



# **COUNTY OF YOLO**

## **DEBT REPORT AS OF JUNE 30, 2022**

**Sou Xiong - Treasury & Revenues**  
**Department of Financial Services**  
**May 9, 2023**

# OVERVIEW OF DEBT REPORT

- 2022 Overview and Highlights
  - County Debts
    - Year-End Debt Balances
    - Current Year Debt Service
    - Post Issuance Debt Compliance
  - County Obligations
    - Long-Term Obligations
    - Obligation Solutions
- Debt Environment & Outlook

# DEBT AND OBLIGATIONS

## 2022 OVERVIEW AND HIGHLIGHTS

“Debt” refers to a formal borrowing between two legal entities and involves interest costs. Debt often refers to bonded indebtedness and long-term loans.

“Obligation” refers to any amount, known or undetermined, that the County owes to an external party now or in the future. Examples include compensated absences, pension benefit obligation, and other post-employment benefits (OPEB).

### DEBT HIGHLIGHTS

- Total debt related items for \$87 MM
- New debts since last debt report:
  - 2022 Solid Waste Installment Sale \$10.1MM
- Majority of our debt is rated from an A+ to AA, result in lowering debt service.
- 100% Post Issuance Compliant

### OBLIGATION HIGHLIGHTS

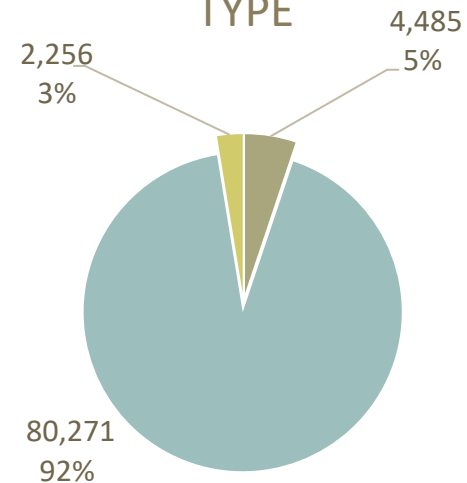
- Total Non-Pension and Non-OPEB liabilities are \$15.8 MM related to compensated absences, Self-insurance claims, and bond-premiums.
- OPEB Obligation of \$58.5 MM, a decrease by \$7 MM
- Pension Obligation of \$218.4 MM, a decrease by \$110.8 MM

# DEBT BALANCES AS OF JUNE 30, 2022

As of June 30, 2022, the County had a total of \$87 million of outstanding bonds and commercial loans and credit, a detailed listing of which is shown in below and categorized as per our debt policy.

			Amounts
	Maturity	Balance	Due Within
	Date	June 30, 2022	One Year
<b>Governmental Activities:</b>			
Special assessment debt with government commitment	2037	4,485,000	290,000
2012 Certificates of participation, Series A & B	2035	16,175,000	880,000
2017 Series A Lease Revenue Bonds (Capital Projects)	2036	14,640,000	685,000
2019 Lease - Purchase Bond Debt Service	2034	3,504,263	249,595
2020 Lease - Purchase Revenue Bond	2040	14,755,192	649,742
2020 Lease - Trane Energy	2035	9,541,048	633,297
Telecom Phone System capital lease payable	2023	325,600	159,561
Solar Array acquisition loans	2026	1,640,944	450,141
<b>Total Governmental Activities Long Term Liabilities</b>		<b>65,067,047</b>	<b>3,997,336</b>
<b>Business-type Activities</b>			
Aiport Loans Payable	2036	289,498	26,951
2019 Solid Waste Revenue Bonds	2039	11,535,000	445,000
2022 Solid Waste Installment Sale	2041	10,120,000	375,000
<b>Total Business-type Activities Long Term Liabilities</b>		<b>21,944,498</b>	<b>846,951</b>
		<b>87,011,545</b>	<b>4,844,287</b>

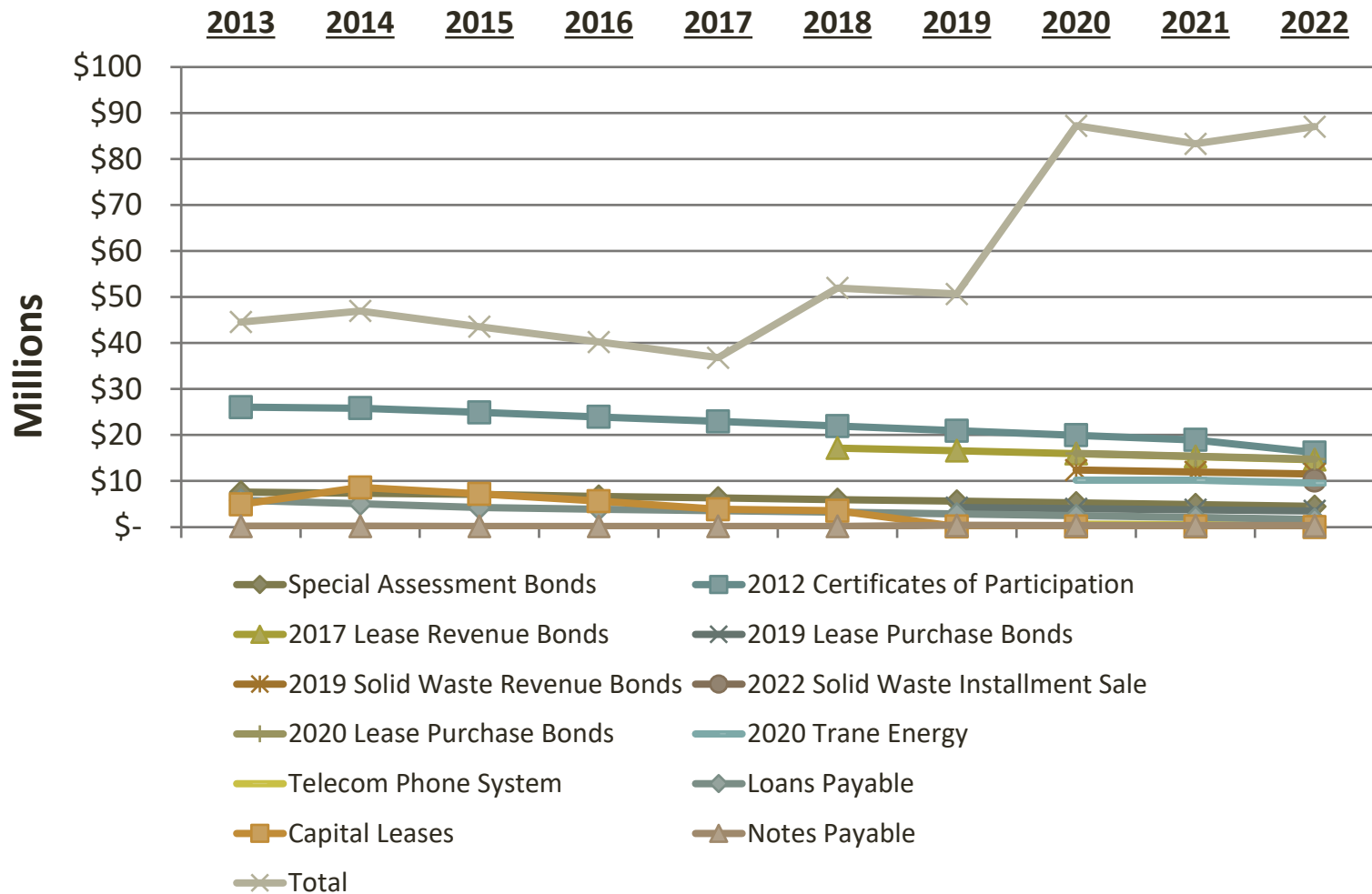
2022 DEBT BALANCE BY TYPE



- General Obligation Bonds
- Lease Revenue, COP, and Lease-Purchase
- Commercial Loans & Credit

# OUTSTANDING DEBTS

(PRIMARY GOVERNMENT - LAST TEN FISCAL YEARS)



# OUTSTANDING DEBTS – BY TYPE

As of June 30, 2022, the County bonds will mature by 2041 and commercial loans and credit will mature by 2036.

## OUTSTANDING DEBT BALANCE BY TYPE



# DEBT SERVICE AS OF JUNE 30, 2022

Year Ending	Solar Loans Payable		Special Assessment Debt		Certificates of Participation		2017 Lease Revenue Bonds	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	450,141	55,156	290,000	132,275	880,000	844,610	715,000	528,075
2024	482,025	39,272	225,000	124,550	915,000	798,820	755,000	491,325
2025	403,532	22,116	235,000	117,650	950,000	750,330	790,000	452,700
2026	305,246	8,957	240,000	110,525	995,000	699,760	830,000	412,200
2027	-	-	245,000	103,250	1,035,000	646,980	875,000	369,575
2028-2032	-	-	1,355,000	398,500	5,905,000	2,336,878	4,925,000	1,305,019
2033-2037	-	-	1,555,000	179,988	5,495,000	611,738	5,750,000	463,938
2038-2042	-	-	340,000	5,525	-	-	-	-
<b>Total</b>	<b>1,640,944</b>	<b>125,501</b>	<b>4,485,000</b>	<b>1,172,263</b>	<b>16,175,000</b>	<b>6,689,115</b>	<b>14,640,000</b>	<b>4,022,832</b>

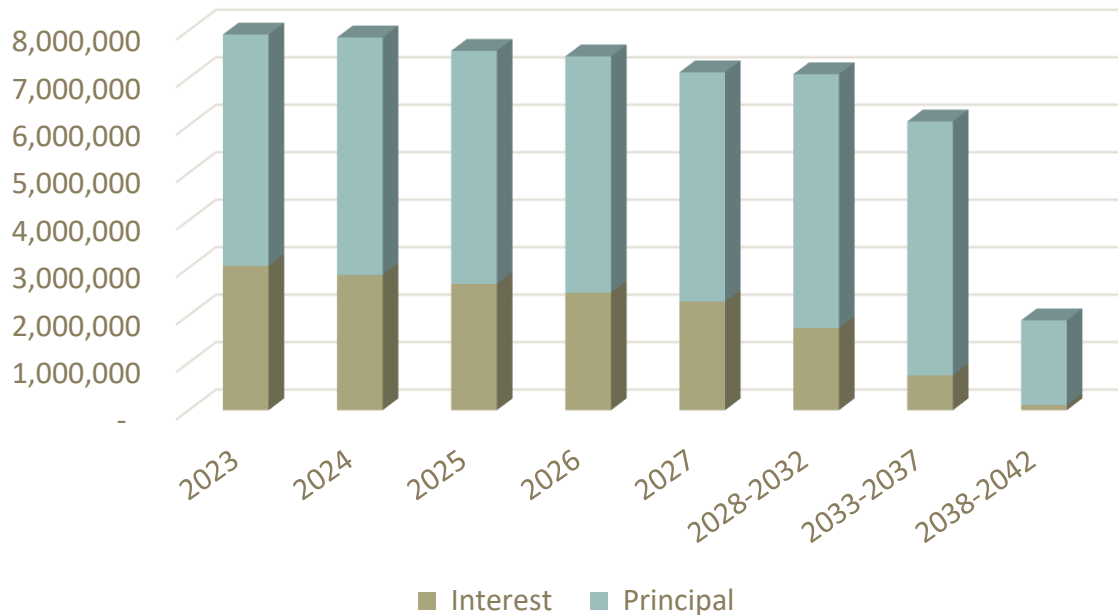
Year Ending	2019 Lease Purchase Bond Debt		2020 Lease Purchase		2020 Lease -Trane Energy		Telecom Phone System	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	249,595	98,470	649,742	392,488	633,297	230,893	159,561	13,216
2024	256,608	91,456	667,025	375,205	648,623	215,568	166,039	6,740
2025	263,819	84,245	684,768	357,462	664,319	199,871	-	-
2026	271,232	76,832	702,983	339,247	680,396	183,794	-	-
2027	278,854	69,211	721,682	320,548	696,861	167,329	-	-
2028-2032	1,516,305	224,018	3,906,781	1,304,370	3,745,579	575,372	-	-
2033-2037	667,850	28,280	4,454,770	756,380	2,471,973	120,597	-	-
2038-2042	-	-	2,967,441	159,249	-	-	-	-
<b>Total</b>	<b>3,504,263</b>	<b>672,512</b>	<b>14,755,192</b>	<b>4,004,949</b>	<b>9,541,048</b>	<b>1,693,424</b>	<b>325,600</b>	<b>19,956</b>

# DEBT SERVICE AS OF JUNE 30, 2022, CONT.

Year Ending	Airport Notes Payable		2019 Solid Waste Revenue Bonds		2022 Solid Waste Installment Sale Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>June 30:</b>						
<b>2023</b>	26,951	8,924	445,000	452,500	375,000	283,696
<b>2024</b>	27,711	8,164	465,000	434,300	395,000	264,466
<b>2025</b>	28,494	7,382	485,000	415,300	405,000	253,386
<b>2026</b>	29,299	6,577	505,000	395,500	420,000	241,960
<b>2027</b>	22,287	5,748	525,000	374,900	430,000	230,187
<b>2028-2032</b>	80,301	20,667	2,960,000	1,535,400	2,335,000	963,198
<b>2033-2037</b>	74,455	6,321	3,610,000	880,400	2,675,000	616,671
<b>2038-2042</b>	-		2,540,000	155,000	3,085,000	218,207
<b>Total</b>	<b>289,498</b>	<b>63,783</b>	<b>11,535,000</b>	<b>4,643,300</b>	<b>10,120,000</b>	<b>3,071,770</b>

# ANNUALIZED DEBT SERVICE - PROJECTED

The County projected average interest payment is \$2 MM per year and average principal payment of \$4.6 MM for a grand total of \$6.6 MM per year in debt service.

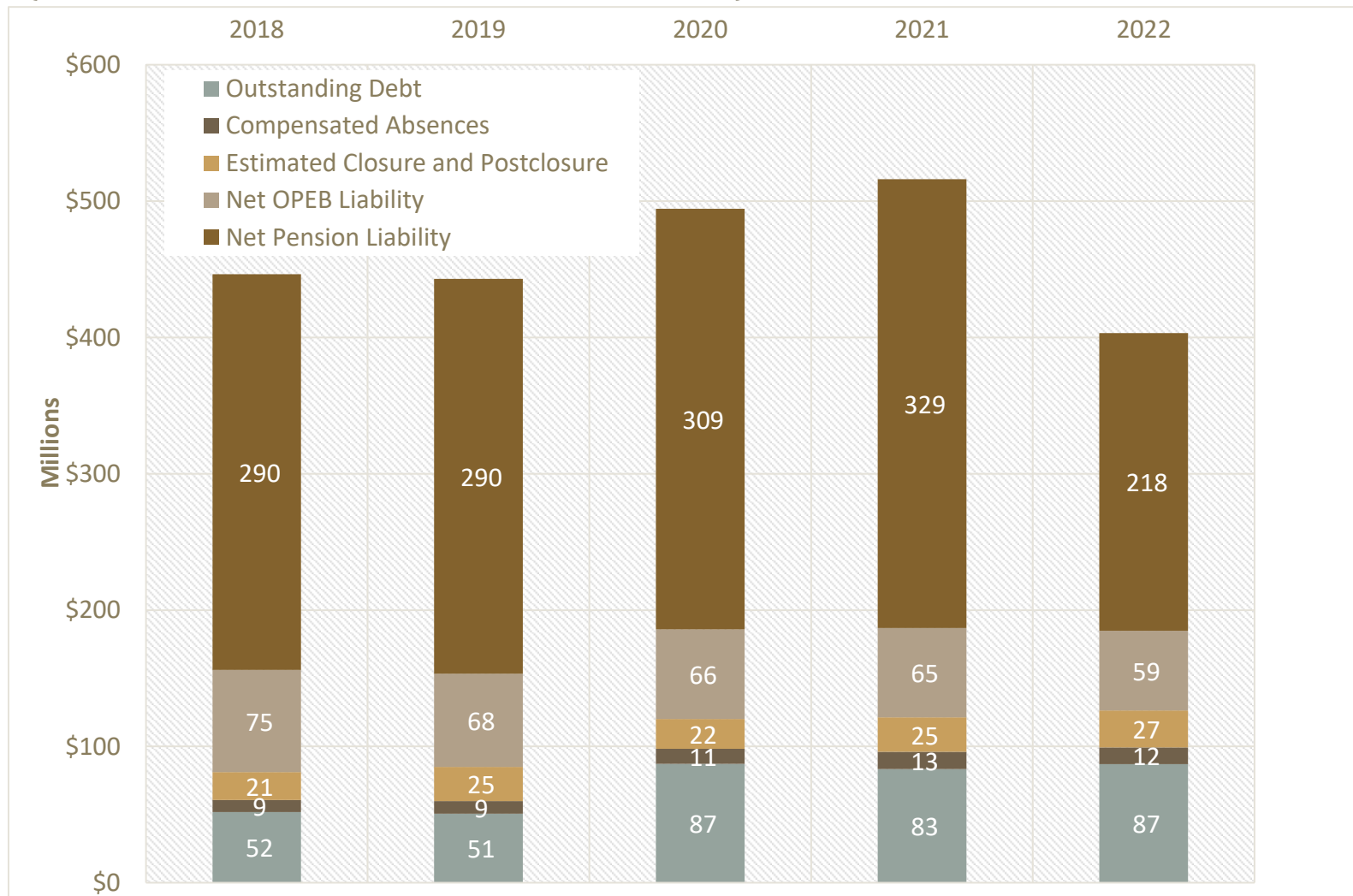


# POST ISSUANCE DEBT COMPLIANCE

- California Debt and Investment Advisory Commission (CDIAC)
  - Reporting of proposed debt and final sales
- Internal Revenue Service (IRS)
  - Filing requirements for Tax-Exempt bonds – Solar Tax Bonds
- Continual Disclosure
  - Annual Comprehensive Financial Report (ACFR) Reporting Requirement
  - No-Default (Payment) Certifications
  - Insurance Certifications
- Arbitrage Compliance
  - Based on Spending and Bond Draws
- Debt Service Fund Budgeting
  - Matching County Revenues and Investment Maturities to Debt Payments
- Financial Ratios Evaluated with Debt Covenants & Policy

# OUTSTANDING OTHER OBLIGATIONS

(PRIMARY GOVERNMENT – LAST FIVE FISCAL YEARS)



# FINANCIAL RATIOS – COUNTY OF YOLO

(WHOLE NUMBERS IN THOUSANDS)

Description	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Net direct debt service	2,870	2,525	2,205	2,586	3,732	6,033
Net operating expenditures	303,493	319,120	380,144	404,811	408,160	439,536
Net direct debt service as a percentage of net operating expenditures	0.95%	0.79%	0.58%	0.64%	0.91%	1.37%
Net direct bonded long-term debt	36,657	53,428	51,822	75,946	72,397	66,343
Net operating revenues	308,722	345,942	374,391	385,865	433,653	456,573
Net direct debt service as a percentage of net operating expenditures	11.87%	15.44%	13.84%	19.68%	16.69%	14.53%
Net direct bonded long-term debt	36,794	53,549	52,188	90,570	86,500	90,014
Assessed valuation	25,257,804	26,577,646	28,105,843	29,588,174	31,067,733	32,465,951
Net direct bonded long-term debt as a percentage of assessed valuation	0.15%	0.20%	0.19%	0.31%	0.28%	.28%
Net direct bonded long-term debt	36,794	53,549	52,188	90,570	86,500	90,014
Personal income	10,758,599	11,927,943	11,968,607	12,830,169	12,830,169	13,988,611
Net direct bonded long-term debt as a percentage of personal income	0.34%	0.45%	0.44%	0.71%	0.67%	.64%
Net direct bonded long-term debt	36,794	53,549	52,188	90,570	86,500	90,014
Population (persons)	219	220	223	222	222	221
Debt per capita (constant dollars)	168	243	234	409	390	407
Unfunded Actuarial Accrued Liability	256,025	290,253	289,601	308,593	329,180	218,371
Salaries and Wages	95,781	100,100	100,100	101,911	110,700	123,280
Unfunded actuarial accrued liability as a percentage of salaries and wages	267%	290%	289%	303%	297%	177%
Unfunded other postemployment benefit liability	81,126	74,928	68,187	65,653	65,461	58,549
Salaries and wages (OPEB covered payroll)	95,781	99,342	102,033	107,881	122,509	131,792
Unfunded actuarial accrued liability as a percentage of salaries and wages	85%	75%	67%	61%	53%	44%

# DEBT ENVIRONMENT & OUTLOOK

## ○ Debt Summary

- In FY2022-23, the 2012 Refunding Certificate of Participation was paid off, reducing total debt balance by \$1.9 MM.
- The 2023-2027 Capital Improvement Plan (CIP) includes a number of projects, however, there are currently no plans to secure debt financing to complete these projects. Staff will explore all sources available to fund any gaps that may arise.
- As of March 2023, the Federal Reserve's target rate is 4.75-5.00%, an increase of 325 basis points from just a year ago. Elevated interest rates will generally result in higher borrowing costs.

## ○ Obligations Summary

- As of June 30, 2022, the County recognized a decrease in both the Pension and OPEB obligations due primarily to an unusually strong investment return realized by CalPERS. Both obligations are expected to return to previous levels with negative returns in the subsequent year.