



COUNTY OF YOLO

DEBT REPORT AS OF JUNE 30, 2023

Sou Xiong - Treasury & Revenues
Department of Financial Services
June 25, 2024

OVERVIEW OF DEBT REPORT

- 2023 Overview and Highlights
 - County Debts
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 - Post Issuance Debt Compliance
 - County Obligations
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DEBT AND OBLIGATIONS

2023 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 \$81.9 MM.
 - No new debt issued since last debt report
- Debt decreased by \$5.1 MM from the prior year.
- Prepaid \$221k towards the principal balance of the Trane Energy Debt.
 - Prepayment funded by the project's unspent debt proceeds, which became available due to cost reductions from change orders. Given the restrictive nature of these funds, applying the unspent proceeds to the principal balance of the debt was the most advantageous option.
- The County's financial ratios related to debt remain below the low end of the Standard & Poor's benchmarks.
- Majority of our debt is rated from an A+ to AA, result in lowering debt service.
- 100% Post Issuance Compliant

OBLIGATION HIGHLIGHTS

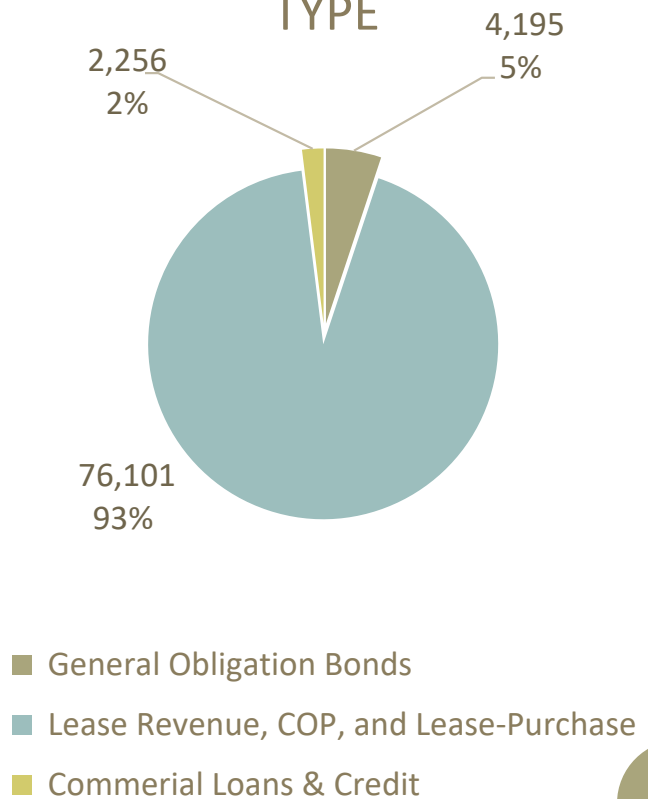
- Total Non-Pension and Non-OPEB liabilities are \$14.9 MM related to compensated absences, Self-insurance claims, and bond-premiums.
- OPEB Obligation of \$51.2 MM, a decreased by \$7.3 MM
- Pension Obligation of \$355 MM, an increase by \$136.6 MM

DEBT BALANCES AS OF JUNE 30, 2023

As of June 30, 2023, the County had a total of \$81.9 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.

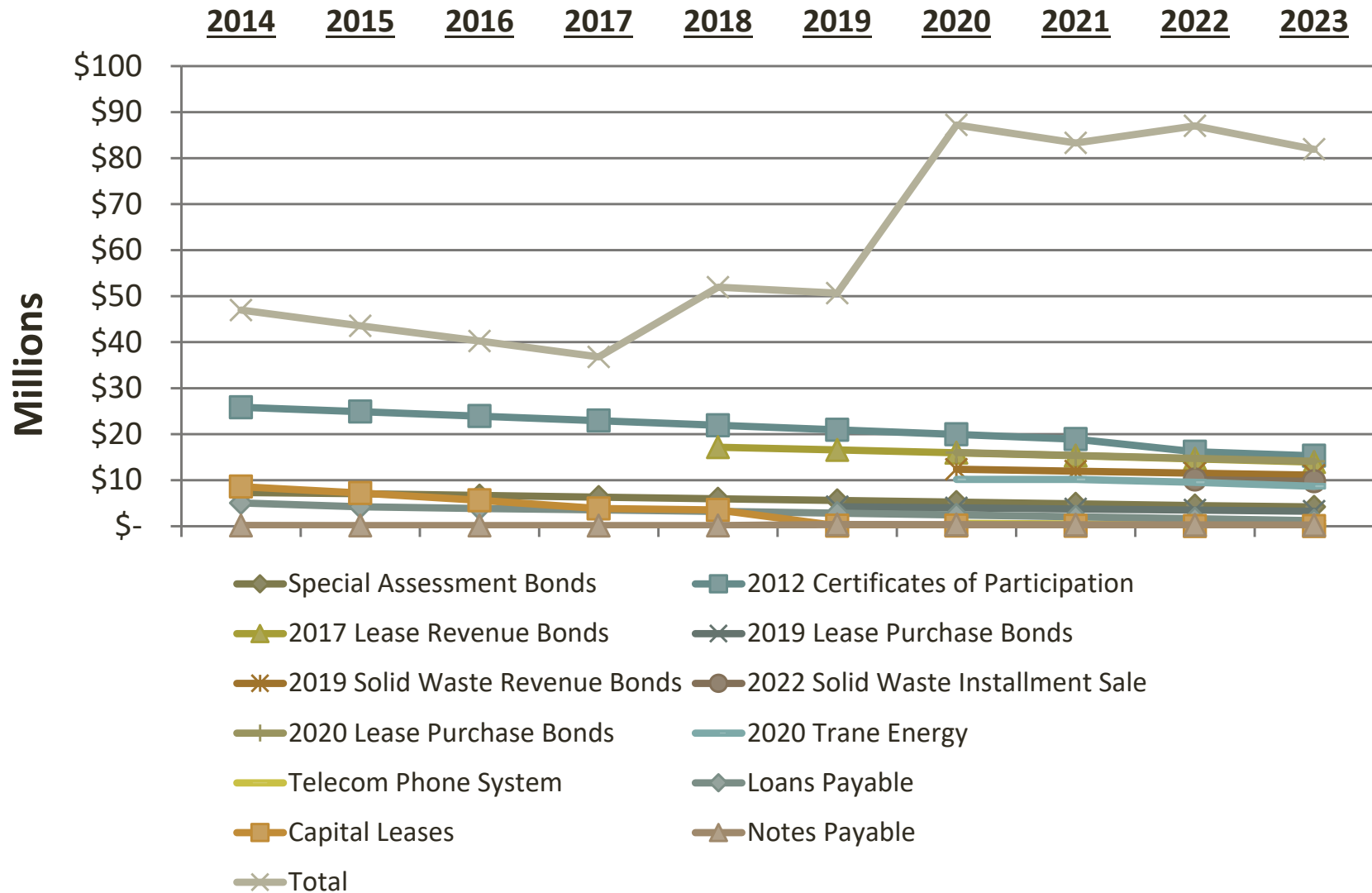
			Amounts
	Maturity	Balance	Due Within
	Date	June 30, 2023	One Year
Governmental Activities:			
Special assessment debt with government commitment	2037	4,195,000	225,000
2012 Certificates of participation, Series A & B	2035	15,295,000	915,000
2017 Series A Lease Revenue Bonds (Capital Projects)	2036	13,925,000	755,000
2019 Lease - Purchase Bond Debt Service	2034	3,254,668	256,608
2020 Lease - Purchase Revenue Bond	2040	14,105,450	667,025
2020 Lease - Trane Energy	2035	8,686,061	648,623
Telecom Phone System capital lease payable	2023	166,039	166,039
Solar Array acquisition loans	2026	1,190,803	482,025
Total Governmental Activities Long Term Liabilities		60,818,021	4,115,319
Business-type Activities			
Aiport Loans Payable	2036	262,546	27,711
2019 Solid Waste Revenue Bonds	2039	11,090,000	465,000
2022 Solid Waste Installment Sale	2041	9,745,000	395,000
Total Business-type Activities Long Term Liabilities		21,097,546	887,711
		81,915,567	5,003,030

2023 DEBT BALANCE BY TYPE



OUTSTANDING DEBTS

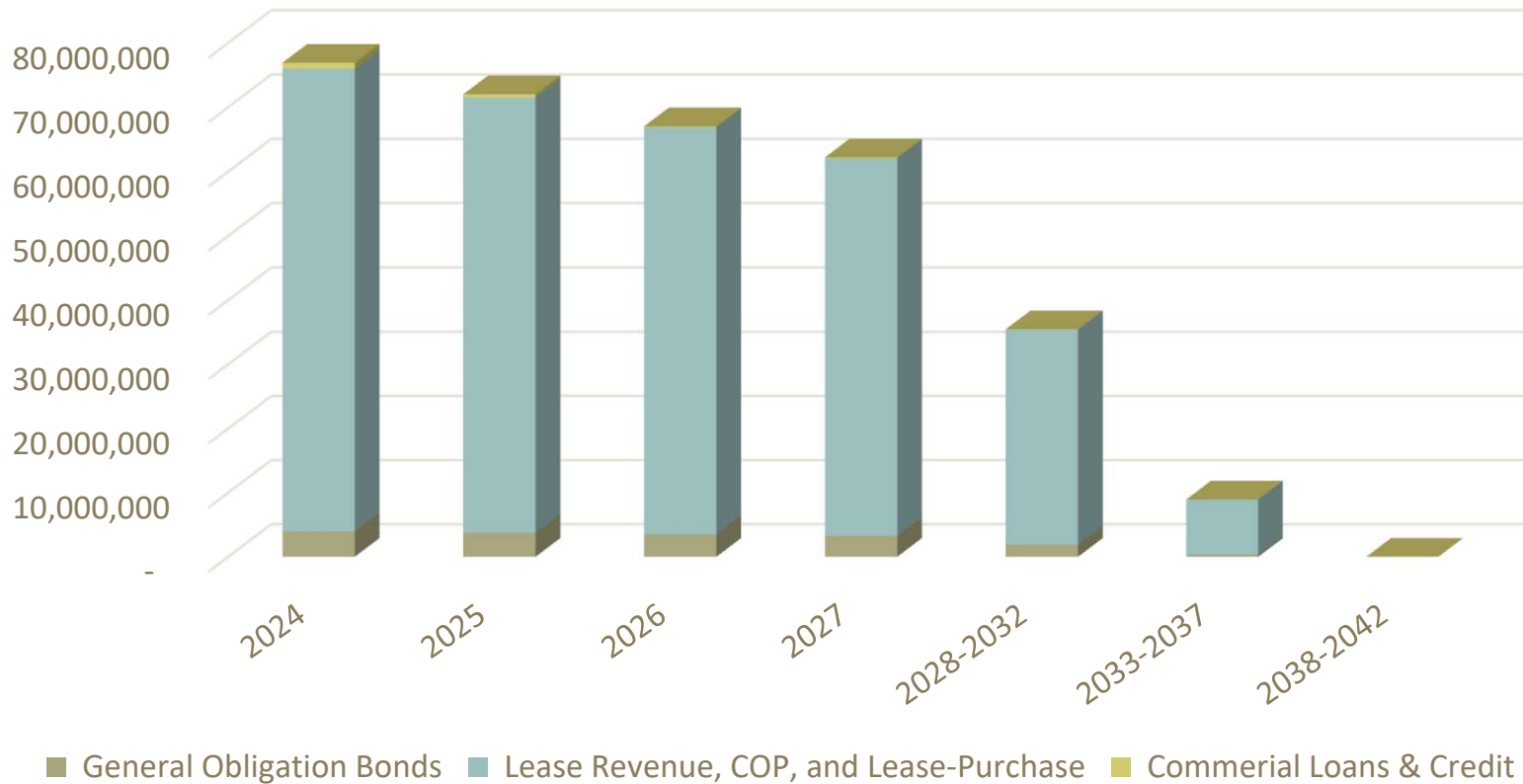
(PRIMARY GOVERNMENT - LAST TEN FISCAL YEARS)



OUTSTANDING DEBTS – BY TYPE

As of June 30, 2023, 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, 2023

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
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	305,247	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	-	-	-	-
Total	\$ 1,190,804	\$ 70,345	\$ 4,195,000	\$ 1,039,988	\$ 15,295,000	\$ 5,844,506	\$ 13,925,000	\$ 3,494,757

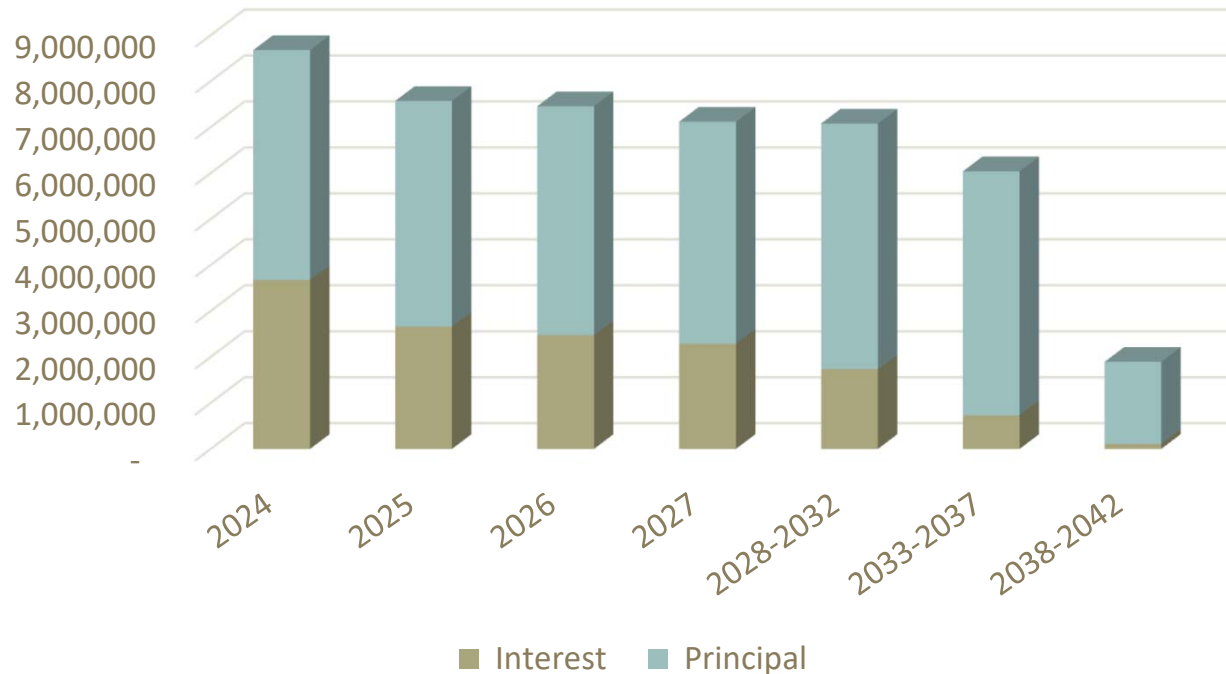
Year Ending	2019 Lease Purchase Bond Debt		2020 Lease Purchase		2020 Lease -Trane Energy		Telecom Phone System	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 256,608	\$ 914,456	\$ 667,025	\$ 375,205	\$ 648,623	\$ 215,568	\$ 166,038	\$ 6,740
2025	263,819	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	2,250,283	120,597	-	-
2038-2042	-	-	2,967,441	159,249	-	-	-	-
Total	\$ 3,254,668	\$ 1,397,042	\$ 14,105,450	\$ 3,612,461	\$ 8,686,061	\$ 1,462,531	\$ 166,038	\$ 6,740

DEBT SERVICE AS OF JUNE 30, 2023, CONT.

Year Ending	Airport Notes Payable		2019 Solid Waste Revenue Bonds		2022 Solid Waste Installment Sale Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30:						
2024	\$ 27,711	\$ 8,164	\$ 465,000	\$ 434,300	\$ 395,000	\$ 264,466
2025	28,494	7,382	485,000	415,300	405,000	253,386
2026	29,299	6,577	505,000	395,500	420,000	241,960
2027	22,287	5,748	525,000	374,900	430,000	230,187
2028-2032	80,301	20,667	2,960,000	1,535,400	2,335,000	963,198
2033-2037	74,454	6,321	3,610,000	880,400	2,675,000	616,671
2038-2039	-	-	2,540,000	155,000	3,085,000	218,207
Total	\$ 262,546	\$ 54,859	\$ 11,090,000	\$ 4,190,800	\$ 9,745,000	\$ 2,788,075

ANNUALIZED DEBT SERVICE - PROJECTED

The County projected average interest payment is \$1.7 MM per year and average principal payment of \$4 MM for a grand total of \$5.7 MM per year in debt service.

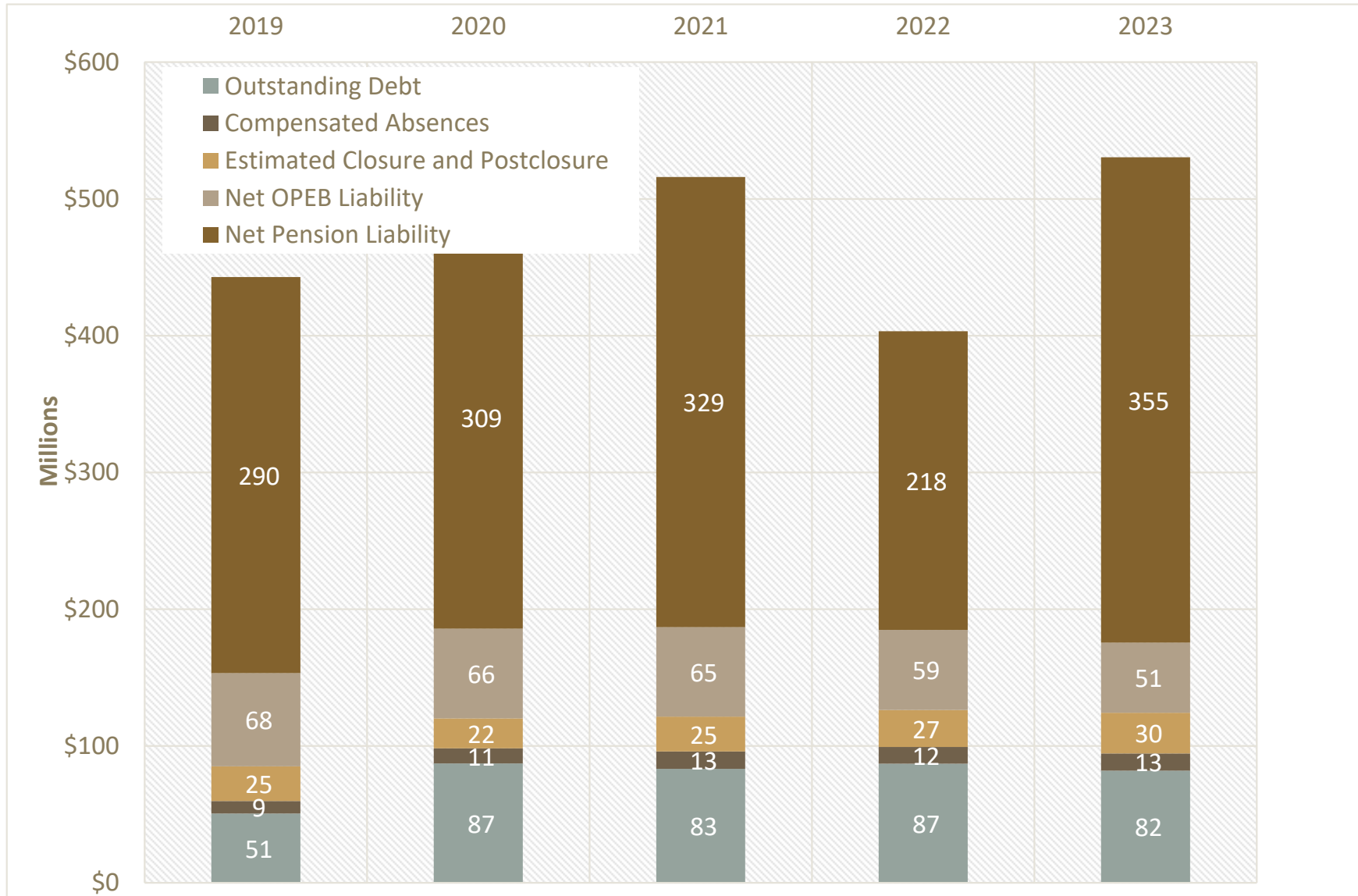


POST ISSUANCE DEBT COMPLIANCE

- 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	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Net direct debt service	2,205	2,586	3,732	6,033	4,570
Net operating expenditures	380,144	404,811	408,160	439,536	485,040
Net direct debt service as a percentage of net operating expenditures	0.58%	0.64%	0.91%	1.37%	0.94%
Net direct bonded long-term debt	51,822	75,946	72,397	66,343	60,945
Net operating revenues	374,391	385,865	433,653	456,573	498,539
Net direct debt service as a percentage of net operating expenditures	13.84%	19.68%	16.69%	14.53%	12.22%
Net direct bonded long-term debt	52,188	90,570	86,500	90,014	83,577
Assessed valuation	28,105,843	29,588,174	31,067,733	32,465,951	34,803,911
Net direct bonded long-term debt as a percentage of assessed valuation	0.19%	0.31%	0.28%	0.28%	0.24%
Net direct bonded long-term debt	52,188	90,570	86,500	90,014	83,577
Personal income	11,968,607	12,830,169	14,126,183	14,277,264	14,277,264
Net direct bonded long-term debt as a percentage of personal income	0.44%	0.71%	0.61%	0.63%	0.59%
Net direct bonded long-term debt	52,188	90,570	86,500	90,014	83,577
Population (persons)	223	222	222	221	231
Debt per capita (constant dollars)	234	409	390	407	362
Unfunded Actuarial Accrued Liability	289,601	308,593	329,180	218,371	354,968
Salaries and Wages	100,100	101,911	110,700	123,280	123,280
Unfunded actuarial accrued liability as a percentage of salaries and wages	289%	303%	297%	177%	288%
Unfunded other postemployment benefit liability	68,187	65,653	65,461	58,549	51,243
Salaries and wages (OPEB covered payroll)	102,033	107,881	122,509	131,792	131,792
Unfunded actuarial accrued liability as a percentage of salaries and wages	67%	61%	53%	44%	39%

DEBT ENVIRONMENT & OUTLOOK

○ Debt Summary

- The 2024-2028 Capital Improvement Plan (CIP) encompasses various capital projects, but there are no current plans to secure debt financing for their completion. Staff will explore all available sources to fund any potential gaps that may arise.
- The Federal Reserve (Fed) continues to maintain the overnight rate within its current target range of 5.25% to 5.50%. Although the Fed still anticipates three rate cuts in the 2024 calendar year, these are likely to occur in the latter half of the year, if at all. The pause on rate cuts means that rates will remain elevated for a longer period, typically resulting in higher borrowing costs.

○ Obligations Summary

- As of June 30, 2023, the County recognized a significant increase in its Pension obligation due primarily to negative returns realized by CalPERS in 2021-22. In FY 2022-23, CalPERS announced returns of 5.8% which underperformed its target rate of 6.8%. The returns will be factored in the actuarial reports that will be received in July or August of 2024 and the pension obligation for FY2024 will be recognized accordingly.
- The OPEB obligation decreased for the period ended June 30, 2023, due to earnings in the OPEB trust and ongoing contributions made to the trust through payroll deductions.