,346 ⁽¹⁾
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(722)	(21,298)	-	(1,906)	-	-	(4,989)	-	-	-
	<u>\$ 182,937</u>	<u>\$ 146,120</u>	<u>\$ 151,725</u>	<u>\$ 126,899</u>	<u>\$ 132,107</u>	<u>\$ 122,614</u>	<u>\$ 113,149</u>	<u>\$ 117,678</u>	<u>\$ 126,295</u>	<u>\$ 118,530</u>

⁽¹⁾ Fund balances have been restated based on Restatements of Beginning Balances described in Note 20

Fiscal Year ended June 30, 2024

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Reported in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 204,196	\$ 194,023	\$ 189,522	\$ 180,246	\$ 159,949	\$ 153,158	\$ 148,480	\$ 134,693	\$ 124,399	\$ 115,394
Licenses and permits	16,939	16,175	16,787	13,782	12,829	12,591	12,665	13,268	11,881	11,053
Fines, forfeits and penalties	6,638	13,059	9,801	12,939	8,723	10,796	3,870	4,101	3,630	4,720
Use of money and property	16,855	10,091	(3,664)	3,901	5,674	5,930	4,197	3,623	4,083	3,417
Aid from other governments	535,645	462,949	414,108	401,443	308,552	302,690	279,504	269,760	252,814	250,902
Charges for services	96,451	97,979	86,832	82,856	78,045	78,603	78,809	75,124	68,734	62,050
Other	11,604	8,220	11,999	24,546	28,371	19,945	16,720	8,313	9,685	10,168
Total revenues	888,328	802,496	725,385	719,713	602,143	583,713	544,245	508,882	475,226	457,704
Expenditures										
Current										
General government	55,579	75,857	41,915	44,349	44,123	35,550	36,225	33,189	31,414	32,532
Public protection	218,489	205,226	318,652	195,009	182,291	172,236	161,157	156,582	146,434	137,893
Public ways and facilities	99,165	69,523	37,008	68,935	35,769	37,204	37,324	34,217	20,249	24,440
Health and sanitation	241,221	214,863	195,978	181,815	164,253	142,544	133,424	122,842	117,041	111,509
Public assistance	189,472	183,051	179,365	193,727	149,539	134,165	125,796	129,505	130,035	119,199
Education	7,168	6,671	5,606	5,458	5,518	5,753	5,655	5,535	5,793	5,325
Recreation and cultural services	16,948	13,716	10,532	9,828	10,842	10,460	10,471	10,014	8,667	7,156
Capital outlay	35,860	37,114	28,090	7,889	14,587	17,770	35,287	14,862	7,607	9,306
Debt service										
Principal	18,300	14,256	13,547	6,075	10,220	5,577	4,592	4,857	4,744	3,992
Bond redemption	-	-	-	-	-	-	-	-	-	-
Bond issue costs	829	320	844	-	-	-	-	-	-	-
Interest and fiscal charges	9,517	8,809	5,133	2,911	3,158	2,933	2,276	2,904	2,770	3,239
Total expenditures	892,548	829,406	836,670	715,996	620,300	564,192	552,207	514,507	474,754	454,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,220)	(26,910)	(111,285)	3,717	(18,157)	19,521	(7,962)	(5,625)	472	3,113
Other Financing Sources (Uses)										
Sale of capital assets	-	-	-	-	-	-	24	6	98	-
Debt issue cost	-	-	-	-	(281)	-	-	-	-	-
Proceeds from long-term debt	78,463	17,300	152,480	-	-	-	-	-	9,945	-
Issuance of Debt	1,140	-	-	-	-	-	-	-	-	-
Bond premium	2,971	620	3,214	-	995	-	(63)	951	60	-
Bond discount	(63)	-	(52)	-	-	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	13,985	-	7,940	10,500	13,770	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	(10,620)	(13,097)	-
Transfers in	102,291	46,655	38,736	19,678	18,285	22,489	28,411	21,582	17,489	12,312
Transfers out	(101,527)	(52,388)	(43,871)	(19,802)	(18,362)	(23,157)	(28,496)	(21,750)	(17,701)	(18,706)
Lease inception	547	309	863	-	894	30	92	129	70	93
Miscellaneous	-	-	-	-	-	-	144	-	-	-
Total other financing sources (uses)	83,822	12,496	151,370	(124)	15,516	(638)	8,052	798	10,634	(6,301)
Net change in fund balances	<u>\$ 79,602</u>	<u>\$ (14,414)</u>	<u>\$ 40,085</u>	<u>\$ 3,593</u>	<u>\$ (2,641)</u>	<u>\$ 18,883</u>	<u>\$ 90</u>	<u>\$ (4,827)</u>	<u>\$ 11,106</u>	<u>\$ (3,188)</u>
Debt service as a percentage of noncapital expenditures	3.68%	2.87%	2.38%	1.33%	2.32%	1.61%	1.40%	1.63%	1.64%	1.69%

GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Reported in Thousands)

Fiscal Year	Current Property Taxes	Prior Property Taxes ⁽¹⁾	Delinquent Penalties and Costs	Sales and Use Tax	Transient Occupancy Tax	Business Tax ⁽²⁾	Property Transfer Tax	Other Taxes	Total Tax Revenues ⁽³⁾
2015	\$ 77,497	\$ 146	\$ 2,017	\$ 10,248	\$ 6,482	\$ 978	\$ 2,243	\$ 76	\$ 99,687
2016	82,863	260	2,436	10,071	7,084	2,504	2,267	82	107,567
2017	88,414	174	3,210	11,863	8,002	2,805	2,321	85	116,874
2018	94,000	135	6,780	11,514	8,385	3,138	2,609	83	126,644
2019	100,409	153	4,243	13,971	9,217	3,440	2,586	83	134,102
2020	104,689	234	3,134	16,640	7,410	4,294	2,411	84	138,896
2021	109,956	330	3,796	22,564	10,237	6,266	3,728	83	156,960
2022	115,620	195	4,894	24,280	14,137	3,014	3,782	72	165,995
2023	123,553	263	8,546	23,522	11,528	2,614	2,457	60	172,543
2024	129,826	365	3,574	24,262	12,811	3,155	2,448	60	176,501

⁽¹⁾The County uses the Alternative Tax Apportionment Method, which treats prior taxes as payments against an outstanding taxes receivable balance. Amounts shown are either past adjustments or present delinquent payments applicable to the supplemental tax roll.

⁽²⁾The County began collecting Cannabis Business Tax during 2014-2015.

⁽³⁾ The difference between total tax revenues reported above and revenues classified as taxes on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance is the above revenues classified as "Delinquent Penalties and Costs." These tax revenues are reported under "Fines, forfeits and penalties" on the Statement of Revenues, Expenditures and Changes in Fund Balance.

⁽⁴⁾ Amounts for fiscal year 2022 were updated to agree with General Fund tax revenues. They were previously reported for Government-Wide tax revenues, erroneously.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Reported in Thousands)

Fiscal Year Ended June 30	Total Secured Tax Levy for Fiscal Year ⁽¹⁾	Collections within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount	Percentage of Levy		Total Tax Collections	Percentage of Levy
2015	\$ 443,002	\$ 437,476	98.8%	\$ 4,534	\$ 442,010	99.8%
2016	470,552	465,411	98.9%	5,831	471,242	100.1%
2017	503,093	496,571	98.7%	4,739	501,310	99.6%
2018	536,687	530,953	98.9%	5,226	536,179	99.9%
2019	560,534	554,765	99.0%	3,547	558,312	99.6%
2020	587,578	580,758	98.8%	5,046	585,804	99.7%
2021	615,206	609,436	99.1%	5,997	615,433	100.0%
2022	638,000	631,953	99.1%	6,554	638,507	100.1%
2023	683,093	675,076	98.8%	5,932	681,008	99.7%
2024	719,922	710,649	98.7%	4,989	715,638	99.4%

⁽¹⁾ Secured tax levy for the County itself, school districts, cities and special districts under the supervision of their own governing boards.

⁽²⁾ Included are amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards.

⁽³⁾ Under the Alternative Method of Tax Apportionment (the Teeter Plan), the County allocates to all taxing jurisdictions under the County, 100% of the secured property taxes billed, even if not yet collected. In return, the County retains the subsequent delinquent payments and associated penalties and interest. Refer to schedule of General Fund Tax Revenues by Source for property tax collections applicable to the County.

ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY⁽¹⁾
LAST TEN FISCAL YEARS
(Reported in Thousands)

Fiscal Year ⁽⁵⁾	Secured ⁽²⁾		Unsecured		Total Taxable Assessed Value ⁽³⁾	Total Direct Tax Rate ⁽⁴⁾
2015	\$	35,996,363	\$	873,141	\$ 39,194,984	1.00%
2016		38,321,843		876,810	41,172,862	1.00%
2017		40,296,052		936,890	43,545,394	1.00%
2018		42,608,504		982,250	46,247,672	1.00%
2019		45,265,422		1,021,496	48,641,510	1.00%
2020		47,620,014		1,032,834	50,886,605	1.00%
2021		49,853,771		1,035,947	52,712,628	1.00%
2022		51,676,680		1,138,888	56,041,480	1.00%
2023		54,902,593		1,291,488	59,098,473	1.00%
2024		57,806,984		1,352,066	61,739,760	1.00%

⁽¹⁾Assessed value of taxable property represents all taxable property within the County except as excluded or exempted by the State Constitution and the Legislature.

⁽²⁾Includes unitary properties (e.g., railroads, utilities), which are assessed by the State Board of Equalization.

⁽³⁾The County does not track the estimated actual value of all County properties due in part to the manner in which assessed value is calculated following the passage of California Proposition 13. Thus, the total taxable assessed value reported represents all property within the County.

⁽⁴⁾The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Reported in Thousands)

Fiscal Year	Property Tax Rates Per \$100 of Assessed Valuation		General Fund	Cities	School Districts	Special Districts ⁽¹⁾	Redevelopment	Total
	Low	High					Successor	
							Agency	
2015	1.058	1.189	13.0	5.0	57.0	13.5	11.5	100.0
2016	1.056	1.178	13.0	5.0	57.0	13.5	11.5	100.0
2017	1.051	1.163	13.0	5.0	57.0	13.5	11.5	100.0
2018	1.064	1.118	13.0	5.0	57.0	13.5	11.5	100.0
2019	1.060	1.174	13.0	5.0	57.0	13.5	11.5	100.0
2020	1.063	1.183	13.0	5.0	57.0	13.5	11.5	100.0
2021	1.061	1.198	13.0	5.0	57.0	13.5	11.5	100.0
2022	1.061	1.212	13.0	5.0	57.0	13.5	11.5	100.0
2023	1.062	1.220	13.0	5.0	57.0	13.5	11.5	100.0
2024	1.038	1.211	13.5	5.0	57.0	13.5	11.0	100.0

⁽¹⁾ Includes Autonomous Special Districts, Board Governed Special Districts, the Library Special Revenue Fund and the Fire Special Revenue Fund.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Reported in Thousands, Except Per Capita Information)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Leases ^(1,7)	\$ 8,716	\$ 19,099	\$ 19,913	\$ 2,957	\$ 3,719	\$ 4,097	\$ 5,579	\$ 5,968	\$ 6,739	\$ 4,731
Refunding Certificates of Participation	14,828	18,647	22,315	25,830	29,814	33,648	37,333	40,896	38,095	27,726
Lease Revenue Bonds	149,669	73,944	57,613	29,645	30,720	21,083	21,948	14,504	14,927	12,325
Lease Revenue Refunding Bonds	4,521	4,847	5,167	5,480	5,821	1,428	1,496	1,561	1,627	1,690
Local Agency Revenue Bonds - 1999	-	-	-	-	-	35	70	105	135	165
Certificates of Participation	-	253	500	737	969	5,847	6,429	6,991	13,390	27,266
SCRUZPOB, 2021 Tax Pension Subscription based Information Technology Agreements	271	1,611								
Loans Payable ⁽⁶⁾	3,871	3,477	4,337	-	-	-	-	16	58	-
Internal Service Funds	-	-	-	-	-	-	-	-	-	26
Subscription based Information Technology Agreements	1,012	2,078	-	-	-	-	-	-	-	-
Leases ^(1,7)	1,697	1,849	10	-	-	-	-	-	-	-
Business-type activities										
Lease Revenue Bonds	4,467	4,861	5,171	5,471	5,756	6,030	6,295	6,550	6,799	-
Loans Payable	5,448	5,237	5,511	58	92	143	192	240	287	449
Leases	-	-	-	1,233	1,389	1,544	2	3	4	-
Total Primary government ⁽²⁾	<u>\$ 302,810</u>	<u>\$ 249,408</u>	<u>\$ 239,227</u>	<u>\$ 71,411</u>	<u>\$ 78,280</u>	<u>\$ 73,855</u>	<u>\$ 79,344</u>	<u>\$ 76,834</u>	<u>\$ 82,061</u>	<u>\$ 74,378</u>
Percentage of personal income ^(3,5)	1.33%	1.09%	1.04%	0.35%	0.40%	0.39%	0.44%	0.46%	0.50%	0.47%
Per capita ^(4,5)	\$ 1,135	\$ 931	\$ 893	\$ 265	\$ 287	\$ 269	\$ 288	\$ 279	\$ 299	\$ 271

⁽¹⁾ Implementation of GASB 87 requires the term "leases" (rather than "capital leases") be used throughout the annual comprehensive financial report. Line items for capital leases have been removed and added to "leases".

⁽²⁾ Excludes Component Unit. Total primary government, percentage of personal income and per capita data for prior periods were restated here to exclude amounts related to the Component Unit.

⁽³⁾ Percentage of personal income is calculated from personal income data for the preceding calendar year, if available (e.g. percentage of personal income for Fiscal Year 2024 is based on 2022 calendar year personal income data). Personal income data is provided by the Bureau of Economic Analysis (BEA).

⁽⁴⁾ Per capita data is calculated from per capita income data for the preceding calendar year, if available (e.g. per capita for Fiscal Year 2024 is based on 2022 calendar year per capita income data). Per capita income data is provided by the Bureau of Economic Analysis.

⁽⁵⁾ Some prior period personal and per capita income data was revised by the Bureau of Economic Analysis and thus some prior period calculations have been restated here.

⁽⁶⁾ Loans Payable was inadvertently excluded in 2022 and has been added to the schedule for related years.

⁽⁷⁾ Lease amounts between governmental activities and internal service funds were updated to agree to their service area for FY22 and FY23. Overall lease liability amounts are unchanged.

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Fiscal Year ⁽³⁾	Assessed Value ⁽¹⁾	Legal Debt Limit ⁽²⁾	Total Net Applicable Debt	Legal Debt Margin	Debt Margin/ Debt Limit
2015	\$ 35,996,363,446	\$ 1,799,818,172	\$ -	\$ 449,954,543	100.00%
2016	38,321,843,499	1,916,092,175	-	479,023,044	100.00%
2017	40,296,052,356	2,014,802,618	-	503,700,654	100.00%
2018	42,608,503,591	2,130,425,180	-	2,130,425,180	100.00%
2019	45,265,421,591	2,263,271,080	-	2,263,271,080	100.00%
2020	47,620,014,333	2,381,000,717	-	2,381,000,717	100.00%
2021	49,853,771,007	2,492,688,550	-	2,492,688,550	100.00%
2022	51,676,680,196	2,583,834,010	-	2,583,834,010	100.00%
2023	54,902,592,846	2,745,129,642	-	2,745,129,642	100.00%
2024	57,806,984,366	2,890,349,218	-	2,890,349,218	100.00%

⁽¹⁾Total Assessed Value includes exempt property.

⁽²⁾Section 29909 of the California Government Code limits the General Obligation Bond indebtedness to 5 percent of the total full cash valuation of all real and personal property within the County. The Legal Debt Margin is the Legal Debt Limit reduced by the General Bonded Debt. The County does not have any General Bonded Debt.

⁽³⁾Previous reported numbers were found to be one year behind. Numbers presented above have been updated to the correct fiscal year.

STATEMENT OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2024
(Reported in Thousands)

2023-2024 Total Net Assessed Valuation	\$	58,833,652		
			Percentage Applicable ⁽¹⁾	Net Debt Outstanding
<u>Overlapping Tax and Assessment and General Obligation Debt</u>				
SCHOOL DISTRICTS				
Elementary School Districts				
Live Oak Elementary		100.00%	\$	23,073
Santa Cruz City Elementary		100.00%		46,002
Soquel Union Elementary		100.00%		42,794
Mountain Elementary		100.00%		2,220
Santa Cruz City High		100.00%		134,354
Scotts Valley Unified		100.00%		19,045
San Lorenzo Valley Unified		100.00%		59,214
Pacific		100.00%		2,001
Pajaro Valley Unified		100.00%		155,768
Cabrillo College		100.00%		91,587
SPECIAL DISTRICTS				
Orchard Drive		100.00%		570
Consolidated Reassessment District 2021		100.00%		1,100
Place De Mer AD 2021-01		100.00%		2,520
Felton Community Facilities - District No. 1		100.00%		5,930
Total Overlapping Tax and Assessment and General Obligation Debt				586,178
<u>Direct Debt</u>				
Santa Cruz County ⁽²⁾		100.00%		290,185
Total Direct Debt				290,185
Total Combined Overlapping and Direct Debt			\$	876,363
<u>Ratio to 2023-2024 Assessed Valuation</u>				
Total Overlapping Tax and Assessment and General Obligation Debt		1.00%		
Total Direct Debt		0.49%		
Total Combined Direct Debt and Overlapping Debt		1.49%		

⁽¹⁾Percentage of overlapping agency's assessed valuation located within the boundaries of the County.

⁽²⁾Governmental activities debt excluding tax and revenue anticipation notes, compensated absences and estimated claims, business-type activities and debt related to the Santa Cruz County Sanitation District.

OUTSTANDING DEBT OF THE GOVERNMENTAL ACTIVITIES⁽¹⁾

JUNE 30, 2024

(Reported in Thousands)

YEAR OF ISSUANCE	PRINCIPAL	INTEREST	TOTAL
Debt ⁽²⁾			
1996	\$ 4,570	\$ 396	\$ 4,966
2012A	1,057	302	1,359
2014	3,385	591	3,976
2015	185	7	192
2015	7,660	3,356	11,016
2016	5,985	1,483	7,468
2017	5,220	1,102	6,322
2020A	8,825	4,625	13,450
2020B	3,495	692	4,187
2021A	22,100	12,157	34,257
2021B	3,630	1,635	5,265
2021 Taxable Pension Obligation Bonds	108,310	28,481	136,791
2023A	17,300	12,112	29,412
2024A-1	35,000	14,771	49,771
2024A-2	7,208	1,639	8,847
2024B	9,080	3,868	12,948
2024C	27,175	19,806	46,981
Total debt outstanding for the Governmental Activities	\$ 270,185	\$ 107,023	\$ 377,208

⁽¹⁾ All bonds noted are debts of The Public Financing Authority, a separate legal entity for whose debt the County is not liable except for the 2021 Taxable Pension Obligation Bonds.

⁽²⁾ Certificates of Participation, Refunding Certificates of Participation, Lease Revenue Bonds, Lease Revenue Refunding Bonds, Revenue Bonds, and Local Agency Revenue Bonds.

GENERAL INFORMATION
LAST TEN FISCAL YEARS

Santa Cruz County is the second smallest county in the State of California, with an area of 440 square miles. It is also one of the original 27 counties formed in 1850, and, prior to California's independence, it was one of three Spanish Pueblos in California.

Santa Cruz County is located in the northern crescent of Monterey Bay, 74 miles south of San Francisco, 375 miles north of Los Angeles, 159 miles southwest of Sacramento, and 164 miles northwest of Fresno.

Fiscal Year	Population ⁽¹⁾ (in thousands)	Budget Requirements ⁽²⁾ (in thousands)	Budget Per Capita	Current Property Taxes (in thousands)	Taxes Per Capita
2015	272	\$ 505,725	\$ 1,859	\$ 77,497	\$ 285
2016	276	539,798	1,956	82,863	300
2017	277	552,333	1,994	88,414	319
2018	276	590,759	2,140	94,000	341
2019	275	646,197	2,350	100,409	365
2020	271	685,431	2,529	104,689	386
2021	261	749,829	2,873	109,956	421
2022	267	875,026	3,277	135,907	509
2023	262	918,988	3,508 ⁽⁷⁾	145,339	555
2024	263	1,052,918	4,003	129,826	494

Fiscal Year	Assessed Valuation (in thousands)	Per Capita Income ⁽³⁾	Personal Income ⁽³⁾ (in thousands)	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2015	\$ 38,321,843	\$ 52,280	\$ 14,209,814	\$ 70,516	8.7%
2016	40,296,052	59,598	16,347,740	70,411	7.5%
2017	42,608,504	60,924	16,766,106	70,282	6.9%
2018	45,265,422	64,901	17,854,678	70,702	6.7%
2019	47,620,014	69,355	19,021,010	70,328	4.4%
2020	49,853,771	71,592	19,559,977	69,828	12.2%
2021	51,676,680	75,957	20,502,635	67,610	6.9%
2022	54,902,593	85,554	22,910,773	66,748	3.8%
2023	57,806,984	86,365	22,832,500	67,122	5.3%
2024	60,387,694	88,581	23,168,187	67,978	5.8%

SOURCES:

⁽¹⁾Based on information compiled by the California Department of Finance.

⁽²⁾Santa Cruz County Final/Adopted Budgets.

⁽³⁾U.S. Bureau of Economic Analysis (BEA). Figures are for the preceding calendar year (e.g., Fiscal Year 2024 is 2023 calendar year data). All prior period numbers have been revised by the BEA and have been restated here.

⁽⁴⁾Total includes data obtained from the California Department of Education, the University of California at Santa Cruz, and Cabrillo College.

⁽⁵⁾Data reflects the annual average rate for the calendar year (e.g., Fiscal Year 2024 is annual average for 2023 calendar year) as calculated by the California Employment Development Department (EDD). Calendar year 2013 was revised by the EDD and has been restated here.

⁽⁶⁾School enrollment for fiscal year 22/23 was updated to reflect the correct number

⁽⁷⁾Prior year amount reported was adjusted to agree with actual.

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN CALENDAR YEARS**

Calendar Year	New Dwelling Units ⁽¹⁾			Valuation of New Units ⁽¹⁾ (in thousands)			Deposits ⁽²⁾
	Single Family	Multiple Family	Total Units	Residential	Non- Residential	Total Valuation	Amount (in thousands)
2014	113	5	118	\$ 70,444	\$ 79,182	\$ 149,626	\$ 4,729,351
2015	101	62	163	72,860	42,430	115,290	5,439,646
2016	116	202	318	102,393	93,011	195,404	6,076,534
2017	66	1	67	18,228	1,025	19,253	6,133,076
2018	34	1	35	9,189	315	9,504	6,269,787
2019	50	1	51	12,227	995	13,222	7,415,466
2020	59	-	59	11,124	221	11,345	8,426,670
2021	144	1	145	27,475	4,769	32,244	8,937,210
2022	203	9	212	54,822	1,272	56,094	8,213,622
2023	108	4	112	23,055	9,072	32,127	8,069,564

⁽¹⁾ Compiled by the California Department of Finance - Economic Research Unit. Calendar year 2024 new construction and property valuation data is not available.

⁽²⁾ Compiled by the Federal Deposit Insurance Corporation (FDIC) as reported in the Deposit Market Share Report reflecting deposits as of June 30, 2024.

⁽³⁾ Compiled by the County of Santa Cruz Planning Department. Figures from prior years have been restated to reflect the data the county planning department tracks. Data from the cities of Watsonville, Scotts Valley, Capitola, and Santa Cruz are not included in these restated figures.

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ended June 30,	Debt Service Funds		Enterprise Funds	
	Special Assessment Billed	Special Assessment Collected	Special Assessment Billed	Special Assessment Collected / (Refunded)
2015	\$ 195,882	\$ 185,882	\$ 90,298	\$ 90,298
2016	193,708	204,728	91,601	91,598
2017	264,054	275,353	91,707	91,703
2018	211,083	246,813	92,271	91,349
2019	212,413	248,062	-	(129,567)
2020	151,767	208,299	-	-
2021	184,246	197,373	-	-
2022	168,264	294,764	-	-
2023	149,690	294,982	-	-
2024	144,995	290,225	-	-

Note: The billings and collections shown are for those special assessment bonds for which the County has established redemption funds for the purpose of facilitating bond payment in the case of delinquent accounts.

**PRINCIPAL TAXPAYERS
CURRENT AND TEN YEARS AGO**

Taxpayer	Type of Business	Assessed Value		Percentage of Total Assessed
		2023-2024		Valuation 2023-2024 ⁽¹⁾
Pacific Gas & Electric Company	Gas & Electric Utility	\$	543,388,965	0.92%
Dignity Health	Hospital		167,475,127	0.28%
Santa Cruz Seaside Company	Property management		138,123,742	0.23%
Regency Hilltop LLC	Property management		122,514,600	0.21%
MGP XI Capitola LLC - Capitola Mall	Property management		122,310,468	0.21%
LHO Santa Cruz Hotel One LP	Property management		69,968,496	0.12%
Anton Santa Cruz LLC	Property management		69,909,901	0.12%
S. Martinelli & Co	Property management		69,603,085	0.12%
Mt. Hermon Road Association Inc.	Property management		69,334,048	0.12%
Rancho Del Mar Center LLC	Property management		62,687,659	0.11%
1440 Devco LLC	Real Estate Investment		57,943,670	0.10%
Totals		\$	1,493,259,761	2.54%

Taxpayer	Type of Business	Assessed Value		Percentage of Total Assessed
		2013-2014		Valuation 2013-2014 ⁽²⁾
Pacific Gas and Electric	Gas & Electric Utility	\$	226,180,539	0.66%
Santa Cruz Seaside Company	Amusement Park		76,494,242	0.22%
Pacific Bell Telephone Co.	Telephone Utility		51,638,082	0.15%
SC Beach Hotel Partners	Hotel Operator		42,521,219	0.12%
George Ow, Jr. et al	Real Estate		42,394,457	0.12%
Cypress Point RE Investors LLC	Real Estate		41,372,892	0.12%
Bei-Scott Co.	Property Management		37,391,896	0.11%
SC Shaffer Road Investors	Real Estate		35,259,943	0.10%
S. Martinelli & Co.	Beverage Producer		31,036,236	0.09%
Watsonville Hospital	Hospital		8,998,427	0.03%
Totals		\$	593,287,933	1.72%

Note: Principal taxpayer data for fiscal year 2023-24 is derived from the 2023 tax roll, which was billed and collected during 2024. Data for fiscal year 2013-2014 is derived from the 2014 tax roll, which was billed and collected during 2013.

⁽¹⁾ Percentage of total assessed valuation for 2023-24 is calculated from the total net assessed valuation of \$58,833,652,202.

⁽²⁾ Percentage of total assessed valuation for 2013-14 is calculated from the total net assessed valuation of \$34,123,151,535.

**PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO**

Employer	Product/Service	Number of Employees 2023-2024 ⁽¹⁾	Percentage of Total Employment 2023-2024 ⁽²⁾
University of California at Santa Cruz	Education	1,000-4,999	2.00%
Santa Cruz Government Center	County Services	1,000-4,999	2.00
Dominican Hospital	Hospital	1,000-4,999	2.00
Santa Cruz Health Center	County Services	500-999	0.59
Granite Rock	Excavating Contractors	500-999	0.59
Plantronics Inc	Telephone Apparatus Mfg.	500-999	0.59
Watsonville City Sewer Dept	City Services	500-999	0.59
Source Naturals	Vitamin Manufacturer	500-999	0.59
Cabrillo Senson House 1	Venue and Event spaces	500-999	0.59
Monterey Mushrooms	Agriculture	500-999	0.59
Larse Farms Inc	Agriculture	500-999	0.59
Ameri-Kleen	Services NEC	500-999	0.59

Employer ⁽³⁾	Product/Service ⁽³⁾	Number of Employees 2013-2014 ⁽³⁾	Percentage of Total Employment 2013-2014 ⁽³⁾
University of California, Santa Cruz	Education	1,000-4,999	2.08%
County of Santa Cruz	County Services	1,000-4,999	2.08
Pajaro Valley Unified School District	Education	1,000-4,999	2.08
Dominican Hospital	Hospital	1,000-4,999	2.08
Santa Cruz Beach Boardwalk	Amusement/Recreation	1,000-4,999	2.08
Cabrillo College	Education	500-999	0.52
City of Santa Cruz	City Services	500-999	0.52
Threshold Enterprises	Manufacturing	500-999	0.52
Watsonville Community Hospital	Hospital	500-999	0.52
West Marine	Retail	500-999	0.52
Plantronics	Telephone Apparatus Mfg.	500-999	0.52
Santa Cruz City School District	Education	500-999	0.52

⁽¹⁾Number of employees reflects a range provided by California Employment Development Department (EDD) data.

⁽²⁾Average of the reported range divided by total civilian employment of 125,943 as reported by the EDD for June 2024.

⁽³⁾Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2014.

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Assistance										
Human Services Department										
Adult Protective Services										
Referrals received	2,253	2,082	1,899	1,825	1,792	1,764 ⁽²⁾	1,406 ⁽¹⁾	1,011	936	754
Investigations completed	1,853	1,662	1,570	1,474	1,550	1,649 ⁽²⁾	1,098 ⁽¹⁾	906	816	601
Family and Children's Services										
Annual referrals (families)	2,139	2,314	2,096	2,399	2,399	2,699 ⁽²⁾	2,788 ⁽¹⁾	2,770	2,635	2,727
Finalized adoptions	13	13	19	28	28	40 ⁽²⁾	37 ⁽¹⁾	52	50	45
Licensed foster homes (monthly average)	120	124	112	141	141	100 ⁽²⁾	60 ⁽¹⁾	139	130	125
Benefit Services										
Average number of Medi-Cal recipients	78,791	91,519	81,045	75,626	69,355	71,077 ⁽²⁾	73,041 ⁽¹⁾	76,713	73,060	64,344
Public Ways and Facilities										
Public Works										
Roads										
Miles of road maintained	600	600	600	600	600	596	596	596	600	600
Potholes repaired	9,520	10,294	7,707	6,193	9,592	1,756	4,295	4,013	3,750	3,994
Minor culverts maintained	3,330	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262
Bridges and major culverts maintained	160	160	160	160	160	160	160	160	160	160
Traffic signs replaced/										
repaired	1,444	722	1,368	1,505	1,500	2,938	2,657	1,047	1,377	1,238
Miles of street swept	1,928	1,670	899	424	1,133	186	112	285	518	381
Sanitation										
Miles of pipe maintained	228	228	228	87	98	245	245	245	245	244
Maintenance call responses	306	393	110	282	573	279	401	150	209	319
Landfill										
Waste generated (tons)	115,278	141,606	177,225	179,484	178,898	166,332	168,225	197,810	155,789	172,555
Waste disposed (tons)	69,201	98,216	91,420	96,384	95,762	100,097	103,067	125,610	91,399	83,642
Recreation and Cultural Services										
Parks, Open Space and Cultural Services										
Facility bookings	6,267	5,778	4,989	3,069	4,516	7,409	7,602	6,927	6,716	7,621
Recreation registrations	5,652	2,804	2,259	3,022	7,116	7,144	7,025	7,591	7,295	6,720
Swim admissions	96,066	82,989	89,446	77,148	128,725	200,628	188,127	184,064	178,882	178,289

Sources: Various County Departments

⁽¹⁾ Prior period reported an estimate which has been restated here to reflect actual data.⁽²⁾ Prior period restated here consistent with Capital Assets Statistics by Function.⁽³⁾ New reporting system with more precise tracking capabilities was implemented.

OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Protection										
Agricultural Commissioner										
High risk quarantine inspections	468	554	887	453	697	943	1,228	1,394	1,468	1,347
District Attorney										
Criminal Prosecution										
Felony filings	1,564	2,071	1,390	1,462	2,034	2,022	1,859	2,379	1,757	2,113
Juvenile filings	280	399	288	262	348	414	385	591	817	413
Consumer Affairs										
Number of calls received	58	107	132	167	176	226	412	2,198	1,821	2,143
Number of written complaints received	87	119	125	117	138	163	243	148	127	129
Planning										
Building permits issued	6,801	6,303	5,992	5,565	4,009	4,424	4,452	4,463	4,072	4,097
Building permit inspection sites visited	12,219	10,742	10,355	12,925	9,580	9,924	11,979	10,998	9,503	10,084
Code compliance cases resolved	133	96	111	97	91	216	251	114	102	105
Probation										
Juvenile division referrals	484	530	504	504	559	693	765	913	980	1,220
Juvenile division petitions filed	261	276	169	169	240	298	327	362	430	569
Juvenile court investigations	17	40	54	33	53	67	69	54	53	60
Public Defender										
Total cases	7,397	6,779	6,576	6,530	6,300	11,038	10,955	10,900	10,800	10,445
Sheriff/Coroner(Investigation Division)										
Total cases reviewed	10,389	10,500	10,024	10,418 ⁽³⁾	10,581 ⁽²⁾	11,138	10,990	11,072	10,481	10,471
Total arrests	137	150	137	142 ⁽³⁾	112 ⁽²⁾	104	64	85	86	168
Detention										
Main jail bookings	7,433	8,102	7,468	6,907	7,411	9,404	9,208	10,641	11,305	10,964
Weights and Measures										
Establishments visited	1,302	824	1,057	1,053	1,229	1,537	1,348	1,200	1,200	1,039
Special District										
Mosquito Abatement/Vector Control CSA #53										
Mosquito inspections	12,206	11,258	11,021 ⁽¹⁾	13,518	10,501	7,104	7,228	8,423	8,859	6,440

Sources. Various County
Departments

⁽¹⁾Prior period reported an estimate which has been restated here to reflect actual data.

⁽²⁾Data is presented on a calendar year basis, which is not yet available.

⁽³⁾Data is now reported on a fiscal year period with updated system abilities

BUDGETED POSITIONS LAST TEN FISCAL YEARS

DEPARTMENT/FUNCTION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COUNTY ADMINISTRATIVE OFFICE	16.00	16.00	15.75	15.75	17.00	17.00	22.00	22.00	22.00	18.00
CLERK OF THE BOARD (5 added to CAO)	5.00	5.00	4.00	4	5	5	5	5	-	-
AGRICULTURAL COMMISSIONER	18.81	18.81	19.81	19.81	19.81	18.40	16.40	16.40	16.40	20.40
MOSQUITO ABATEMENT/VECTOR CONTROL	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	9.00
AGRICULTURAL EXTENSION	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ASSESSOR	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	29.00	33.25
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR ⁽¹⁾	45.55	44.55	44.25	42.75	45.75	45.75	44.75	42.75	42.75	30.00
BOARD OF SUPERVISORS	17.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	18.00	18.00
CANNABIS LICENSING	3.00	4.25	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00
RECORDER	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
COMMUNITY DEVELOPMENT & INFRASTRUCTURE ⁽²⁾	366.25	356.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COUNTY CLERK/ELECTIONS	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
COUNTY COUNSEL	22.00	20.50	20.50	20.50	20.50	19.50	18.50	18.50	18.50	18.50
DISTRICT ATTORNEY	109.00	107.00	106.00	106.00	106.00	103.00	99.00	97.00	94.00	90.50
CHILD SUPPORT SERVICES	32.00	33.00	34.00	34.00	49.00	49.00	51.00	59.00	59.00	61.00
EMERGENCY SERVICES	0.00	0.00	0.00	1.00	2.00	2.00	2.00	1.50	2.00	2.00
GENERAL SERVICES	10.00	6.00	6.00	9.00	9.00	9.00	9.00	9.00	8.00	8.80
FACILITIES MAINTENANCE	46.00	47.00	44.00	43.00	43.00	42.00	42.00	42.00	42.00	44.00
CENTRAL STORES/DUPLICATING	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
PURCHASING	0.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
SERVICE CENTER	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
HEALTH SERVICES	770.60	754.90	747.00	615.00	607.90	568.20	550.45	531.85	534.30	526.95
HOMELESS SERVICES COORDINATION	0.00	0.00	0.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00
HUMAN SERVICES	579.00	575.00	595.50	525.50	532.50	532.50	530.50	570.00	574.50	515.00
VETERANS SERVICES	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
INFORMATION SERVICES/TELEPHONE	36.00	33.00	63.00	54.00	57.00	56.00	56.00	56.00	57.00	64.50
INFORMATION SERVICES/COMM. TECH.	31.00	35.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
OFFICE OF RESPONSE, RECOVERY AND RESILIENCE	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PARKS OPEN SPACE & CULTURAL SERVICES	58.50	54.50	53.50	48.00	52.25	49.25	47.50	45.75	44.75	40.80
PERSONNEL	30.00	30.00	30.00	27.00	27.00	27.00	27.00	27.00	25.00	26.50
PUBLIC DEFENDER	60.00	57.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RISK MANAGEMENT	13.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00
PLANNING	0.00	0.00	72.50	72.00	71.50	71.00	66.50	65.25	64.00	65.25
PROBATION	104.00	102.00	101.50	98.50	98.50	97.50	97.25	96.25	91.25	93.25
JUVENILE HALL	31.00	31.00	31.00	30.00	30.00	30.00	30.00	31.00	30.50	30.50
PUBLIC WORKS	0.00	0.00	269.75	270.50	268.80	267.80	262.80	256.80	256.00	267.50
SHERIFF-CORONER	192.50	191.50	192.50	192.50	187.50	180.00	175.00	175.00	173.00	173.00
CORRECTIONS	152.00	152.00	151.00	150.00	166.00	152.00	151.00	150.00	151.00	149.00
COURT SECURITY	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
TREASURER-TAX COLLECTOR ⁽²⁾	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.75
WORKFORCE INNOVATIONS	5.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>2,851.21</u>	<u>2,805.26</u>	<u>2,795.56</u>	<u>2,516.81</u>	<u>2,557.01</u>	<u>2,481.90</u>	<u>2,437.65</u>	<u>2,452.05</u>	<u>2,443.95</u>	<u>2,398.45</u>

Source: Annual Adopted County Budget

⁽¹⁾On January 5, 2015, the County began consolidating the offices of Auditor-Controller and Treasurer-Tax Collector.⁽²⁾During FY22/23, the Department of Public Works (DPW) & Planning merged to form Community Development & Infrastructure

**SCHEDULE OF INSURANCE IN EFFECT
JUNE 30, 2024**

COVERAGE	DETAILS OF COVERAGE	LIMITS
Property	CSAC-Excess Insurance Authority Blanket buildings and equipment including EDP, Vehicles, Contractors' Equipment, Boiler & Machinery. All Risk, flood, replacement cost-agreed amount including earthquake at scheduled locations All Risk & Flood Limits Earthquake Limits Deductible	\$ 600,000,000 565,000,000 25,000
Crime Bond	Alliant Insurance: (A) National Unition Fire Ins Co; (B) Berkeley Ins Co; (C) Great American Ins Co Faithful Performance Bond (covers failure to faithfully perform duties and employee dishonesty). Includes all employees and Treasurer Deductible	10,000,000 2,500
Non-owned aircraft	USI Insurance Services, LLC National Union Fire Includes passengers' bodily injury, terrorism and property damage combined each occurrence	5,000,000
Excess Workers' Compensation Employer's Liability	CSAC-Excess Insurance Authority Workers' Compensation Employer's Liability \$500,000 Self-Insured Retention Deductible (per occurrence) Workers' Compensation and Employer's Liability	Statutory Limits
Medical Malpractice and General Liability	CSAC-Excess Insurance Authority Comprehensive hospital professional and general liability for HSA staff and operations and Jail Medical Unit Deductible	21,500,000 25,000
Fine Arts	Falvey Insurance Group Includes fossils and fine arts for all County locations Deductible	125,000 1,000
Excess Liability (GLII)	CSAC-Excess Insurance Authority Excess Liability Insurance \$1,000,000 Self-Insured Retention to \$25,000,000	25,000,000
Optional Excess	CSAC - Excess Insurance Authority \$25,000,000 excess of \$25,000,000	25,000,000
County Fire Auto & Liability Insurance	USI - National Fire Ins Co of Pittsburgh, PA Includes property insurance for County owned fire stations including contents, business interruption, money & securities, boiler & machinery Fire Liability Auto Liability Deductible Equipment Deductible	3,000,000 1,000,000 1,000 100
Pollution Program	PRISM - Public Risk Innovation, Solutions, and Management Pollution Program Self-Insured Retention Deductible	10,000,000 250,000
Cyber Liability	PRISM - Public Risk Innovation, Solutions, and Management Claims Made Policy protecting against information security & privacy insurance with electronic media liability Self-Insurance Retention Deductible	16,000,000 100,000
Watercraft Coverage	PRISM - Public Risk Innovation, Solutions, and Management Protection and Indemnity Deductible	5,000,000 1,000

Source: Santa Cruz County Risk Department

CAPITAL ASSETS STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public protection										
Jail facilities	3	3	3	3	3	3	3	3	3	3
Rehabilitation center	1	1	1	1	1	1	1	1	1	1
Juvenile center	2	2	2	1	1	1	1	1	1	1
Courthouses	3	3	3	3	3	3	3	3	2	3
Morgue	1	1	1	1	1	1	1	1	1	1
Center for Public Safety	2	2	2	2	2	2	2	1	1	1
Public assistance										
Other buildings ⁽³⁾	4	5	4	-	-	-	-	-	-	-
Child day care center	-	-	-	-	1	1	1	1	1	1
Elder day care center	1	1	1	1	1	1	1	1	1	1
Residential care facility	2	1	1	1	1	1	1	1	1	1
Volunteer center	1	1	1	1	1	1	1	1	1	1
Veterans centers	1	1	1	2	2	2	2	2	2	2
Clinics ⁽²⁾	4	2	2	-	-	-	-	-	-	-
Behavioral Health Unit	1	1	1	1	1	1	1	1	1	1
Recreation and culture										
Parks acreage	237	237	237	237	236	236	236	228	228	228
Sites	66	66	66	65	65	65	65	63	60	60
Athletic fields	17	17	17	17	17	17	17	17	17	17
Swimming pools	4	4	4	4	4	4	4	4	4	4
Public ways and facilities										
Roads										
Pavement (miles)	600	600	600	600	600	596	596	596	600	600
Junction structures	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964
Minor culverts ⁽⁴⁾	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262
Bridges and major culverts ⁽⁴⁾	160	160	160	160	160	160	160	160	160	160
Sanitation										
Pipe (miles)	228	228	228	232	232	245	245	245	245	244
Pump stations/treatment plants	63	63	62	62	62	60	61	61	63	64
General government										
Administrative/other facilities ⁽¹⁾	17	13	13	12	12	12	12	12	12	12

Source: Various County Departments

⁽¹⁾Includes buildings and centers utilized by various departments within different functions.⁽²⁾There have been one to two clinic sites previously, however, were added to this schedule in fiscal year 2022. Prior periods were not updated.⁽³⁾Other buildings are included for the first time during fiscal year 2022 and include buildings that are either unoccupied or rented to other entities. Prior periods were not updated.⁽⁴⁾Data has been restated for prior years



Glossary (Unaudited)

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024



ACCOUNTS PAYABLE. A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE. An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ADVANCE FROM OTHER FUNDS. A liability account used to record noncurrent portions of a long-term debt owed by one fund to another fund within the same reporting entity. See DUE TO OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.

ADVANCE TO OTHER FUNDS. An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See DUE FROM OTHER FUNDS.

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

AMORTIZATION. (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR). A financial report that encompasses all funds and component units of the government. The ACFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The ACFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance related legal and contractual provisions, and statistical data.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSIGNED FUND BALANCE. Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

AUDITOR'S REPORT. In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET. The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS). The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

BASIS OF ACCOUNTING. A term used to refer to when revenues, expenditures, expenses, and transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual basis.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term “budget” is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS. Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, improvements other than buildings, land and infrastructure. In the private sector, these assets are referred to most often as property, plant, and equipment.

CAPITAL EXPENDITURES. Expenditures resulting in the acquisition of or addition to the government’s general capital assets.

CAPITALIZATION POLICY. The criteria used by a government to determine which outlays should be reported as capital assets.

CAPITAL LEASE. Prior to the implementation of GASB 87 in the fiscal year ended June 30, 2022, a capital lease was a long-term, non-cancelable agreement that was essentially a purchase agreement. Capital leases are no longer reported in the financial statements, however the term is still used in the Ratios of Outstanding Debt by Type on page 220 which compares financial data over the past ten years.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH WITH FISCAL AGENT. An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable ACFRs and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS. The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

COMMITTED FUND BALANCE. Amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (the Board of Supervisors), and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COMPENSATED ABSENCES. Absences, such as vacation and illness, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

CONTINGENT LIABILITY. Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

COST-SHARING MULTIPLE-EMPLOYER PLAN. A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for State and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED CHARGES. Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES. The consumption or acquisition of net position in one period that is applicable to future periods.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DUE FROM OTHER FUNDS. An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS. A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS. Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

EXPENDITURE-DRIVEN GRANTS. Government-mandated or voluntary nonexchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net position, debt service and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

EXPENSES. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual State or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

FISCAL AGENT. A fiduciary agency, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE. The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

FUND TYPE. Anyone of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax – for example, property tax, sales tax, transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

GENERAL FUND. The General Fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for State and local governments are set forth by Statements of Auditing Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for State and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LAPSE. As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of the period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEASE. An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time.

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL. The level at which a government's management may not reallocate resources without special approval from the legislative body.

LIABILITIES. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LOANS RECEIVABLE. An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The General Fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures,

assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS. A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the entity's financial activities.

MEASUREMENT FOCUS. A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting.

NET INVESTMENT IN CAPITAL ASSETS. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NET POSITION. The residual of all other elements of the statement of financial position. In other words, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

NONSPENDABLE FUND BALANCE. Amounts that cannot be spent because they are either (1) not spendable in form or (2) legally or contractually required to be maintained intact.

OTHER FINANCING SOURCES. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

OTHER FINANCING USES. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

OVERLAPPING DEBT. The proportionate share that property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

PROGRAM REVENUES. Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PRIVATE-PURPOSE TRUST FUND. Trust fund used to report resources of other trust arrangements in which principal and income benefit individuals, private organizations, or other governments.

REBATABLE ARBITRAGE. A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the Federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the ACFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data, or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

RESERVED FUND BALANCE. The portion of a governmental fund's net position that is not available for appropriation.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE. Amounts with constraints placed on their use that are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION. A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

RISK MANAGEMENT. All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SINGLE AUDIT. An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit Act allows or requires governments (depending on the amount of Federal assistance received) to have one audit performed to meet the needs of all Federal agencies.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retireable only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

UNASSIGNED FUND BALANCE. The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNMODIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNRESERVED FUND BALANCE. That portion of a fund balance available for spending or appropriation in the future.

UNRESTRICTED NET POSITION. That portion of net position that is neither restricted nor invested in capital assets (net of related debt).



