

**INFRASTRUCTURE STATE REVOLVING FUND PROGRAM  
STAFF REPORT**

**Summary terms**

|   |  |
|---|--|
| <b>Applicant:</b>                         | Calaveras County   |
| <b>Project name:</b>                      | Calaveras County Animal Services Facility Project  |
| <b>Applicant eligibility category:</b>    | Public Development Facilities  |
| <b>Project eligibility category:</b>      | 14. Public Safety Facility   |
| <b>Project location:</b>                  | 901 Jeff Tuttle Drive, San Andreas, CA   |
| <b>Financing amount:</b>                  | Up to \$10,000,000   |
| <b>Financing term:</b>                    | 30 years   |
| <b>Interest rate:</b>                     | All-in interest rate of 4.37% (inclusive of 0.15% servicing fee), based on Revenue scale (assumes AA- rating). |
| <b>Fees:</b>                              | 1% origination fee. To be financed with loan proceeds  |
| <b>Source of repayment:</b>               | General Fund.  |
| <b>Security:</b>                          | 3 Government Center Buildings A, D & E   |
| <b>Value-to-Loan %</b>                    | 108.02%  |
| <b>Applicant credit rating:</b>           | Underlying S&P rating of AA-   |
| <b>ISRF funding source(s):</b>            | Equity Funds- Bond Anticipation Loan to be reimbursed by the next ISRF Bond proceeds.                          |
| <b>Applicant ISRF financing exposure:</b> | None beyond this request.  |
| <b>IBank referral source</b>              | IBank Mainline   |

**Executive Summary**

Calaveras County was established by an Act of the State Legislature on February 18, 1850, and was one of the original 27 counties created in California on that date. As a general law county, the County’s powers are exercised through a 5-member Board of Supervisors responsible for the legislative and executive control of the County. Board members are each elected for a 4-year term. The County’s population was estimated at 46,505 in 2024.

Located in the foothills of the Sierra Nevada Mountains, 133 miles east of San Francisco and 135 miles west of Lake Tahoe, Calaveras County is midway along State Highway 49, which links the towns of the Gold Country. The County area is approximately 1,036 square miles, that varies from ranch land and foothills to the high Sierras, with an elevation range of 300 to 8,170 feet. San Andreas is the county seat, and Angels Camp (pop. ~3,700) is the only incorporated city in the County. The County economy is primarily driven by a mix of retail trade, construction, and health care and social assistance sectors. Tourism, leveraging the area’s Gold Rush history and natural amenities like New Melones Lake and Calaveras Big Trees State Park, is a significant source of revenue and supports a robust visitor-serving industry. The August 2025 (EDD) unemployment rate was 6.6%, compared to the State’s rate of 5.8%. The County’s Median Household Income (MHI) in 2024 was \$79,877, which was 83% of the State’s MHI.

**Project description and benefits:**

The County will construct a 10,555 square-foot animal shelter to replace the existing shelter, which no longer meets the State of California building code requirements. The existing shelter, built in the 1950s, is structurally and operationally obsolete, posing risks to animal welfare, public health, and county liability. For over two decades, the Calaveras County Grand Jury has documented the shelter’s inadequacies and urged

its replacement. The proposed new facility will address longstanding deficiencies, improve service delivery, and enhance public safety and community engagement.

The chart below shows the Sources and Uses for the Project:

| Project Uses             | Project Sources for Calaveras County |                    |                     |
|--------------------------|--------------------------------------|--------------------|---------------------|
|                          | IBank                                | Calaveras County   | Total               |
| Project Plus Contingency | \$9,900,000                          | \$4,960,000        | \$14,860,000        |
| Origination Fee          | \$100,000                            |                    |                     |
| <b>Total</b>             | <b>\$10,000,000</b>                  | <b>\$4,960,000</b> | <b>\$14,860,000</b> |

The County has included a 14% contingency for the construction portion of the project and has \$32.5M in cash to cover any cost overruns as of FYE 2024. The \$4,960,000 to be covered by the County in the chart above includes costs for machinery and equipment, engineering/architectural design, and other costs related to utilities, furniture, fixtures and equipment. The useful life of the new shelter is expected to be 50 years. The County expects to begin construction on the Project in July 2026, and complete it in August 2027.

**Public Benefits:**

The new shelter will deliver measurable benefits to Calaveras County including Improved Animal Health, Public Safety, Community Engagement, Operational Efficiency, and impact the economy.

**Financial and Repayment Analysis:**

As detailed in this report, Calaveras County’s net cash flow in 3 of the 5 years reviewed is sufficient to meet their debt service. FY 2020 & FY 2022 cash flow was insufficient for servicing this loan request. However, FY 2020 was mainly due to lower revenues as a result of the Pandemic, and FY 2022 was due primarily to a 4% cost of living increase for all county staff, and a 9% increase in Governmental expenses for salaries and benefits. In addition, expenses for Health and Sanitation & Public increased by 10% & 20% respectively over the prior year.

| Lease Payment and Fund Balance Analysis                            |                       |                      |                       |                      |                      |
|--|-----------------------|----------------------|-----------------------|----------------------|----------------------|
|  | 2020                  | 2021                 | 2022                  | 2023                 | 2024                 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures          | \$ 183,532            | \$ 9,142,293         | \$ 5,001,866          | \$ 11,018,179        | \$ 24,893,870        |
| <b>Adjustments Specific to the Transactions</b>                    |                       |                      |                       |                      |                      |
| Principal  | \$0                   | \$0                  | \$337,961             | \$631,807            | \$767,475            |
| Interest and Other Charges   | \$0                   | \$0                  | \$14,994              | \$27,236             | \$0                  |
| Transfers In   | \$2,197,489           | \$1,133,325          | \$33,360              | \$182,290            | \$10,002,940         |
| Transfers Out  | (\$7,705,572)         | (\$8,116,821)        | (\$8,365,296)         | (\$8,901,566)        | (\$29,748,197)       |
| <b>Total Adjustments</b>   | <b>(\$3,310,594)</b>  | <b>(\$5,850,171)</b> | <b>(\$7,945,621)</b>  | <b>(\$7,877,943)</b> | <b>(\$8,974,842)</b> |
| <b>Adjustments to Excess (Deficiency) of Revenues</b>              | <b>\$ (3,127,062)</b> | <b>\$3,292,122</b>   | <b>\$ (2,943,755)</b> | <b>\$3,140,236</b>   | <b>\$15,919,028</b>  |
| Proposed ISRF Lease Payment *                                      | \$605,221             | \$605,221            | \$605,221             | \$605,221            | \$605,221            |
| Other MADS General Fund Obligations                                | \$539,606             | \$539,606            | \$539,606             | \$539,606            | \$539,606            |
| <b>Revised Net Change in Funds Balance with ISRF Lease Payment</b> | <b>\$ (4,271,889)</b> | <b>\$ 2,147,295</b>  | <b>\$ (4,088,582)</b> | <b>\$1,995,409</b>   | <b>\$14,774,201</b>  |

Calculated at \$10,000,000 at an all-in rate of 4.37% (including a 0.15% annual servicing fee) for a term of 30 years.

FY 2024 saw a \$15.1M or 17% increase in revenues largely due to Operating grants and contributions of \$12,647,781 for Public Protection and Public Assistance i.e. ARPA Funding. Although the ARPA funds were a one-time payment, since these funds were available, the County choose to use these funds to pay for Public Protection (i.e. Police & Fire salaries).

Other MADS General Fund obligations are the 2016 Refunding Certificate of Participation issued in 2017 with current outstanding of \$5.5M and maturing in 2035. These bonds are rated AA- (the same as the County’s underlying rating). The Fund also has a 2016 General Obligation Bond paid through ad valorem property taxes

and has a current outstanding balance of \$28.8M and matures in 2038. The Bonds were issued by the County to pay for their new jail at the time of issuance. These bonds are payable with ad valorem tax revenue and therefore not included in the Other MADS General Fund obligations in the chart above. The Ad Valorem tax revenues are included in the Taxes and Assessments on the revenue statement, and in the transfers out. Generally, the County has had strong operating results before transfers, and they have reasonable discretion over transfers that they can effectively prioritize debt payments over transfers.

**Risks and mitigants**

**Risk:** The County is not prohibited from incurring additional capital financing under its General Fund.

**Mitigants:**

- Per the terms of the financing agreement, each fiscal year the Borrower must budget and appropriate sufficient funds to make annual lease payments for the Leased Asset.
- The Leased Asset must not be the subject of any material encumbrance, litigation or controversy. Borrower must also provide title insurance and meet standard insurance requirements.
- The County’s \$7 million certificates of participation (COPs) issued in 2016 carry an underlying rating of AA- from S&P.

**Risk:** FY 2020 & FY 2022 reflected insufficient cash flow to service debt. In FY 2020 this was mainly due to effects of the Pandemic, while in FY 2022 this was due to their Transfers In and governmental increases in expenditures.

**Mitigants:**

- FY 2024 would have reflected \$6.7M after deducting \$8.2M for one-time ARPA transfer for reimbursement expenditures. FY 2024 cash flow available for debt service is \$14.8M.
- Over the 5 years reviewed total revenues increased 38.2%
- Expenditures increased by 14.5% over the same 5-year period.

**Compliance with IBank Criteria, Priorities, and Guidelines**

The application and the proposed financing are in accordance with IBank Criteria, Priorities and Guidelines (ISRF Criteria)

*ISRF Criteria Waivers:* None

**Staff Recommendation**

Our Staff recommends the Credit Risk Committee invite Calaveras County to apply for the ISRF Program Financing in an amount not to exceed \$10,000,000 for their Calaveras County Animal Services Facility Project.

|                              |                                  |
|------------------------------|----------------------------------|
| <b>IBank Staff:</b>          | Richard Nesbitt and Lina Moeller |
| <b>Date of Board Meeting</b> | February 25, 2026                |
| <b>Resolution Number:</b>    | 26-02                            |

**Borrower background**

Established in 1850, the County of Calaveras is located in the foothills of the Sierra Nevada Mountains, 133 miles east of San Francisco and 135 miles west of Lake Tahoe. Considered part of the State’s Gold Country, the County is bordered on the east by Alpine and Tuolumne Counties, on the south by Stanislaus County, on the west by San Joaquin County, and on the north by Amador County. It is historically known for the California Gold Rush and the discovery of giant sequoias. Its unique name comes from Spanish explorers encountering Miwok skulls (or *calaveras*) in 1806. The County’s population was estimated at 46,505 in 2024. San Andreas is the county seat, and Angels Camp (pop. ~3,700) is the only incorporated city in the County.

Calaveras County is governed by a 5- member Board of Supervisors. Board members are elected to 4-year terms, and run at large in non-partisan elections in districts where they must reside. Primary services provided by the County include general government administration, public protection, health and social services, planning, zoning, road construction, public facilities maintenance, elections and records, and tax collection. General Fund revenues in FY24 were around \$88 million.

This is the County's first financing request to the ISRF program. Calaveras has a AA- Standard & Poor's rating on its 2016 refunding certificates of participation (COPs); it also has a AA rating on GO bonds which are repaid from ad valorem taxes.

### **Local economy**

Calaveras County's economy is driven by a mix of industries, with government being the largest employer, followed by retail trade, construction, and healthcare. Agriculture is also significant, with production of livestock, fruits, vegetables and wine. According to the county forecast produced by Caltrans, Calaveras saw a 5.9% job growth in 2022, with a notable increase in retail and professional services. Public schools and government entities account for over 25% of wages and salaried jobs. The August 2025 (EDD) unemployment rate was 6.6%, compared to the State's rate of 5.8%. The County's 2024 Median Household Income (MHI) was \$79,877, or 83% of the State's MHI.

Calaveras County offers year-round activity enhanced by its natural beauty and wonderful climate. Tourists can visit the historic and picturesque gold rush towns, museums, art galleries, award-winning foothill vineyards, and giant sequoias. Outdoor enthusiasts can enjoy biking and hiking trails, winter sports activities, fishing, boating, and other activities utilizing the County's multiple lakes and rivers. Its numerous caverns, such as Mercer Caverns, California Cavern and Moaning Cavern, are national tourist destinations. It is also home to Calaveras Big Trees State Park. Finally, the County is renowned as the setting for Mark Twain's famous story, "The Celebrated Jumping Frog of Calaveras County."

### **Project background**

#### *Project description*

Calaveras County will use the ISRF financing construct a new 10,555 square-foot Animal Services Shelter in San Andreas. Since 1999, successive County Grand Jury reports have consistently highlighted the deteriorating condition of the existing shelter at the same site. It was noted that the facility needed urgent improvements and that the shelter has been a problematic site since 1986. There were documented citizen complaints, failed upgrade efforts and a collapse of a joint shelter project with the Humane Society.

In 2018, a tour of the facility by the Grand Jury and the hazard assessment report completed by the firm Bickmore Assessment Report confirmed critical deficiencies including but not limited to: Inadequate space for animal housing and medical exams (see exhibit #4); lack of permanent wiring and electrical outlets; and inability to isolate animals at intake, leading to disease outbreaks. These conditions compromise animal health, staff safety, and diminish public trust.

The new Calaveras County Animal Services Shelter will be designed to meet modern standards of care and efficiency. Key features include:

- Intake and adoption areas
- Medical treatment and quarantine rooms
- Administrative offices
- Outdoor exercise yards
- Durable, low-maintenance materials
- Energy-efficient mechanical, electrical, and plumbing systems

The design prioritizes sanitation, safety, and operational flow, ensuring humane treatment of animals and a welcoming environment for the public.

The estimated timeline for the Project is as follows:

- Required permits – June 2025 – Jan. 2026
- Final design – May 2024 – June 2025
- Bid Opening – Jan 2026
- Award Construction Contract – Feb. 2026
- Construction – July 2026 -Aug. 2027

**Project Benefits:**

Replacing Calaveras County’s aging 70+ year-old animal shelter with a modern facility will be a transformational investment. The new shelter will deliver measurable benefits, including:

- Improved Animal Health: Proper intake isolation and medical facilities will reduce disease transmission and improve recovery outcomes
- Public Safety: Enhanced containment and sanitation to reduce risks to staff and visitors
- Community Engagement: A modern, welcoming facility will encourage adoptions, volunteerism, and humane education
- Operational Efficiency: Purpose-built spaces will streamline workflows and reduce long-term maintenance costs
- Economic Impact: Construction will generate local jobs and stimulate regional economic activity. (The project will also create 130 construction jobs at \$85/hr. and 12 full-time jobs at \$32.17/hr. per information provided by the County)

**Loan security and source of repayment**

The proposed ISRF financing will be secured with a lease-lease back of the county’s unencumbered government center building. The repayment source will be annual capital lease payments from the County’s General fund. The Fund is reviewed in the credit analysis section below.

**Analysis of the Proposed Leased Asset:**

Since the Project site will not be occupied or useable during the construction phase, to avoid paying capitalized interest, the leased facilities will be the County’s 3 Government Center Buildings A, D & E, which are operating, and serve as a single, unencumbered asset (all on one parcel). The Government Center Buildings are located at 891 Mountain Road, San Andreas, CA 95249.

To determine Fair Rental Value (FRV) of the proposed leased asset, Staff looked at properties from three surrounding counties (Calaveras, San Joaquin and Amador) due to the limited number of like properties. The properties ranged from office space to industrial, with an average annual rental cost per sq. ft./annually of \$12.57. Multiplying this figure by the total square footage of the Government Centers’ 3 Buildings of 41,766 gives us an estimated annual rental value of \$524,790. The highest annual per square foot was for the industrial property at \$21 annually per square foot which gives us an estimated annual rental value of \$877,086K. Based on the proposed terms of the ISRF financing, the annual ‘lease’ payment would be \$606,639, which is lower than the highest comp figure.

The Fair Market Value (FMV) of the proposed leased asset buildings is \$10.8M per valuations provided by the County’s Risk Management/Auditor-Controller office. A Calaveras property schedule was provided which shows adequate value for the proposed ISRF loan amount of \$10M.

| Name of Asset                            | Year Built | Building Size in Square Feet (SF) | Construction            | Estimate of Value |
|--|------------|-----------------------------------|-------------------------|-------------------|
| BUILDING D / COUNTY OFFICES              | 1966       | 18,436                            | MASONRY CONST/WOOD ROOF | 3,695,200         |
| BLDG E / BUILDING & PLANNING/AG          | 1966       | 10,006                            | MASONRY CONST/WOOD ROOF | 2,123,867         |
| BUILDING A / LAW AND JUSTICE OFFICE BLDG | 1966       | 13,324                            | ALL REINFORCED CONCRETE | 4,983,343         |
|  |            |                                   | Total Value             | \$10,802,410      |
|  |            |                                   | Loan Amount             | \$10,000,000      |
|  |            |                                   | Value-to-loan           | 108.02%           |

Once the Animal Service Facility is completed and in operation, the County is contemplating requesting a substitution of leased asset from IBank. Such a request would be subject to IBank’s approval, and would require the County to provide evidence that the proposed substitute asset has sufficient value to support the ISRF financing.

**Credit analysis**

Calaveras County’s audited financial statements for its General Fund are presented for fiscal years 2020-2024 in Exhibit 1 and 2. The County’s Fiscal Year is from July 1 to June 30<sup>th</sup>. As the chief operating fund of the County, the General Fund statements follow a form of modified accrual accounting, which focuses on how cash and other financial assets can readily be converted to available resources, and the balances left at year-end that are available for spending.

On an operating basis the Fund has performed well over the 5 years reviewed, with an excess of revenues over expenditures in each year before accounting for net transfers. However, in FY 2020 & FY 2022 Fund Balances declined by \$5.3M & \$3.3M, when operating surpluses were narrower and net transfers were negative. As noted, Calaveras has respective ratings of AA and AA- on its outstanding GO and COP debt. The Fund currently has \$32.6M cash on hand and maintained a Current Ratio of at least 4.0x in in each of the last five years.

Please see key indicators table in Exhibit 3 for various economic and financial data for Calaveras County.

### **Comparative Balance Sheet Analysis (Exhibit 1):**

- The Fund has maintained strong liquidity over the past five years. Cash balances rose to \$53.8M in FY 2023 before falling to \$32.6M in FY 2024, when there was a transfer of \$21M to the new Capital Projects special fund. Over the five-year period Days Cash on Hand averaged 273 days, and despite the decline in cash the Current Ratio actually improved to 13.76x in FY 2024 from a low of 4.11X in FY 2023, due to a large reduction in Current Liabilities.
- Total assets decreased by 5.1% over five years and stood at \$50M in FY 2024. From FY 2023 to FY 2024 Total Assets declined 27%, primarily due to transfer to the Capital Projects fund noted above.
- Tax revenues increased \$5M in FY 2021 primarily due to recovery of past due property taxes after the pandemic. In FY 2024 there were two reasons for the \$4.8M increase in property taxes: first, the receivable balance of Delinquent Secured Taxes had increased to over \$8M. Second, receivable balances for Excise Tax, TOT, and Sales Taxes were recognized as Taxes Receivable, where in prior years they were reported as Accounts Receivable in the case of Excise and TOT, and recognized as Intergovernmental Receivable in the case of Sales and Use taxes.
- Total liabilities decreased from \$16.7 million in FY 2023 to \$3.6 million in FY 2024, mainly due to large declines in Unearned Revenues and the Due to Other Funds line items. Unearned Revenues were mainly ARPA funds, representing two allocations of over \$4M each. The Due from Other Funds asset and Due to Other Funds liability accounts were established to manage transfers between the General Fund and the County RIM (non-major county fund) to aid in the recovery of devastating winter storms in 2021 and 2022. In FY23/24, it was determined that no cash was to be moved in between these funds, so the two corresponding funds were removed from financial reporting.
- The county adheres to an 'accrual period' for revenue reporting between 7/1 and 8/31 of each year. Revenue that the county has earned but doesn't receive before 8/31 is considered unavailable and shown as Unavailable Revenues on the financial statements. These were an average of \$566M over the years reviewed.
- The Leverage Ratio (total liabilities-to-net position) was extremely low throughout the period, averaging 0.16x. In FY 2024 total liabilities were \$3.6M vs. total fund balances of \$45.8M.
- Public Protection expenditures from FY 2020 through FY 2024 increased by \$10M due to negotiated salaries, benefits and pensions expenses.
- Though they do not appear on the General Fund balance sheet due to the accounting treatment (they are included in the Government-wide accrual presentation), Calaveras County has two major debts, a 2016 General Obligation Bond with a FY24 outstanding balance of \$28.8M and 2016 Refunding Certificate of Participation with a FY24 balance of \$5.5M. The respective S&P credit ratings are AA and AA-. The GO bonds are payable solely from *ad valorem* property taxes levied and collected by the County.
- During the current year, management reclassified balances in the General Fund, BHS Mental Health Fund, and Capital Projects Fund, resulting in a downward adjustment of \$11.4M to beginning fund balance. This accounting adjustment had no cash impact and was confirmed by the County Auditor.

### **Comparative Income Statement Analysis (Exhibit 2):**

- Except for the pandemic year of FY20, General Fund operating margins (before Transfers and other non-operating items) have been consistently positive, including a 28% surplus in FY 2024, boosted in part by one-time ARPA revenues, as described below.
- The Fund has maintained steadily increasing operating revenues over the past five years. This stability follows a very consistent increase in taxes and assessments and intergovernmental funds. Intergovernmental funds are made up of Federal, State and local government payments and grants.
- Operating revenues grew from \$54.7M in FY20 to \$73.6M in FY23, before jumping to \$88.7M in FY24. In that year the General Fund transferred in \$8.1M of ARPA funding for allowable reimbursements, which resulted in a large one-time increase in revenues.
- FY 2024 saw a \$15.1M or 17% increase in revenues. Operating grants and contributions increased overall by \$12,647,781 or 15.7%. This was mainly attributed to increases in grants for Public Protection and Public Assistance. The largest portion of the increase in Public Protection was the use of ARPA Funding to cover salaries and benefits for public protection departments. The County had already budgeted for these expenditures but chose to use APRA funds instead. Note that when \$12.6M is not included in the cash available for lease payment, we still have strong fund balance after subject lease payment of \$2.6M.
- Another contributor to the large increase in revenues for FY 2024 was Use of Money and Property. The general fund reported its prorated share of the \$9M Fair Market Value adjustment in FY 2024.
- FY 2022 saw a 4% cost of living increase for all county staff, a 9% increase in Governmental expenses for salaries and benefits. In addition, expenses for Health and Sanitation & Public increased by 10% & 20% respectively over the prior year.
- Total Expenditures over the five-year period increased by 14.5%. Mainly due to higher costs which were due to increases in insurance expenditures and from a few disaster recovery projects. Public Protection increases were due to negotiated salaries and benefits and pension expenses. County administration has taken a few measures to counter these expenses, and they include re-directing a portion of TOT funds to the General Fund, and looking at all General Fund departments to decrease approximately 5% in the Services and Supplies budget category to help offset the increase in salary costs. The County also expects growth in these line items to moderate over time.
- Note that in FY 2019, the county reported a net income of \$255,971 before net transfers (in & out) of \$2.9M. In FY 2019 the County also had a PG&E settlement of \$20.3M. The funds were used to pay one-time expenditures, not ongoing operational costs.
- Transfers Out have been consistent over the 5 years reviewed, averaging \$8.2M annually prior to FY 2024. However, FY 2024 saw a large increase due to transfer of \$12.3M for current Capital Projects and ARPA funds, of which the County transferred \$8.2M to the General Fund as reimbursements for allowable expenditures.
- In FY 2022 & 2023 Transfers In were low due to reduced Capital Project funding needs. The County has reasonable discretion over Transfers In & Out, per Auditor.

- Fund Balances as a % of Operating Revenues have ranged from low of 51.6% in FY 2024 from a high of 88.9% in FY 2020. The decrease in FY24 was due mainly to the infusion of one-time federal revenue, as well as the FY24 non-cash adjustment to Fund Balances described earlier.

**Repayment analysis:**

The ability of the County to meet the annual payment on the proposed ISRF financing and other debt service, based on recent actual performance, is presented the lease payment chart. Only FY 2020 & FY 2022 is the cash flow insufficient for servicing this loan request. The shortfall in FY 2020 was mainly due to the effects of the Pandemic, and it was a “One-Off” as reflected in net income increasing from FY 2021 -FY 2024.

Other MADS General Fund obligations represent debt service on the 2016 Refunding Certificate of Participation issued in 2017 with current outstanding of \$5.5M (maturing 2037). Note that debt service on the County’s 2016 General Obligation bonds is excluded from the analysis since they are paid through ad valorem property taxes. The Ad Valorem tax revenues are included in the Taxes and Assessments on the revenue statement, and in the transfers out. Therefore, Ad Valorem tax revenues have been deducted under adjustments, to reflect that these are not available to repay the ISRF financing.

| <b>Lease Payment and Fund Balance Analysis</b>                     |                       |                      |                       |                      |                      |
|--|-----------------------|----------------------|-----------------------|----------------------|----------------------|
|  | <b>2020</b>           | <b>2021</b>          | <b>2022</b>           | <b>2023</b>          | <b>2024</b>          |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>   | \$ 183,532            | \$ 9,142,293         | \$ 5,001,866          | \$ 11,018,179        | \$ 24,893,870        |
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| Proposed ISRF Lease Payment *                                      | \$605,221             | \$605,221            | \$605,221             | \$605,221            | \$605,221            |
| Other MADS General Fund Obligations                                | \$539,606             | \$539,606            | \$539,606             | \$539,606            | \$539,606            |
| <b>Revised Net Change in Funds Balance with ISRF Lease Payment</b> | <b>\$ (4,271,889)</b> | <b>\$ 2,147,295</b>  | <b>\$ (4,088,582)</b> | <b>\$1,995,409</b>   | <b>\$14,774,201</b>  |

Calculated at \$10,000,000 at an all-in rate of 4.37% (including a 0.15% annual servicing fee) for a term of 30 years.

Generally, the County has had strong operating results before transfers, and as mentioned earlier, they have discretion over transfers that they can effectively budget for and prioritize debt payments.

## **TERMS AND CONDITIONS**

Staff recommends approval of Resolution No. 26-02 authorizing ISRF Program financing to the Calaveras County for Calaveras County Animal Shelter Project, subject to the following key terms and conditions:

1. **Applicant/Borrower:** Calaveras County (Borrower)
2. **Project Name:** Calaveras County Animal Services Facility (Project)
3. **Amount of ISRF Program financing:** \$10,000,000 (Tax-exempt Financing)
4. **Maturity:** Not to exceed 30 years. The Financing may not be prepaid during the first 10 years.
5. **Repayment/Leased Asset:** Annual lease payments according to the terms of the ISRF program financing lease agreement (Financing Agreement) between IBank and the Borrower for the property at 891 Mountain Ranch Road, Buildings A, D & E, San Andreas, CA 95249.
6. Lease payments will be made from the Borrower's General Fund.
7. **Interest Rate:** All-in **4.39%** (which includes annual servicing fee described in item 8 below). The rate will be locked as outlined in item 8 below.
8. **Fees:** Borrower to finance the origination fee of 1.00% (\$100,000) of the Financing amount upon close of Financing, and an annual servicing fee of 0.15% of the outstanding balance.
9. **Rate Lock:** The interest rate in item 7 will be locked for a period of 90 calendar days after IBank Board (Board) approval of the ISRF financing (the Rate Lock Period). After the Rate Lock Period, and up until IBank's Financing commitment expires (as described in item 19 below), the interest rate may be reset at the discretion of IBank's Credit Committee.
10. **Limited Time:** Subject to the Board's approval of the Financing resolution, IBank's Financing commitment expires 180 calendar days from the date of its adoption. If the Borrower and IBank have not executed a Financing Agreement before the commitment expires, there can be no assurances that IBank will be able to grant the Financing to the Borrower or consider extending the commitment period.
11. **Not an Unconditional Commitment:** If the IBank Board (Board) approves the resolution authorizing the Financing request, the resolution shall not be construed as an unconditional commitment to finance the Project but rather is conditioned upon entry by IBank and the Borrower into a Financing Agreement (or Agreements), in form and substance satisfactory to IBank.
12. **ISRF Program Financing Agreement Covenants and Conditions:** The Financing Agreement shall include, among other things, the following covenants:
  - a. Borrower to comply with the requirements of the ISRF Program Criteria and all applicable laws, regulations, and permitting requirements associated with public works projects.
  - b. Leased Asset must not be the subject of any material encumbrance, litigation or controversy as determined by IBank staff.
  - c. Each fiscal year, Borrower must budget and appropriate funds sufficient to make annual lease payments for the Leased Asset.
  - d. Borrower to procure ALTA title insurance policy for the Leased Asset.
  - e. The Borrower shall meet standard insurance requirements with respect to property and casualty insurance, general liability insurance, worker's compensation, and builder's risk insurance.
  - f. Borrower to procure and maintain rental interruption insurance for a period of at least six months beyond the time needed to reconstruct the Leased Asset.
  - g. Borrower to covenant against future encumbrances against the Leased Asset.
  - h. Any substitution or release of the Leased Asset must comply with the requirements of the Financing Agreement.

- i. The Borrower to provide to IBank annually, within 180 days of the end of each of the Borrower's fiscal years, a copy of its audited financial statements together with an annual certificate demonstrating compliance with the foregoing covenants, as well as any other information IBank may reasonably request from time to time.
- j. Such other covenants and conditions that IBank or its counsel may reasonably require.

**Exhibits 1**

| <b>CALAVERAS COUNTY<br/>GENERAL FUND<br/>STATEMENT OF NET POSITION</b>   |                     |               |                     |               |                     |               |                     |               |                     |               |
|--|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| For Fiscal Year Ending (FYE) June 30                                     | 2020                |               | 2021                |               | 2022                |               | 2023                |               | 2024                |               |
| Source:  | ACFR                | %             |
| <b>Assets</b>  |                     |               |                     |               |                     |               |                     |               |                     |               |
| Cash and investments   | \$47,596,716        | 90.5%         | \$43,671,313        | 77.2%         | \$46,951,071        | 78.1%         | \$53,803,167        | 78.6%         | \$32,560,204        | 65.1%         |
| Cash with fiscal agent   |                     |               | \$1,491,568         | 2.6%          | \$1,309,522         | 2.2%          | \$1,365,330         | 2.0%          | \$1,478,046         | 3.0%          |
| Accounts Receivables   | \$198,924           | 0.4%          | \$441,645           | 0.8%          | \$1,859,455         | 3.1%          | \$1,555,367         | 2.3%          | \$460,126           | 0.9%          |
| Intergovernmental  | \$3,419,061         | 6.5%          | \$4,469,117         | 7.9%          | \$3,032,075         | 5.0%          | \$4,810,805         | 7.0%          | \$3,905,892         | 7.8%          |
| Taxes  | \$47,934            | 0.1%          | \$5,702,101         | 10.1%         | \$6,031,598         | 10.0%         | \$6,014,690         | 8.8%          | \$10,786,386        | 21.6%         |
| Prepaid costs  | \$554,951           | 1.1%          | \$691,221           | 1.2%          | \$549,670           | 0.9%          | \$904,820           | 1.3%          | \$851,001           | 1.7%          |
| Inventory  |                     |               |                     |               |                     |               |                     |               |                     |               |
| Due from Other Funds   |                     |               |                     |               | \$411,669           | 0.7%          | \$27,770            | 0.0%          |                     |               |
| Restricted cash and investments  | \$631,430           | 1.2%          |                     |               |                     |               |                     |               |                     |               |
| Loans receivable   | \$124,947           | 0.2%          | \$112,807           | 0.2%          |                     |               |                     |               |                     |               |
| <b>Total Assets</b>  | <b>\$52,573,963</b> | <b>100.0%</b> | <b>\$56,579,772</b> | <b>100.0%</b> | <b>\$60,145,060</b> | <b>100.0%</b> | <b>\$68,481,949</b> | <b>100.0%</b> | <b>\$50,041,655</b> | <b>100.0%</b> |
| <b>Liabilities</b>   |                     |               |                     |               |                     |               |                     |               |                     |               |
| Accounts Payable   | \$1,133,686         | 2.2%          | \$966,960           | 1.7%          | \$423,830           | 0.7%          | \$774,087.00        | 1.1%          | \$553,443           | 1.1%          |
| Due to Other Governments   |                     |               |                     |               |                     |               | \$162,162.00        | 0.2%          | \$37,240            | 0.1%          |
| Accrued Salaries and Benefits  | \$1,625,138         | 3.1%          | \$1,112,366         | 2.0%          | \$1,853,512         | 3.1%          | \$1,365,407         | 2.0%          | \$2,415,972         | 4.8%          |
| Due to Other Funds   | \$316,506           | 0.6%          | \$2,950,780         | 5.2%          | \$5,243,652         | 8.7%          | \$5,291,778         | 7.7%          |                     |               |
| Deposits from Others   |                     |               |                     |               |                     |               |                     |               |                     |               |
| Unearned Revenues  |                     |               | \$88,917            | 0.2%          | \$4,499,287         | 7.5%          | \$9,085,109         | 13.3%         | \$630,138           | 1.3%          |
| <b>Total Liabilities</b>   | <b>\$3,075,330</b>  | <b>5.8%</b>   | <b>\$5,119,023</b>  | <b>9.0%</b>   | <b>\$12,020,281</b> | <b>20.0%</b>  | <b>\$16,678,543</b> | <b>24.4%</b>  | <b>\$3,636,793</b>  | <b>7.3%</b>   |
| <b>Deferred Inflows of Resources</b>                                     |                     |               |                     |               |                     |               |                     |               |                     |               |
| Unavailable Revenues   | \$683,084           | 1.3%          | \$5,900             | 0.0%          |                     |               | \$1,011,517         | 1.5%          | \$564,091           | 1.1%          |
| Deferred housing loan payments   | \$124,947           | 0.2%          |                     |               |                     |               |                     |               |                     |               |
| <b>Total Deferred Inflows of Resources</b>                               | <b>\$808,031</b>    | <b>1.5%</b>   | <b>\$5,900</b>      | <b>0.0%</b>   | <b>\$0</b>          | <b>0.0%</b>   | <b>\$1,011,517</b>  | <b>1.5%</b>   | <b>\$564,091</b>    | <b>1.1%</b>   |
| <b>Fund Balances</b>   |                     |               |                     |               |                     |               |                     |               |                     |               |
| Nonspendable   | \$554,951           | 1.1%          | \$691,221           | 1.2%          | \$549,670           | 0.9%          | \$904,820           | 1.3%          | \$851,001           | 1.7%          |
| Restricted   | \$11,331,245        | 21.6%         | \$12,380,240        | 21.9%         | \$14,472,712        | 24.1%         | \$17,417,896        | 25.4%         | \$18,924,457        | 37.8%         |
| Committed  | \$34,475,524        | 65.6%         | \$25,813,317        | 45.6%         | \$19,729,930        | 32.8%         | \$11,370,454        | 16.6%         | \$11,446,795        | 22.9%         |
| Assigned   |                     |               | \$12,570,071        | 22.2%         | \$13,372,467        | 22.2%         | \$21,098,719        | 30.8%         | \$14,618,518        | 29.2%         |
| Unassigned   | \$2,328,882         | 4.4%          |                     |               |                     |               |                     |               |                     |               |
| <b>Total Fund Balances</b>   | <b>\$48,690,602</b> | <b>92.6%</b>  | <b>\$51,454,849</b> | <b>90.9%</b>  | <b>\$48,124,779</b> | <b>80.0%</b>  | <b>\$50,791,889</b> | <b>74.2%</b>  | <b>\$45,840,771</b> | <b>91.6%</b>  |
| <b>Total Liabilities, Deferred Inflows of Resources and Net Position</b> | <b>\$52,573,963</b> | <b>100.0%</b> | <b>\$56,579,772</b> | <b>100.0%</b> | <b>\$60,145,060</b> | <b>100.0%</b> | <b>\$68,481,949</b> | <b>100.0%</b> | <b>\$50,041,655</b> | <b>100.0%</b> |

**Exhibit 2**

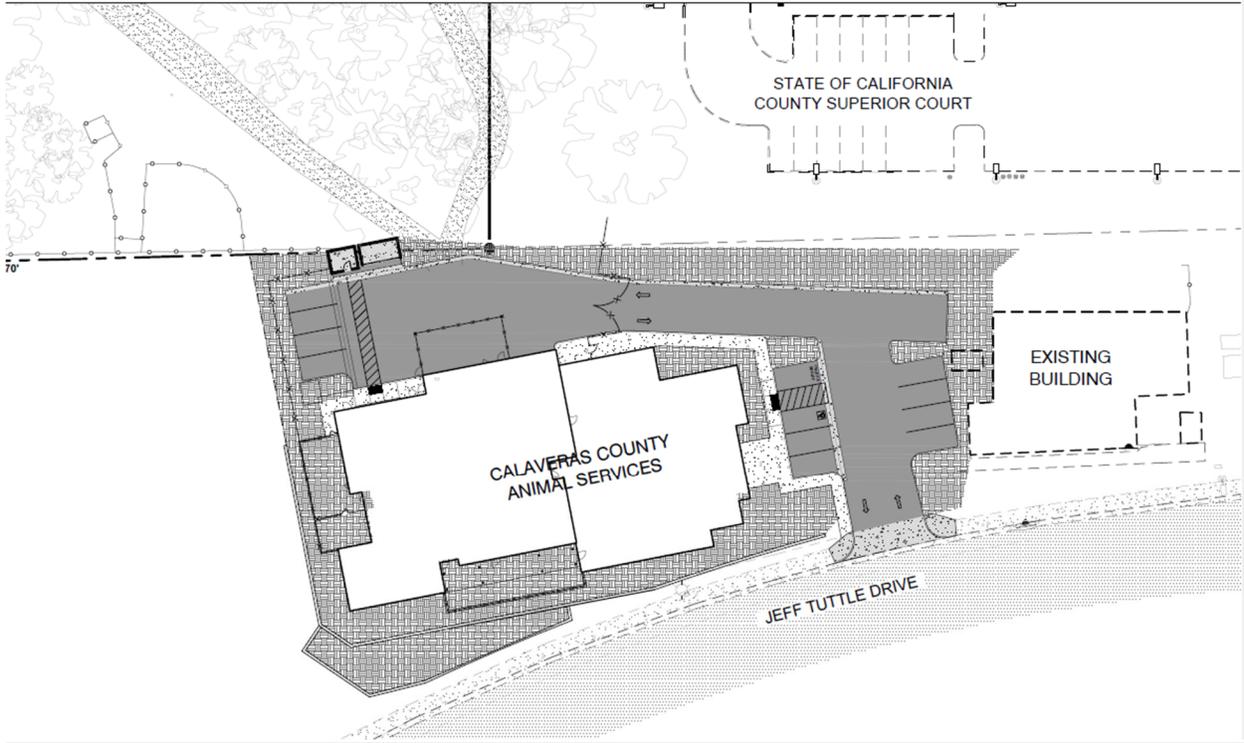
| CALAVERAS COUNTY<br>GENERAL FUNDS<br>Statement of Revenues, Expenses, and Changes in Net Position |  |                      |               |                     |               |                      |               |                     |               |                     |               |
|---|--|----------------------|---------------|---------------------|---------------|----------------------|---------------|---------------------|---------------|---------------------|---------------|
| For Fiscal Year Ending (FYE) June 30  |  | 2020                 | %             | 2021                | %             | 2022                 | %             | 2023                | %             | 2024                | %             |
| Source:   |  | ACFR                 |               | ACFR                |               | ACFR                 |               | ACFR                |               | ACFR                |               |
| % Change Year-over-Year in Total Revenues   |  |                      | N/A           |                     | 8.94%         |                      | 0.00%         |                     | 8.2%          |                     | 17.02%        |
| <b>Revenues</b>   |  |                      |               |                     |               |                      |               |                     |               |                     |               |
|   | Taxes and Assessments  | \$20,341,121         | 37.1%         | \$26,531,788        | 39.2%         | \$28,397,388         | 42.0%         | \$29,017,612        | 39.4%         | \$29,818,080        | 33.6%         |
|   | Licenses and Permits   | \$1,978,401          | 3.6%          | \$2,765,969         | 4.1%          | \$2,648,936          | 3.9%          | \$2,150,340         | 2.9%          | \$2,258,268         | 2.5%          |
|   | Fines and Forfeitures  | \$1,756,520          | 3.2%          | \$1,771,608         | 2.6%          | \$3,279,620          | 4.9%          | \$3,265,206         | 4.4%          | \$3,733,999         | 4.2%          |
|   | Use of Money and Property  | \$958,893            | 1.8%          | \$723,572           | 1.1%          | (\$673,652)          | -10%          | \$1,041,022         | 1.4%          | \$4,827,774         | 5.4%          |
|   | Intergovernmental  | \$20,467,663         | 37.4%         | \$26,170,111        | 38.7%         | \$25,747,292         | 38.1%         | \$28,066,373        | 38.1%         | \$37,374,567        | 42.1%         |
|   | Charges for Services   | \$6,256,564          | 11.4%         | \$7,907,496         | 11.7%         | \$6,955,983          | 10.3%         | \$8,779,859         | 11.9%         | \$8,768,866         | 9.9%          |
|   | Other Revenues   | \$3,033,828          | 5.5%          | \$1,727,570         | 2.6%          | \$1,243,945          | 1.8%          | \$1,327,111         | 1.8%          | \$1,974,148         | 2.2%          |
|   | <b>Total Revenues</b>  | <b>\$54,792,990</b>  | <b>100.0%</b> | <b>\$67,598,114</b> | <b>100.0%</b> | <b>\$67,599,512</b>  | <b>100.0%</b> | <b>\$73,647,523</b> | <b>100.0%</b> | <b>\$88,755,702</b> | <b>100.0%</b> |
| <b>Expenditures</b>   |  |                      |               |                     |               |                      |               |                     |               |                     |               |
| <b>Current:</b>   |  |                      |               |                     |               |                      |               |                     |               |                     |               |
|   | General Government   | \$22,726,887         | 41.5%         | \$24,145,415        | 35.7%         | \$27,025,877         | 40.0%         | \$24,232,911        | 32.9%         | \$21,528,626        | 24.3%         |
|   | Public Protection  | \$28,683,695         | 52.3%         | \$32,577,848        | 48.2%         | \$33,238,668         | 49.2%         | \$35,838,945        | 48.7%         | \$38,125,333        | 43.0%         |
|   | Public Ways and Facilities                                       |                      |               |                     |               |                      |               |                     |               |                     |               |
|   | Health and Sanitation  | \$911,542            | 1.7%          | \$698,058           | 1.0%          | \$756,324            | 1.1%          | \$691,078           | 0.9%          | \$817,239           | 0.9%          |
|   | Public Assistance  |                      |               | \$199,031           | 0.3%          | \$254,793            | 0.4%          | \$280,441           | 0.4%          | \$281,745           | 0.3%          |
|   | Education  | \$651,759            | 1.2%          | \$797,627           | 1.2%          | \$928,157            | 1.4%          | \$862,212           | 1.2%          | \$984,244           | 1.1%          |
|   | Recreation and Culture   | \$31,420             | 0.1%          | \$37,842            | 0.1%          | \$40,872             | 0.1%          | \$64,714            | 0.1%          | \$67,823            | 0.1%          |
| <b>Debt Service</b>   |  |                      |               |                     |               |                      |               |                     |               |                     |               |
|   | Principal  |                      |               |                     |               | \$337,961            | 0.5%          | \$631,807           | 0.9%          | \$767,475           | 0.9%          |
|   | Interest and Other Charges                                       |                      |               |                     |               | \$14,994             | 0.0%          | \$27,236            | 0.0%          |                     |               |
|   | Capital Outlay   | \$1,604,155          |               |                     |               |                      |               |                     |               | \$1,289,347         |               |
|   | <b>Total Expenditures</b>  | <b>\$54,609,458</b>  | <b>99.7%</b>  | <b>\$58,455,821</b> | <b>86.5%</b>  | <b>\$62,597,646</b>  | <b>92.6%</b>  | <b>\$62,629,344</b> | <b>85.0%</b>  | <b>\$63,861,832</b> | <b>72.0%</b>  |
|   | <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>\$183,532</b>     | <b>0.3%</b>   | <b>\$ 9,142,293</b> | <b>13.5%</b>  | <b>\$5,001,866</b>   | <b>7.4%</b>   | <b>\$11,018,179</b> | <b>15.0%</b>  | <b>\$24,893,870</b> | <b>28.0%</b>  |
| <b>Other Financing Sources (Uses)</b>   |  |                      |               |                     |               |                      |               |                     |               |                     |               |
|   | Transfer In  | \$2,197,489          |               | \$1,133,325         |               | \$33,360             |               | \$182,290           |               | \$10,002,940        |               |
|   | Transfers Out  | (\$7,705,572)        |               | -\$8,116,821        |               | (\$8,365,296)        |               | (\$8,901,566)       |               | (\$29,748,197)      |               |
|   | Leases Issued  |                      |               |                     |               |                      |               | \$368,207           |               | \$174,730           |               |
|   | SBITAs Issued  |                      |               |                     |               |                      |               |                     |               | \$1,114,617         |               |
|   | <b>Net Change in Fund Balance</b>                                | <b>(\$5,324,551)</b> |               | <b>\$2,158,797</b>  |               | <b>(\$3,330,070)</b> |               | <b>\$2,667,110</b>  |               | <b>\$6,437,960</b>  |               |
|   | <b>Fund Balance, Beginning of Year</b>                           | <b>\$54,015,153</b>  |               | <b>\$48,690,602</b> |               | <b>\$51,454,849</b>  |               | <b>\$48,124,779</b> |               | <b>\$50,791,889</b> |               |
|   | Prior Year Adjustment  |                      |               | \$605,450           |               |                      |               |                     |               | (\$11,389,078)      |               |
|   | Beginning of Year, Adjusted or Restated                          |                      |               | \$49,296,052        |               |                      |               |                     |               |                     |               |
|   | <b>Fund Balance, End of Year</b>                                 | <b>\$48,690,602</b>  |               | <b>\$51,454,849</b> |               | <b>\$48,124,779</b>  |               | <b>\$50,791,889</b> |               | <b>\$45,840,771</b> |               |

### Exhibit 3

| <b>Calaveras County</b>                        |             |             |             |             |                 |
|--|-------------|-------------|-------------|-------------|-----------------|
| <b>Key Indicators (\$000)</b>                  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b>     |
| <b><u>Economy</u></b>                          |             |             |             |             |                 |
| Median Family Income (as % of CA Median)       | 85%         | 83%         | 84%         | 83%         | Data Not Availa |
| Unemployment rate (%)                          | 9.8%        | 7.3%        | 4.7%        | 5.2%        | 6.0%            |
| Full value per capita (\$)                     | \$168,435   | \$174,325   | \$180,932   | \$194,591   | \$211,922       |
| <b><u>Liquidity</u></b>                        |             |             |             |             |                 |
| Cash Balances                                  | \$47,597    | \$43,671    | \$46,951    | \$53,803    | \$32,560        |
| Current Ratio [1]                              | 17.10       | 11.05       | 5.00        | 4.11        | 13.76           |
| Days Cash on Hand [2]                          | 318         | 273         | 274         | 314         | 186             |
| <b><u>Performance</u></b>                      |             |             |             |             |                 |
| Operating Revenue                              | \$54,793    | \$67,598    | \$67,600    | \$73,648    | \$88,756        |
| Operating Margin [3]                           | 0.3%        | 13.5%       | 7.4%        | 15.0%       | 28.0%           |
| Fund Balances as % of Operating Revenue        | 88.9%       | 76.1%       | 71.2%       | 69.0%       | 51.6%           |
| <b><u>Leverage</u></b>                         |             |             |             |             |                 |
| Fund balances                                  | \$48,691    | \$51,455    | \$48,125    | \$50,792    | \$45,841        |
| Leverage Ratio [4]                             | 0.1         | 0.1         | 0.2         | 0.3         | 0.1             |
| <b><u>Primary Government</u></b>               |             |             |             |             |                 |
| Governmental Activities (Outstanding Debt)     | \$55,271    | \$59,280    | \$55,312    | \$54,963    | \$54,949        |
| Governmental Activities Debt to full value (%) | 0.7%        | 0.7%        | 0.7%        | 0.6%        | 0.6%            |
| Net pension liability to full value            | 0.7%        | 0.7%        | 0.4%        | 0.7%        | 0.7%            |

**Exhibit 4**

**SITE PLAN**



**Existing Animal Shelter**



ANIMAL SERVICES  
901 Jeff Tuttle Dr.

CALAVERAS COUNTY ANIMAL SERVICES (OFFICE)  
[Get directions with Google Maps](#)