

**City of Sacramento**  
**Annual Continuing Disclosure Report**  
**Fiscal Year 2015/16**

<b>Issue</b>	Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds Series B
<b>Par</b>	Series B \$55,235,000
<b>Issued</b>	June 15, 2006
<b>CUSIP Numbers</b>	785849TL4 785849TM2

**Content of Annual Report.**

**The City's Annual Report shall contain or incorporate by reference the following:**

**(a) The City's comprehensive audited financial report for the prior fiscal year.**

The City's Comprehensive Annual Financial Report (CAFR) for the prior fiscal year has been uploaded as a separate document to EMMA. The CAFR is also available on the city's website at:

[www.cityofsacramento.org/Finance/Accounting/Reporting](http://www.cityofsacramento.org/Finance/Accounting/Reporting)

**(b) The Annual Budget of the City for the current fiscal year.**

The City's Approved Budget for the current fiscal year has been uploaded as a separate document to EMMA and is also available on-line at: [www.cityofsacramento.org/Finance/Budget](http://www.cityofsacramento.org/Finance/Budget)

**(c) An update of the information contained in Tables entitled "STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE," "GROSS ASSESSED VALUES FOR ALL TAXABLE PROPERTY," "CITY OF SACRAMENTO LARGEST LOCAL SECURED TAXPAYERS" and "GENERAL FUND OBLIGATION DEBT SERVICE" in the Official Statement substantially in the form of the table by that name included in Appendix A to the Official Statement, for the most recently completed fiscal year.**

See Exhibit A – Statement of General Fund Revenues, Expenditures and Changes in Fund Balance

See Exhibit B – Gross Assessed Values for all Taxable Property

See Exhibit C – Largest Local Secured Taxpayers

See Exhibit D – General Fund Obligation Debt Service as of June 30, 2016

## **Redevelopment Agency of the City of Sacramento: Dissolution and Successor Agency**

*Please note that as a result of legislation in the State of California (namely Assembly Bills (AB) X1 26, X1 27, and AB 1484), the City of Sacramento (City) has elected to serve as the Successor Agency to the Redevelopment Agency of the City of Sacramento (Successor Agency); and that under AB X1 26, payment of debt service for bonds of a dissolved redevelopment agency is an “enforceable obligation” of the successor agency for redevelopment functions.*

*Additionally, amounts formerly identified as Tax Revenues and Housing Tax Revenues are now distributed through a Redevelopment Property Tax Trust Fund (RPTTF) in an amount equal to obligations listed on a Recognized Obligation Payment Schedule (ROPS), as approved by the Department of Finance (DOF) for every six-month period. Beginning with the 2016/17 ROPS cycle, RASA will be seeking approval for a twelve-month period.*

*On October 14, 2015 the Successor Agency refunded a portion of the redevelopment debt associated with the Series A Bonds.*

Exhibit A

**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**  
(in thousands)

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16
<b>Revenues:</b>					
Property Taxes	\$ 130,287	\$ 129,370	\$ 138,224	\$ 145,285	\$ 150,424
Sales and Use Taxes	50,683	52,301	56,575	58,876	67,983
Utilities Use Tax	58,787	59,066	59,613	59,948	61,404
Other Taxes	16,386	17,633	20,319	22,677	26,732
Licenses and Permits	12,124	12,688	12,996	14,322	15,866
Fines, Forfeitures and Penalties	11,020	9,165	10,567	10,782	12,110
Interest, Rents and Concessions	1,702	1,788	2,206	1,707	3,002
Intergovernmental Revenues	12,021	11,108	9,300	13,363	16,253
Charges, Fees and Services	38,157	47,392	51,422	57,261	57,951
Other Revenues	2,090	3,440	281	426	245
<b>Total Revenues</b>	<b>333,257</b>	<b>343,951</b>	<b>361,503</b>	<b>384,647</b>	<b>411,970</b>
<b>Expenditures:</b>					
General Government	21,250	19,073	22,623	24,842	28,909
Public Safety	210,124	216,760	218,911	226,802	235,290
Public Works	16,082	16,353	15,301	16,169	11,701
Neighborhood Services	46,334	48,350	48,447	52,071	54,985
Citywide and Community Support	31,957	32,945	36,965	37,216	47,961
Capital Improvements	2,151	5,755	9,672	8,901	12,577
Debt Service	1,839	2,187	3,140	3,219	3,219
<b>Total Expenditures</b>	<b>329,737</b>	<b>341,423</b>	<b>355,059</b>	<b>369,220</b>	<b>394,642</b>
<b>Excess of Revenues over Expenditures</b>	<b>3,520</b>	<b>2,528</b>	<b>6,444</b>	<b>15,427</b>	<b>17,328</b>
<b>Other Financing Sources (Uses):</b>					
Transfers from Other Funds	28,679	28,541	29,924	31,275	34,256
Transfers to Other Funds	(24,055)	(23,530)	(23,418)	(25,265)	(25,032)
Proceeds from Long-Term Debt	-	2,818	5,998	-	-
Special Items	-	8,534	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	3,100	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,624</b>	<b>16,363</b>	<b>12,504</b>	<b>9,110</b>	<b>9,224</b>
<b>Net Change In Fund Balance</b>	<b>8,144</b>	<b>18,891</b>	<b>18,948</b>	<b>24,537</b>	<b>26,552</b>
Fund Balance, beginning of year	52,924	61,068	79,959	98,907	123,444
Fund Balance, end of year	61,068	79,959	98,907	123,444	149,996
<b>Less Reserves and Commitments:</b>					
Reserved / Nonspendable	94	72	66	11	2
Restricted	64	40	3,422	3,654	2,962
<b>Designated / Committed:</b>					
Economic Uncertainty	20,263	27,765	33,714	38,967	46,950
Capital Projects	21,542	21,789	21,728	32,987	37,526
Fire Programs	-	-	-	-	5,720
Community Center Theater renovation	-	8,500	8,500	8,500	8,500
Homeless programs	-	-	1,000	750	250
OPEB trust fund	-	2,000	-	-	6,752
Other Programs	9,349	9,347	12,909	22,497	13,953
<b>Assigned:</b>					
Next Year's Budget	9,354	10,446	-	-	-
Unrealized Investment Gains	402	-	173	50	732
<b>Fund Balance Available for Appropriation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,395</b>	<b>\$ 16,028</b>	<b>\$ 26,649</b>

Certain amounts in the prior year columns have been reclassified for presentation consistent with GASB Statement No. 54.

Exhibit B

**City of Sacramento**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

(in thousands)

Fiscal Year End June 30	Gross Assessed Value <sup>(1)</sup>				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate <sup>(2)</sup>
	Real Property	Personal Property	Public Utility	Total			
2007	\$ 35,687,712	\$ 1,441,042	\$ 54,611	\$ 37,183,365	\$ 509,257	\$ 36,674,108	1.00
2008	39,286,839	1,548,914	15,371 <sup>(3)</sup>	40,851,124	505,519	40,345,605	1.00
2009	40,360,550	1,691,096	11,948	42,063,594	503,159	41,560,435	1.00
2010	37,446,222	1,819,726	11,937	39,277,885	499,878	38,778,007	1.00
2011	36,388,660	1,742,824	11,977	38,143,461	496,459	37,647,002	1.00
2012	35,267,406	1,711,462	12,132	36,991,000	488,888	36,502,112	1.00
2013	34,332,037	1,626,943	13,157	35,972,137	477,326	35,494,811	1.00
2014	35,829,529	1,546,891	12,381	37,388,801	464,546	36,924,255	1.00
2015	37,918,666	1,585,876	18,173	39,522,715	455,212	39,067,503	1.00
2016	39,823,777	1,513,519	9,267	41,346,563	448,779	40,897,784	1.00

Notes: (1) Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. Therefore, full cash value can be increased to reflect:

- a) annual inflation up to 2%
- b) current market value at time of ownership change
- c) market value for new construction.

Estimated actual value of taxable property cannot easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes

(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

(3) The decrease in public utility assessed value is primarily due to the transfer of the downtown railyards from a railroad company to a private developer and the City.

Source: County of Sacramento, Office of Auditor/Controller

Exhibit C

**City of Sacramento  
Principal Property Taxpayers  
Current Fiscal Year and Nine Years Ago**

(in thousands)

Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Hines VAF II Sacramento	\$ 289,139	1	0.71 %	\$ -	-	- %
CIM Sacramento LP	198,501	2	0.49	-	-	-
Arden Fair Associates	144,415	3	0.35	122,589	4	0.33
621 Capitol Mall LLC	127,878	4	0.31	-	-	-
500 Capitol Mall LLC	123,978	5	0.30	-	-	-
300 Capitol Association NF LP	102,000	6	0.25	-	-	-
HP Hood LLC	94,529	7	0.23	-	-	-
Dignity Health	86,008	8	0.21	-	-	-
Target Corp	81,626	9	0.20	-	-	-
Homecoming at Creekside LLC	75,712	10	0.19	-	-	-
Teachers Ins. Annuity	-	-	-	159,095	1	0.43
400 Capital Mall Venture	-	-	-	146,285	2	0.40
Downtown Plaza	-	-	-	136,350	3	0.37
M H Realty Partners VI LP	-	-	-	102,000	5	0.28
VV USA City LP	-	-	-	88,256	6	0.24
RT Sacramento Funding Co.	-	-	-	79,350	7	0.22
Sacramento Hotel Corp.	-	-	-	73,592	8	0.20
Verizon Data Services Inc.	-	-	-	72,081	9	0.20
Valley View Investors LLC	-	-	-	71,400	10	0.19
	<u>1,323,786</u>		<u>3.24</u>	<u>1,050,998</u>		<u>2.86</u>
All other taxpayers	<u>39,573,998</u>		<u>96.76</u>	<u>35,623,110</u>		<u>97.14</u>
Total	<u>\$ 40,897,784</u>		<u>100.00 %</u>	<u>\$ 36,674,108</u>		<u>100.00 %</u>

## Exhibit D

### GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2016

Fiscal Year	1993 Lease Revenue Bonds, Series A&B <sup>1</sup>	1997 Lease Revenue Bonds (2007 Remarketing) <sup>2</sup>	1999 CFD 2A Lease Portion	2016 Refunding H Street Complex <sup>3</sup>	2006 Capital Improvement Revenue Bonds, Series B <sup>4</sup>	2006 Capital Improvement Revenue Bonds, Series D,E <sup>5</sup>	2015 Golden 1 Center Bonds <sup>6</sup>	2015 Revenue Refunding Bonds <sup>7</sup>	Total Equipment Leases & Loans Amount <sup>8</sup>	Total Debt Service Obligations Amount	Percentage of Budgeted Fiscal Year General Fund Revenues <sup>9</sup>	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Percentage of Budgeted Fiscal Year General Fund Revenues
FY17	15,430,735	5,758,070	245,938	1,010,211	3,955,738	9,573,955	14,871,842	24,772,613	6,326,010	81,945,112	19.0%	59,706,259	22,238,852	5.1%
FY18	15,408,975	5,953,976	251,094	669,939	3,954,413	9,086,700	18,296,842	23,714,463	4,343,016	81,679,417	18.9%	52,668,399	29,011,018	6.7%
FY19	15,391,035	6,086,638	255,313	672,443	3,958,138	9,534,625	18,295,874	22,218,713	2,860,865	79,273,643	18.3%	43,799,922	35,473,721	8.2%
FY20	15,369,890	6,209,110	253,750	674,592	3,952,298	9,568,900	18,299,225	21,259,138	2,121,686	77,708,588	18.0%	43,589,093	34,119,495	7.9%
FY21	15,348,515	6,400,018	256,406	671,315	3,942,040	9,035,250	18,378,689	21,082,763	1,121,975	76,236,971	17.6%	43,250,860	32,986,111	7.6%
FY22	-	6,446,610	262,969	672,683	3,941,923	10,749,050	18,378,701	19,645,288	138,659	60,235,882	13.9%	32,367,088	27,868,794	6.4%
FY23	-	6,648,342	263,438	673,696	3,940,606	20,588,900	18,289,067	9,928,813	69,330	60,402,190	14.0%	32,273,893	28,128,298	6.5%
FY24	-	6,796,051	262,969	669,283	3,937,750	20,121,670	18,289,067	9,922,438	-	59,999,227	13.9%	32,549,324	27,449,903	6.4%
FY25	-	6,956,041	-	674,515	3,933,765	20,020,670	18,289,286	9,925,688	-	59,799,964	13.8%	32,913,005	26,886,959	6.2%
FY26	-	7,124,005	-	669,250	3,928,351	20,036,857	18,286,258	9,898,313	-	59,943,034	13.9%	33,309,108	26,633,926	6.2%
FY27	-	7,305,017	-	673,630	3,926,060	20,030,900	18,289,420	9,904,438	-	60,129,463	13.9%	33,741,924	26,387,539	6.1%
FY28	-	7,461,356	-	672,442	3,926,294	20,031,226	18,287,643	9,909,388	-	60,288,348	14.0%	34,167,586	26,120,762	6.0%
FY29	-	-	-	670,899	3,923,604	20,127,976	18,285,364	9,896,838	-	52,904,681	12.2%	26,990,635	25,914,046	6.0%
FY30	-	-	-	673,859	3,917,692	20,128,788	18,286,739	9,897,256	-	52,904,334	12.2%	27,256,823	25,647,511	5.9%
FY31	-	-	-	676,251	3,908,259	20,128,795	18,285,638	5,854,175	-	48,853,117	11.3%	24,516,853	24,336,265	5.6%
FY32	-	-	-	668,146	3,909,556	20,130,500	18,286,217	5,844,050	-	48,838,469	11.3%	24,800,187	24,038,282	5.6%
FY33	-	-	-	334,686	3,900,987	20,136,150	18,282,349	5,394,175	-	48,048,347	11.1%	24,760,001	23,288,346	5.4%
FY34	-	-	-	-	3,892,251	3,632,925	18,283,188	5,384,550	-	31,192,914	7.2%	13,359,709	17,833,204	4.1%
FY35	-	-	-	-	3,892,453	-	18,282,324	5,130,175	-	27,304,951	6.3%	12,165,390	15,139,561	3.5%
FY36	-	-	-	-	3,880,993	-	18,283,630	5,120,800	-	27,285,423	6.3%	12,493,832	14,791,591	3.4%
FY37	-	-	-	-	3,872,424	-	18,280,697	5,120,400	-	27,273,521	6.3%	12,833,792	14,439,729	3.3%
FY38	-	-	-	-	-	-	18,282,397	-	-	18,282,397	4.2%	12,089,056	6,193,341	1.4%
FY39	-	-	-	-	-	-	18,282,040	-	-	18,282,040	4.2%	12,451,728	5,830,312	1.3%
FY40	-	-	-	-	-	-	18,278,216	-	-	18,278,216	4.2%	12,825,279	5,452,937	1.3%
FY41	-	-	-	-	-	-	18,279,516	-	-	18,279,516	4.2%	13,210,038	5,069,478	1.2%
FY42	-	-	-	-	-	-	18,278,967	-	-	18,278,967	4.2%	13,606,339	4,672,628	1.1%
FY43	-	-	-	-	-	-	18,279,878	-	-	18,279,878	4.2%	14,014,529	4,265,349	1.0%
FY44	-	-	-	-	-	-	18,275,276	-	-	18,275,276	4.2%	14,434,965	3,840,311	0.9%
FY45	-	-	-	-	-	-	18,273,469	-	-	18,273,469	4.2%	14,868,014	3,405,455	0.8%
FY46	-	-	-	-	-	-	18,277,204	-	-	18,277,204	4.2%	15,314,054	2,963,150	0.7%
FY47	-	-	-	-	-	-	18,273,943	-	-	18,273,943	4.2%	15,773,476	2,500,467	0.6%
FY48	-	-	-	-	-	-	18,271,713	-	-	18,271,713	4.2%	16,246,680	2,025,033	0.5%
FY49	-	-	-	-	-	-	18,272,978	-	-	18,272,978	4.2%	16,734,081	1,538,897	0.4%
FY50	-	-	-	-	-	-	18,269,919	-	-	18,269,919	4.2%	17,236,103	1,033,816	0.2%
Total	76,949,150	79,145,235	2,051,875	11,427,840	82,395,591	282,663,837	618,403,575	249,824,469	16,981,542	1,419,843,113		842,318,027	577,525,086	
Offset	73.7%	100.0%	0.0%	100.0%	28.3%	63.2%	63.7%	35.7%	59.9%	59.3%				

The figures above do not reflect the release of respective reserves for final debt service payment if cash reserves are held.

<sup>(1)</sup> 1993 Lease A: 80.5% Community Center Fund, 11.5% General Fund, and 8.0% Culture and Leisure Fund

1993 Lease B: 47.8% General Fund, 30.2 % Parking Fund, 13.0% Storm Drainage Fund, and 9.0% Community Center Fund

<sup>(2)</sup> 1997 Lease (ARCO Sublease): Assumes the fixed-rate established in the 2007 remarketing is in effect for the remaining term of the bonds. Efforts are underway to refinance this debt issue.

<sup>(3)</sup> The 2002 Certificate of Participation (COP) were fully refunded by the 2016 Refunding Revenue Bonds (H Street Complex) in January 2016. Along with the refunding, the City of Sacramento assumed 100% of the guarantee of payment, with offsetting lease revenue payments.

<sup>(4)</sup> 2006 Capital Improvement Revenue Bonds, Series A were fully refunded by the 2015 Refunding Revenue Bonds. 2006 Capital Improvement Revenue Bonds Series B: 71.7% General Fund and 28.3% RASA Master Lease (65th Street, Army Depot, North Sacramento, River District)

<sup>(5)</sup> 2006 Capital Improvement Revenue Bonds, Series C were fully refunded by the 2015 Refunding Revenue Bonds. 2006 Capital Improvement Revenue Bonds, Series D and E: 53.2% Water Fund, 36.9% General Fund, 7.9% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), and 0.9% Culture and Leisure Fund.

<sup>(6)</sup> The debt service for the 2015 Golden 1 Center Lease Revenue Bonds is offset by a Lease Rental Payment from the Sacramento Kings or its affiliates as well as Capitalized interest through October 2017. Other revenue sources may further offset required debt service payments.

<sup>(7)</sup> 2015 Refunding Revenue Bonds: 64.3% General Fund, 16.6% Water Fund, 8.8% Solid Waste Fund, 8.3% Parking Fund, 1.8% North Natomas Fund, 0.3% Culture and Leisure Fund.

<sup>(8)</sup> Total Leases and Loans: 40.0% General Fund, 38.8% Parking Fund 13.2% Solid Waste Fund,5.3% Marina Fund, 1.8% RASA (Merged Downtown), and 0.9% Wastewater.

<sup>(9)</sup> Data based on Fiscal Year 2016-17 General Fund Revenue Forecast of\$432,118,000

Source: City of Sacramento