

# Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2023  
CITY OF SACRAMENTO, CALIFORNIA



**City of Sacramento**

**California**

# **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2023**

**Prepared by the Department of Finance,  
Accounting Division**

**Peter Coletto, Finance Director  
Osvaldo Lopez, Finance Manager**

## **Supervising Financial Analysts**

**Emily Hsia**

**Jennifer Gilbertson**

**Ray Tang**

## **Senior Accountant Auditors**

**Sharina Bali**

**Doreen Chia**

**Svetlana Donkova**

**Thomas Keegan**

**Bilal Malik**

**Susan Nazari**

**Rona Mao**

**Juliana Wong**

# CITY OF SACRAMENTO, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

### TABLE OF CONTENTS

<b><i>INTRODUCTORY SECTION (Unaudited)</i></b>	<b>PAGE</b>
Letter of Transmittal .....	i
Organization Chart .....	v
Directory of City Officials .....	vi
GFOA Certificate .....	vii
 <b><i>FINANCIAL SECTION</i></b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis (Required Supplementary Information - Unaudited) .....	5
 <b><i>BASIC FINANCIAL STATEMENTS</i></b>	
Government-wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities .....	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	24
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds .....	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds .....	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation – General Fund .....	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation – Measure U Fund .....	33
Statement of Net Position – Proprietary Funds .....	34
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	38
Statement of Cash Flows – Proprietary Funds .....	40
Statement of Fiduciary Net Position – Fiduciary Funds .....	44
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	45
Notes to the Basic Financial Statements .....	47
 <b><i>REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)</i></b>	
Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Miscellaneous Plan .....	116
Schedule of Contributions – CalPERS Miscellaneous Plan .....	118
Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Safety Plan .....	120
Schedule of Contributions – CalPERS Safety Plan .....	122
Schedule of Changes in Net Pension Liability and Related Ratios – Sacramento City Employees' Retirement System .....	124
Schedule of Contributions – Sacramento City Employees' Retirement System .....	126
Schedule of Changes in Net OPEB Liability and Related Ratios .....	128
Schedule of Contributions – OPEB .....	129

# CITY OF SACRAMENTO, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

### TABLE OF CONTENTS, Continued

<i>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</i>	<i>PAGE</i>
Other Governmental Funds	
Combining Balance Sheet .....	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	132
Other Special Revenue Funds:	
Combining Balance Sheet.....	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	136
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Transportation and Development Special Revenue Fund .....	138
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Culture and Leisure Special Revenue Fund .....	139
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Parks and Recreation Special Revenue Fund .....	140
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, CCOMWP Special Revenue Fund .....	141
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Special Districts Special Revenue Fund .....	142
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Cal EPA Special Revenue Fund .....	143
Other Debt Service Funds:	
Combining Balance Sheet.....	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	148
Other Capital Projects Funds:	
Combining Balance Sheet.....	152
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	154
Permanent Funds:	
Combining Balance Sheet.....	157
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	158
Other Proprietary Funds	
Other Enterprise Funds:	
Combining Statement of Net Position .....	160
Combining Statement of Revenues, Expenses and Changes in Net Position .....	163
Combining Statement of Cash Flows.....	164
Water Fund:	
Combining Schedule of Net Position.....	168
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	172
Combining Schedule of Cash Flows .....	174
Wastewater Fund:	
Combining Schedule of Net Position.....	180
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	184
Combining Schedule of Cash Flows .....	186

# CITY OF SACRAMENTO, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

### TABLE OF CONTENTS, Continued

	PAGE
Other Proprietary Funds	
Community Center Fund:	
Combining Schedule of Net Position.....	192
Combining Schedule of Revenues, Expenses and Changes in Net Position .....	194
Combining Schedule of Cash Flows .....	196
Internal Service Funds:	
Combining Statement of Net Position .....	202
Combining Statement of Revenues, Expenses and Changes in Net Position .....	205
Combining Statement of Cash Flows.....	206
Custodial Funds:	
Combining Statement of Fiduciary Net Position .....	209
Combining Statement of Changes in Fiduciary Net Position .....	210

### **STATISTICAL SECTION (Unaudited)**

Net Position by Component – Last Ten Fiscal Years.....	212
Changes in Net Position – Last Ten Fiscal Years .....	214
Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	220
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	222
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years .....	224
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years .....	225
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	226
Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago.....	227
Property Tax Levies and Collections – Last Ten Fiscal Years .....	228
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	230
Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years .....	232
Direct and Overlapping Governmental Activities Debt – As of June 30, 2023.....	233
Legal Debt Margin – Last Ten Fiscal Years .....	234
Pledged-Revenue Coverage – Last Ten Fiscal Years.....	236
Demographic and Economic Statistics for Sacramento County – Last Ten Years.....	238
Principal Employers – Current Fiscal Year and Nine Years Ago.....	239
Successor Agency Trust Fund – Assessed Value of Taxable Property – Last Ten Fiscal Years .....	240
Successor Agency Trust Fund – Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction - As of June 30, 2023 .....	244
Successor Agency Trust Fund – Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago .....	255
Successor Agency Trust Fund – Debt Coverage Analysis – Last Ten Fiscal Years .....	266
Full-time Equivalent Employees by Function/Program – Last Ten Fiscal Years .....	271
Operating Indicators by Function/Program – Last Ten Fiscal Years .....	272
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	273
Miscellaneous Statistics - Current Fiscal Year and Nine Years Ago.....	274

# Introductory Section

Howard Chan  
City Manager

City Hall  
915 I Street, Fifth Floor  
Sacramento, CA 95814-2604  
916-808-5704

December 19, 2023

Honorable Mayor and City Council  
Residents of the City of Sacramento  
City of Sacramento, California:

Dear Mayor, Members of the City Council, and Residents of the City of Sacramento:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Sacramento, California (City) for the fiscal year ended June 30, 2023. Article IX of the City Charter and federal and state law requires that the City issue an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. Macias Gini & O'Connell LLP, a national certified public accounting firm, performed the audit for the fiscal year ended June 30, 2023. Their unmodified ("clean") opinion has been included as the first component of the financial section of the ACFR.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this transmittal letter and should be read in conjunction with it.

### **PROFILE OF THE CITY**

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimated the population on January 1, 2023, at 518,161 for the City and 1,572,453 for the County. Encompassing approximately 100 square miles, the City is located in the northern section of California's Central Valley at the confluence of the Sacramento and American rivers.

Sacramento is a charter city operating under a Council-Manager form of government. The City provides a full range of municipal services including police, fire, emergency medical response, water, wastewater, storm drainage, solid waste, construction and maintenance of streets and parks, community development, recreational and cultural activities, economic development, and administrative services.

### **REPORTING ENTITY**

This ACFR presents the financial status of the City and its four component units. Component units are separate legal entities included in this report due to significant operational or financial relationships with the City as defined below:

- **Sacramento City Financing Authority (SCFA) and Sacramento Public Financing Authority (SPFA)** are entities created to issue debt to finance City projects. The financial statements for these entities are reported on a blended basis as part of the primary government because the boards are composed of all City Councilmembers.
- **Sacramento City Employees' Retirement System (SCERS)**, a single employer pension plan for certain City employees and retirees, is reported as a fiduciary component unit. The SCERS pension plan was closed to new enrollment of employees in 1977.

### **BUDGET INFORMATION**

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. The City Manager is authorized to administratively amend department budgets during the year for transactions up to \$250 thousand without City Council approval. Additional budgetary information can be found in Note 1 to the financial statements and on the City's website.

### **LOCAL ECONOMY**

The regional economy and employment base continue its long-term transition from a state government concentration to a diverse economic base including health care providers, high-tech manufacturers, software development companies, biotechnology and medical research laboratories, food processors, and medical equipment manufacturers. The region is also a transportation hub served by air cargo airports, an international airport, a deep-water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system. These key industries interface with Sacramento's service, hospitality, and government employers.



While the regional economy continues to expand, the City is closely monitoring key economic indicators as the pace of economic growth may be slowing and economists are warning of increased odds of an economic downturn. The local labor market remains robust, but unemployment has increased with the June 2023 unemployment rate for the Sacramento metropolitan area increasing to 4.4% compared to 3.4% a year earlier. As the Federal Reserve has significantly increased interest rates to combat inflation, the City is closely monitoring changes in the housing market and consumer spending. Major revenue sources, including property tax and sales tax, continue to grow, however the rate of growth has slowed in recent months. Balancing the City's increased costs of doing business, slowing revenue growth, and risk of recession are key priorities for the coming Fiscal Year.

### **BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING**

The FY2023/24 Operating, and Capital Improvement Program (CIP) Budgets were approved on June 13, 2023, and total approximately \$1.5 billion from all funding sources. The Approved Budget provides for ongoing funding for the Department of Community Response to continue to implement the City's response to homelessness, continued funding for the affordable housing fee waiver program, the launch of the Fire Department's Single Role program which will create more effective career pathways and the establishment of the voter approved Children's Fund project as required by Measure L, additional contributions to the Economic Uncertainty Reserve, and includes adjustments required to realize efficiencies and to provide funding necessary to deliver programs and services in the coming fiscal year.

The CIP Budget totals \$107.4 million and provides funding to 106 projects in all program areas in various geographic areas of the City, including \$14.5 million in G/MU Funds. It also provides funding to address deferred maintenance on City assets. The CIP also provides estimates for strategic investments in capital assets over the next five Fiscal Years. As part of the Budget, the City provides a five-year Operating Budget forecast as a long-term financial planning tool.

The financial forecasts presented in the FY2023/24 Budget are based on in-depth analysis and review of Department revenues to ensure that the forecast is based on the most current information available relative to economic indicators and estimated levels of recovery.

### **RELEVANT FINANCIAL POLICIES**

The City maintains a General Fund Economic Uncertainty Reserve (EUR) for the purpose of bridging a gap between projected revenue and expenditures during periods of significant revenue declines and/or expenditure growth and to ensure the City has adequate resources in case of emergency or unforeseen events. Pursuant to Council's adopted policy, the City will maintain an EUR at a minimum of 10% of budgeted General Fund revenues and will seek to achieve and maintain a General Fund EUR equal to two months of regular on-going General Fund expenditures, including transfers (i.e., 17% of General Fund expenditures).

On June 12, 2019, the EUR Policy was amended to include Measure U resources in determining the annual set aside amount necessary to maintain a minimum General Fund/Measure U Fund (G/MU) reserve level of 10%. Further, the policy includes a goal of achieving and maintaining the value of two months of regular ongoing G/MU expenditures in the reserve. The current EUR balance is \$74 million, which is approximately 10% of FY2022/23 G/MU revenues. The EUR is reported in the ACFR as committed fund balance in the General Fund and the Measure U Fund.

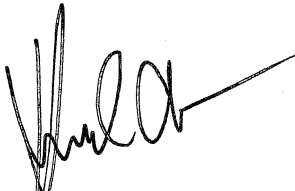
**AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2022. This marks the 35<sup>th</sup> consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To receive this award, the City published an easily readable and efficiently organized ACFR. The report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this ACFR also meets the requirements of the program, and we will be submitting it to the GFOA to determine its eligibility for the certificate.

The Department of Finance, Accounting Division in particular, takes great pride in the preparation of the ACFR. The professionalism, commitment, and effort of each employee of the Accounting Division have made this report possible. We also want to thank the other employees in the Finance Department and other City Departments who contributed to the preparation of this report. Finally, we thank the Mayor and City Council for their continuing interest and support in planning and conducting the City's financial operations in a responsible manner, consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

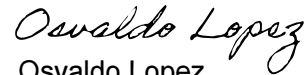
Respectfully submitted,



Howard Chan  
City Manager



Peter Coletto  
Finance Director



Oswaldo Lopez  
Finance Manager

Organization Chart as of June 30, 2023

Mayor/Council

Office Public Safety Accountability  
LaTasha Watson

City Attorney  
Susana Alcalá Wood  
Community Advocacy & Public Safety  
General Council & Advisory  
Litigation & Human Resources  
Strategic Project & Research

City Auditor  
Jorge Oseguera  
Auditing  
Research & Analysis  
Whistleblower

City Manager  
Howard Chan

City Clerk  
Mindy Cuppy  
Bids & Contracts  
Boards & Commissions  
Elections  
Legislative Support  
Records

City Treasurer  
John Colville  
Citywide Banking  
Debt Management  
Investments

Assistant to the City Manager  
Amy Williams  
Chief of Staff

Media & Communications

Governmental Affairs

Performance Measures

Assistant City Manager  
Leyne Milstein  
Internal Services

Finance  
VACANT  
Accounting  
Budget, Policy and Strategic Planning  
Payroll  
Procurement Services  
Public Improvement Financing  
Revenue

Human Resources  
Shelley Banks-Robinson  
ADA & Leaves  
Benefits & Retirement  
Diversity, Inclusion, & Development  
Employment, Classification & Development  
Equal Employment Opportunity  
Labor Relations/Policies  
Risk Management (Safety & Workers' Compensation)

Information Technology  
Darin Arcolino  
DOU Systems Support  
Enterprise Applications Management  
IT Operations  
IT Regional Support  
Office of the Chief Information Officer  
Public Safety Information Technology  
Sacramento City 311

Cannabis

Assistant City Manager  
Mario Lara  
Public Safety

Community Response  
VACANT  
Alternative 911 Response  
Unsheltered Response and Support

Fire  
Chris Costamagna, Chief  
Emergency Medical Services  
Fire Prevention  
Fire Suppression

Police  
Kathy Lester, Chief  
Operations  
Investigations  
Specialized Services

Emergency Management

Assistant City Manager  
Ryan Moore  
Municipal Services

Public Works  
Matt Eierman  
Climate Action & Sustainability  
Engineering Services  
Facilities/Real Property Management  
Fleet Management  
Maintenance Services  
Parking Services  
Sacramento Marina  
Solid Waste  
Transportation

Utilities  
Pravani Vandeyar  
Office of the Director (Admin Svcs)  
Business Services  
Engineering and Water Resources  
Water Operations & Maintenance  
Wastewater & Drainage Operations  
and Maintenance

Youth, Parks & Community Enrichment (YPCE)  
Jackie Beecham  
Community Enrichment  
Golf Operations (Contracted)  
Park Maintenance/Historic Cemetery  
Office of Youth Development  
Park Rangers  
Planning & Development  
Youth Division

Assistant City Manager  
Michael Jasso  
Community

Community Development  
Tom Pace  
Animal Care Services  
Building  
Business Compliance  
Housing & Dangerous Buildings  
Neighborhood Code Enforcement  
Planning

Convention & Cultural Services  
Megan Van Voorhis  
Center for Sacramento History  
Crocker Art Museum  
Fairytale Town  
Metropolitan Arts Commission  
Old Sacramento Historic District  
Sacramento Convention Center  
Sacramento History Museum  
Sacramento Zoo  
SMUD Museum of Science & Curiosity

Economic Development  
Denise Malvetti  
Deputy Director  
Community Engagement  
Community Investment  
Economic Development, Innovation,  
& Entrepreneurship  
Housing Policy  
Nighttime Economy  
Workforce Development

**LEGEND**

- Mayor/Council Charter Office
- Mayor/Council Office or Program
- City Manager Reporting Department
- City Manager Office or Program

# City of Sacramento

## Directory of City Officials

June 30, 2023

---

**Darrell Steinberg**  
Mayor

**Lisa Kaplan**  
Councilmember, District 1

**Caity Maple**  
Councilmember, District 5

**Sean Loloee**  
Councilmember, District 2

**Eric Guerra**  
Vice Mayor, District 6

**Karina Talamantes**  
Councilmember, District 3

**Rick Jennings, II**  
Councilmember, District 7

**Katie Valenzuela**  
Councilmember, District 4

**Mai Vang**  
Mayor Pro Tempore, District 8

---

**Howard Chan**  
City Manager

**Susana Alcala Wood**  
City Attorney

**Mindy Cuppy**  
City Clerk

**John Colville**  
City Treasurer

---



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sacramento  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**THIS PAGE INTENTIONALLY LEFT BLANK**

# Financial Section

## Independent Auditor's Report

To the Honorable Mayor and Members of the  
City Council of the City of Sacramento, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Measure U Special Revenue Fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City 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.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, effective July 1, 2022, the City adopted the provisions of Governmental Accounting Standards Board Statements No. 91, *Conduit Debt Obligations*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, No. 96, *Subscription-Based Information Technology Arrangements*, and No. 99 *Omnibus 2022*. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

The City's 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 City'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 GAAS 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 GAAS 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 City'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 City'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 schedule of changes in net pension liability and related ratios – CalPERS Miscellaneous Plan, the schedule of contributions – CalPERS Miscellaneous Plan, the schedule of changes in net pension liability and related ratios – CalPERS Safety Plan, the schedule of contributions – CalPERS Safety Plan, the schedule of changes in net pension liability and related ratios – Sacramento City Employees' Retirement System, the schedule of contributions – Sacramento City Employees' Retirement System, the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions – OPEB, as listed in the table of contents, 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 GAAS, 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 City's basic financial statements. The combining and individual 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

The City's management is responsible for the other information included in the annual comprehensive financial 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 19, 2023, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.



Sacramento, California  
December 19, 2023

**THIS PAGE INTENTIONALLY LEFT BLANK**

# City of Sacramento

## Management's Discussion and Analysis

### (Required Supplementary Information - Unaudited)

For the Fiscal Year Ended June 30, 2023

---

This section of the City's Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2023. City management recommends this information be read in conjunction with the transmittal letter located in the introductory section, and with the City's financial statements which follow this discussion.

#### FINANCIAL HIGHLIGHTS

- The City's total government-wide net position increased by \$82 million in fiscal year 2023, a 3.1 percent increase.
- The City's General Fund revenues were \$20 million higher than final budgeted amounts primarily due to property and utility user taxes, Voluntary Rate Range Program and Ground Emergency Medical Transportation Program revenues received by the City's Fire Department, commercial solid waste franchise fees, and parking meter revenues.
- The City's General Fund budgetary expenditures, which includes open encumbrances, were \$149 million lower than final budgeted amounts. Most of the General Fund departments reported favorable operating expenditure budget variances and capital outlay expenditures were less than budgeted amounts by \$52 million due to the multi-year nature of capital projects. Unspent multi-year project budgets are carried over to the subsequent fiscal year.
- On a GAAP basis, the City's General Fund expenditures exceeded revenue and other financing sources (uses) by \$4 million in fiscal year 2023 primarily due to increases in public safety labor costs, increases in pension costs, and the loss of one-time grant funding from the prior year.
- The City received \$112 million of American Rescue Plan Act (ARPA) funding in fiscal years 2021 and 2022. In September 2021, the City Council approved an ARPA Framework and Priorities. The framework provides funding for: small businesses and commercial corridor revitalization; homelessness and housing; youth, workforce training, and gang prevention programs; arts and creative economy; and addressing organizational needs. As of June 30, 2023, \$6 million of ARPA reinvestment available funding remains after factoring in budgetary encumbrances and carryovers.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Annual Comprehensive Financial Report consists of four main components: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplementary information, and (4) combining nonmajor fund financial statements. The basic financial statements include two kinds of statements that present different views of the City, the government-wide and the fund financial statements.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.
- The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedules of Changes in Net Pension Liability and Related Ratios and Schedules of Contributions for the City's pension plans along with the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios and Schedule of Contributions for the City's OPEB plan, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other governmental funds, other enterprise funds, the Water enterprise fund, the Wastewater enterprise fund, the Community Center enterprise fund, internal service funds, and custodial funds, each of which is presented in a column in the basic financial statements.

# City of Sacramento

## Management's Discussion and Analysis (Continued)

### (Required Supplementary Information - Unaudited)

For the Fiscal Year Ended June 30, 2023

---

#### Government-wide Financial Statements

The government-wide statements report information about the City using accounting methods like those used by private-sector companies. The statement of net position includes all the City's assets and liabilities, as well as any deferred outflows or inflows of resources. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* - Most of the City's basic services are included here, such as police; fire; public works; community development; youth, parks, and community enrichment; and general government. Taxes and state and federal grants finance most of these activities.
- *Business-type activities* - Certain services provided by the City are funded by customer fees. Among these are the City's utility services, convention center, and off-street parking facilities.

#### Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole.

The City has three types of fund financial statements:

- *Governmental funds* - Governmental fund statements tell how general government services such as police, fire, and public works, among others, were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.
- *Proprietary funds* - Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services, parking facilities, convention center, etc.
- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or custodian for the benefit of others, to whom the resources belong. The City is the trustee, or *fiduciary*, for a closed pension plan. It is also responsible for other assets held for bonded assessment and community facilities districts and investment trust funds, reported as custodial funds. Investment trust funds can only be used for the trust beneficiaries in accordance with trust agreements. The City elected to serve as the successor agency for its former redevelopment agency, which was dissolved by state law. The successor agency activity is accounted for in a private-purpose trust fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City excludes these activities from the government-wide financial statements because the City cannot use these resources to finance its operations.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following table addresses the financial results of the City as a whole.

**City of Sacramento**  
**Summary of Net Position**  
As of June 30, 2023 and 2022<sup>(1)</sup>  
(in millions)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>		<b>Total Percent Change</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	
Current and other assets	\$ 1,397	\$ 1,307	\$ 590	\$ 564	\$ 1,987	\$ 1,871	6.2%
Capital assets	1,868	1,875	1,837	1,850	3,705	3,725	-0.5%
Total assets	<u>3,265</u>	<u>3,182</u>	<u>2,427</u>	<u>2,414</u>	<u>5,692</u>	<u>5,596</u>	1.7%
Deferred outflows of resources	399	190	57	31	456	221	106.3%
Long-term liabilities	2,066	1,534	1,114	1,082	3,180	2,616	21.6%
Other liabilities	104	84	43	44	147	128	14.8%
Total liabilities	<u>2,170</u>	<u>1,618</u>	<u>1,157</u>	<u>1,126</u>	<u>3,327</u>	<u>2,744</u>	21.2%
Deferred inflows of resources	105	397	22	64	127	461	-72.5%
Net position							
Net investment in							
capital assets	1,347	1,370	952	938	2,299	2,308	-0.4%
Restricted	456	394	81	48	537	442	21.5%
Unrestricted	(414)	(407)	272	269	(142)	(138)	-2.9%
Total net position	<u>\$ 1,389</u>	<u>\$ 1,357</u>	<u>\$ 1,305</u>	<u>\$ 1,255</u>	<u>\$ 2,694</u>	<u>\$ 2,612</u>	3.1%

Note (1) FY22 amounts have not been restated for GASB 96 which was implemented in 2023.

**Analysis of net position**

As noted in the financial highlights, total net position of the primary government increased by \$82 million in fiscal year 2023. Total assets and total liabilities increased by \$96 million and \$583 million, respectively. Deferred outflows of resources increased \$235 million and deferred inflows of resources decreased \$334 million.

The following analysis of governmental and business-type activities provides more detailed information for these changes.

**Governmental activities**

Current and other assets increased \$90 million primarily due to increases in cash and receivables. Cash increased by \$71 million in the governmental funds from higher-than-expected tax and intergovernmental revenues. Receivables increased \$30 million primarily due to a \$15 million increase in intergovernmental reimbursement receivables for operating and capital grants and \$9 million of new housing and Cannabis CORE loans issued in the current year. These increases were offset by a \$10 million decrease in prepaid items related to the recognition of previous grant advances as expenses in fiscal year 2023.

Capital assets of governmental activities decreased \$7 million due to current year depreciation offset by continuing development and improvements. Capital asset additions include the Bell Avenue Complete Street Rehab project, Del Rio Trail project, Downtown Mobility project, and the Community Center Theater Renovation project. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

Deferred outflows of resources increased \$209 million primarily due to a \$204 million increase in deferred outflows related to pensions. The increase in deferred outflows related to pensions was mainly driven by an increase in net differences between projected and actual earnings and changes in assumptions. More detailed information about pension plans is presented in Note 8 to the financial statements.

Long-term liabilities increased \$532 million primarily due to a \$495 million increase in net pension liability, \$22 million increase in accrued claims and judgments related to the City's Risk Management Internal Service Fund, and \$10 million of new long-term liabilities with the implementation of GASB Statement No. 96. Net pension liability increased due to worse than expected investment earnings during the measurement year and changes of assumptions. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Other liabilities increased \$20 million primarily due to accounts payable for various capital projects and unearned revenue related to the Railyard Rehabilitation and MLK Library Renovation capital grant projects.

Deferred inflows of resources decreased \$292 million primarily due to a \$252 million decrease in deferred inflows related to pensions and a \$38 million decrease in deferred inflows related to OPEB. The decrease in deferred inflows related to pensions and OPEB was mainly driven by a decrease in deferred inflows for net differences between projected and actual earnings. More detailed information about pension and OPEB plans is presented in Notes 8 and 9 to the financial statements.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased \$62 million primarily due to increases in restrictions for capital projects, public works programs, and economic development programs.

**Business-type activities**

Current and other assets of business-type activities increased \$26 million primarily due to an increase in cash and receivables provided by operational activities.

Capital assets decreased \$13 million due to current year depreciation offset by continuing development and improvements. Capital asset additions include the Convention Center expansion project, McKinley Park Combined Sewer System Storage project, I Street CWTP Sewer Repair project, and the Fruitridge Drain Replacement project. More detailed capital asset information is presented in Note 4 to the financial statements.

Deferred outflows of resources increased \$26 million due to a \$26 million increase in deferred outflows related to pensions. The increase in deferred outflows related to pensions was mainly driven by an increase in net differences between projected and actual earnings and changes in assumptions. More detailed information about pension plans is presented in Note 8 to the financial statements.

Long-term liabilities increased \$32 million primarily due to a \$67 million increase in net pension liability offset by \$35 million of payments on existing debt obligations and amortization of bond premiums. More detailed information is presented in Note 7 to the financial statements.

Deferred inflows of resources decreased \$42 million primarily due to a \$35 million decrease in deferred inflows related to pensions and a \$5 million decrease in deferred inflows related to OPEB. The decrease in deferred inflows related to pensions and OPEB was mainly driven by a decrease in deferred inflows for net differences between projected and actual earnings. More detailed information about pension and OPEB plans is presented in Notes 8 and 9 to the financial statements.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

<b>City of Sacramento</b>							
<b>Changes in Net Position</b>							
For the Fiscal Years Ended June 30, 2023 and 2022 <sup>(1)</sup>							
(in millions)							
	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>		
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>Percent</b>
							<b>Change</b>
<b>Revenues</b>							
<b>Program revenues:</b>							
Charges for services	\$ 209	\$ 213	\$ 366	\$ 328	\$ 575	\$ 541	6.3%
Operating grants and contributions	80	234	1	2	81	236	-65.7%
Capital grants and contributions	135	111	18	17	153	128	19.5%
<b>General revenues:</b>							
Property taxes	228	211	-	-	228	211	8.1%
Utility users tax	70	66	-	-	70	66	6.1%
Local sales taxes	130	133	-	-	130	133	-2.3%
Other taxes	52	61	31	27	83	88	-5.7%
<b>Unrestricted:</b>							
Sales taxes shared state revenue	115	115	-	-	115	115	0.0%
Investment earnings (loss)	12	(28)	4	(24)	16	(52)	-130.8%
Miscellaneous	13	15	-	-	13	15	-13.3%
<b>Total revenues</b>	<b>1,044</b>	<b>1,131</b>	<b>420</b>	<b>350</b>	<b>1,464</b>	<b>1,481</b>	<b>-1.1%</b>
<b>Expenses</b>							
General government	209	228	-	-	209	228	-8.3%
Police	258	215	-	-	258	215	20.0%
Fire	201	165	-	-	201	165	21.8%
Public works	137	116	-	-	137	116	18.1%
Convention and cultural services	29	21	-	-	29	21	38.1%
Youth, parks, community enrichment	81	68	-	-	81	68	19.1%
Community development	67	64	-	-	67	64	4.7%
Community response	20	11	-	-	20	11	N/A
Library	24	23	-	-	24	23	4.3%
Interest on long-term debt	26	19	-	-	26	19	36.8%
Water	-	-	117	102	117	102	14.7%
Wastewater	-	-	35	31	35	31	12.9%
Storm drainage	-	-	48	41	48	41	17.1%
Solid waste	-	-	78	63	78	63	23.8%
Community center	-	-	33	29	33	29	13.8%
Parking	-	-	13	11	13	11	18.2%
Child development	-	-	6	6	6	6	0.0%
<b>Total expenses</b>	<b>1,052</b>	<b>930</b>	<b>330</b>	<b>283</b>	<b>1,382</b>	<b>1,213</b>	<b>13.9%</b>
Revenue over (under) expenses	(8)	201	90	67	82	268	-69.4%
Transfers	40	26	(40)	(26)	-	-	-
<b>Change in net position</b>	<b>32</b>	<b>227</b>	<b>50</b>	<b>41</b>	<b>82</b>	<b>268</b>	<b>-69.4%</b>
Net position, beginning of year	1,357	1,130	1,255	1,214	2,612	2,344	11.4%
<b>Net position, end of year</b>	<b>\$ 1,389</b>	<b>\$ 1,357</b>	<b>\$ 1,305</b>	<b>\$ 1,255</b>	<b>\$ 2,694</b>	<b>\$ 2,612</b>	<b>3.1%</b>

Note (1) FY22 amounts have not been restated for GASB 96 which was implemented in 2023.



**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

**Analysis of the changes in net position**

Total government-wide revenues of the primary government decreased \$17 million, a 1.1 percent decrease compared to the prior fiscal year, and total expenses increased \$169 million, a 13.9 percent increase compared to the prior fiscal year. These changes are discussed in more detail below.

**Governmental activities**

Total revenues for governmental activities decreased \$87 million, a 7.7 percent decrease compared to the prior fiscal year. Total expenses increased \$122 million, a 13.1 percent increase compared to the prior fiscal year. Transfers in primarily consist of in-lieu taxes paid by the business-type activities to the General Fund. Transfers out primarily consist of parking program support transferred out from the General Fund and program support to cover lost impact fees for various funds transferred out from the General Fund and Measure U Fund.

**Revenue**

Operating grants and contributions revenue decreased \$154 million primarily due to funding the City received for the ARPA program and Sacramento Emergency Rental Assistance program in fiscal year 2022 that was not received in fiscal year 2023.

Capital grants and contributions increased by \$24 million during fiscal year 2023 compared to fiscal year 2022. This was mainly due to an increase in revenue associated with special tax bond issuances. In fiscal year 2023, \$23 million of Community Facilities District (CFD) special tax bonds were issued, compared to \$3 million in fiscal year 2022.

Property tax revenue increased \$17 million due to continued increases in Sacramento area commercial and residential real estate property assessed valuations.

Other taxes decreased \$9 million primarily due to an \$8 million decrease in property transfer tax. The decrease was due to a slowdown in the real estate market caused by factors such as housing availability and increasing mortgage rates.

The increase of \$40 million in investment earnings is mainly attributable to a decrease in the loss in fair value of Pool A investment holdings. The cost of Pool A investment holdings exceeded the fair value by \$77 million as of June 30, 2023, compared to \$69 million as of June 30, 2022. This \$8 million loss was allocated among governmental and business-type activities, with a small portion allocated to non-City Pool A participants as well. In fiscal year 2022, Pool A investment holdings recognized an overall loss of \$70 million.

**Expenses**

Total governmental activities expenses increased \$122 million primarily due to increases in department functional expenses. Police and Fire expenses increased a combined \$79 million mainly due to pension expense associated with a change of actuarial assumptions and projected earnings coming in much lower than expected on the net pension liability valuation date. Public works expenses increased \$21 million due to increased costs for pavement and concrete maintenance, replacement of traffic signs and signals, and unforeseen costs related to the 2023 winter storms. Youth, parks, community enrichment expenses increased \$13 million due to facilities operating closer to pre-COVID levels and unforeseen costs related to the 2023 winter storms. Convention and cultural services expenses increased \$8 million due to full re-opening of all facilities and increased events allowing for operations to return closer to pre-COVID levels. Community response expenses increased \$9 million due to fiscal year 2023 being the first full fiscal year of operations. These increases were offset by a \$19 million decrease in general government expenses. This decrease was mostly related to the conclusion of the Emergency Rental Assistance program that began as a response to the COVID-19 pandemic.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

**Business-type activities**

Total revenues for business-type activities increased \$70 million, a 20 percent increase compared to the prior fiscal year. Total expenses for business-type activities increased \$47 million, a 16.6 percent increase. Transfers out primarily consist of in-lieu taxes paid by the business-type activities to the General Fund. Transfers in primarily consist of water, wastewater, and parking program support received from the General Fund and Measure U Fund.

**Revenue**

Charges for services increased \$38 million primarily due to \$20 million of new storm drainage property fee revenues. Ballot election results for the storm drainage property fee were certified and approved by City Council in April 2022 and the new fee took effect in July 2022. Storm drainage and solid waste rates also increased during the current fiscal year.

Other tax revenues increased \$4 million due to an increase in TOT revenue as travel and hotel occupancy are on the rise.

Investment earnings increased by \$28 million mainly due to a decrease in the loss in fair value of Pool A investment holdings.

**Expenses**

Water expenses increased \$15 million primarily due to an \$8 million increase in labor and pension expense. Pension expense increased due to a change of actuarial assumptions and projected earnings coming in much lower than expected on the net pension liability valuation date. There were increases in labor and pension expense across other business-type activities for this same reason. There was also a \$5 million increase in services and supplies expense associated with Fairbairn Water Treatment Plant legal and consulting fees, implementation of a new inventory module, Accelerated Water Meter project noncapitalized costs, and an increase in vehicle replacements. Vehicle purchases and replacements are recognized as expenditures and expenses in governmental and enterprise funds when charged by the City's Fleet Management Fund, an internal service fund. The vehicles are then capitalized in the Fleet Management Fund.

Wastewater expenses increased \$4 million primarily due to an increase of \$3 million in labor and pension expenses.

Storm Drainage expenses increased \$7 million due to increases of \$3 million in labor and pension expense and \$4 million in services and supplies expense. The increase in services and supplies expense was primarily due to an increase in vehicle replacements.

Solid Waste expenses increased \$15 million primarily due to a \$12 million increase in services and supplies expense. The increase in services and supplies expense was primarily due to an increase in vehicle purchases and replacements and the implementation of new organic waste services for residential customers in July 2022.

Community Center expenses increased \$4 million due to increases in labor and pension expenses, as well as an increase in events with a full year of Community Center operations.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

Funds are accounting devices the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements focus on individual parts of City government, reporting City operations in more detail than the government-wide statements.

**Governmental Funds**

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Total revenues for governmental funds decreased \$85 million compared to the prior fiscal year. Total expenditures decreased \$16 million compared to the prior fiscal year. Net other financing sources decreased \$19 million compared to the prior fiscal year. These changes are discussed in more detail below.

**General Fund**

Total General Fund revenue increased \$33 million compared to the prior fiscal year. Tax revenues increased by \$11 million primarily due to an increase in property taxes associated with an increase in the assessed value of properties. Interest, rents, and concessions increased \$20 million, primarily due to a decrease in the fair value loss related to the General Fund's share of Pool A holdings. In fiscal year 2023, the General Fund recognized a \$3 million loss in fair value in relation to Pool A holdings, compared to a \$20 million loss in fair value in fiscal year 2022.

Total General Fund expenditures increased \$125 million compared to the prior fiscal year. Expenditures in Police and Fire departments increased \$131 million in total mainly due to the use of \$112 million of one-time ARPA funding within the operating grant funds for public safety payroll costs in fiscal year 2022, as well as an increase in labor, OPEB, and pension costs. Public works expenditures increased \$5 million primarily due to unforeseen costs related to the 2023 winter storms. These increases were offset by a \$20 million decrease in capital outlay expenditures, which can fluctuate from year to year due to timing and the multi-year nature of capital projects. The General Fund's largest capital outlay expenditures during the fiscal year consisted of expenditures for Fire Station #14, fire apparatus and ambulances, police safety equipment, and the issuance of long-term liabilities for IT subscriptions.

**General Fund Budgetary Highlights**

The City Council revised the budget throughout the fiscal year with revenue and appropriation adjustments and the use of committed fund balance after the original budget was adopted.

After accounting for these budget adjustments, General Fund revenues were \$20 million higher than final budgeted amounts. Collection of various taxes exceeded the budget by \$3 million primarily due to increases in property taxes and utility user taxes. Intergovernmental revenue exceeded budget by \$9 million primarily due to Voluntary Rate Range Program and Ground Emergency Medical Transportation Program revenues received by the City's Fire Department. Charges for services exceeded the budget by \$3 million primarily due to commercial solid waste franchise fees and parking meter revenues.

General Fund budgetary expenditures were \$149 million lower than final budgeted amounts. Most of the General Fund departments reported favorable operating expenditure budget variances primarily due to labor savings and labor reimbursements from grants and other funds. Capital outlay expenditures were less than budgeted amounts by \$52 million due to the multi-year nature of capital projects. Unspent multi-year project budgets, as well as other unspent City Council approved program budgets, are carried over to the subsequent fiscal year.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

**Measure U Fund**

Measure U Fund revenue and expenditures increased by \$1 million and \$25 million, respectively. Tax revenue decreased \$3 million as retail and e-commerce sales declined and came in lower than expected. This was offset by an increase of \$4 million in interest revenue primarily due to a decrease in the fair value loss related to the Measure U Fund's share of Pool A holdings. General Government expenditures increased \$7 million primarily due to an increase in budgeted spending for community-oriented programs such as the Women and Family Shelter project, development of the La Familia Opportunity Center, gang prevention and intervention programs, and youth programs. Police expenditures increased \$4 million due to an increase in labor, OPEB, and pension cost. Community response expenditures increased \$6 million primarily due to an increase in community cleanup and homeless and mental health services provided. Utilities expenditures increased by \$4 million as the utility rate assistance program was previously budgeted in the General Fund. Citywide and community support expenditures increased by \$4 million as well due to realignment of budgeted expenditures between Measure U and the General Fund.

**2015 Golden 1 Center Lease Revenue Bond Fund**

2015 Golden 1 Center Lease Revenue Bond Fund revenue increased \$2 million primarily due to a decrease in fair value loss associated with fiscal agent investment holdings.

**Other Governmental Funds**

Other governmental fund revenues increased by \$88 million primarily due to revenue increases of \$58 million for special revenue funds and \$30 million for capital projects funds. The increase in special revenue funds revenue is primarily due to the following:

- The Operating Grants Fund recognized \$48 million of revenue as a special revenue fund in the current fiscal year. In the prior year, the Operating Grants Fund was classified as a major fund and presented separately.
- \$4 million increase in the Special Districts Fund mainly due to an increase in assessment levies from the Citywide Landscaping and Lighting Assessment District, the Sacramento Tourism Marketing District, Sacramento Tourism Infrastructure District, and the library services parcel tax.

The increase in capital projects funds revenue is primarily due to the following:

- \$7 million increase in the Transportation and Development Fund mainly due to \$4 million received from the California Department of General Services (CA DGS) for their fair share contribution to the I-5 Subregional Corridor Mitigation Fee Program for the Richards Boulevard Office Complex. Interest revenue also increased \$2 million primarily due to a decrease in the fair value loss related to the Transportation and Development Fund's share of Pool A holdings.
- \$8 million increase in the Capital Grants Fund mainly due to Bell Avenue Complete Street and Railyard Rehabilitation projects.
- \$20 million increase in the Special Districts Fund mainly due to the difference in special tax bonds issued. \$23 million of revenue was recognized in fiscal year 2023 with the issuance of the Railyards CFD No. 2018-01 Improvements Area IA1 Special Tax Bonds, Series 2022. \$3 million of revenue was recognized in fiscal year 2022 with the issuance of the Delta Shores CFD 2019-01 Improvement Area No. 2, Series 2022 Special Tax Bonds.
- \$6 million decrease in the Financing Plans Fund primarily due to one-time \$11 million adjustments to the Railyards On-Site Infrastructure Credits Trust Account for improvements that became the financial responsibility of the developer in fiscal year 2022. This was offset by \$5 million received in fiscal year 2023 from the CA DGS for their fair share contribution to the River District Financing Plan for the Richards Boulevard Office Complex.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

Other governmental fund expenditures increased by \$34 million primarily due to an increase of \$62 million in expenditures for special revenue funds, offset by a decrease of \$28 million in expenditures for capital projects funds. The increase in special revenue funds expenditures is primarily due to the following:

- The Operating Grants Fund recognized \$53 million of expenditures as a special revenue fund in the current fiscal year. In the prior year, the Operating Grants Fund was classified as a major fund and presented separately.
- Transportation and Development Fund expenditures increased \$3 million due to increases in public works expenditures.

The decrease in capital projects funds expenditures is primarily due to the following:

- \$59 million decrease in the Financing Plans Fund due to a decrease in expenditures for community development and capital outlay and a decrease in redemption of financing plan fee credits.
- \$21 million increase in the Capital Grants Fund due to increases in expenditures associated with the Railyard Rehabilitation, Downtown Mobility, Bell Avenue Complete Street Rehabilitation, and Convention Center Expansion projects.
- \$10 million increase in the Transportation and Development Fund due to increases in expenditures associated with the Del Paso Boulevard, West El Camino Rehabilitation, Northgate Neighborhood Resurfacing, and 34<sup>th</sup> Street Rehabilitation projects.

\$12 million of financing plan fee credits were issued in fiscal year 2023, in comparison to \$52 million in fiscal year 2022. \$6 million of Delta Shores financing plan fee credits and \$6 million of North Natomas financing plan fee credits were issued in the current year. More detailed fee credit information is presented in Note 7 to the financial statements.

**Enterprise Funds**

The City's enterprise fund financial statements provide the same type of information as the government-wide financial statements but in greater detail. Total operating revenues increased \$38 million and operating expenses increased \$49 million compared to the prior fiscal year. Net nonoperating revenues (expenses) increased \$33 million and capital contributions increased \$2 million compared to the prior fiscal year. These changes are discussed in more detail below.

**Water Fund**

Water Fund operating expenses increased \$16 million primarily due to an \$8 million increase in pension expense that fluctuates due to a variety of actuarial factors affecting net pension liability and an increase in \$5 million in services and supplies expense due to an increase in vehicle replacements and legal and consulting fees. Net nonoperating expenses decreased \$16 million primarily due to a decrease in the loss in fair value related to the Water Fund's share of Pool A investment holdings.

**Wastewater Fund**

Wastewater Fund operating expenses increased \$5 million mainly due to a \$3 million increase in pension expense. Net nonoperating expenses decreased by \$3 million primarily due to a decrease in the loss in fair value related to the Wastewater Fund's share of Pool A investment holdings. Developer fees and capital contributions increased \$3 million in association with the Emergency Combined Wastewater Treatment Plant Sewer Repair project.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

**Storm Drainage Fund**

Storm Drainage Fund operating revenues increased by \$19 million primarily due to a new storm drainage property fee charged to residential and commercial property owners beginning July 2022. Operating expenses increased \$7 million due to a \$3 million increase in pension expense and a \$4 million increase in services and supplies expense. Most of the increase in services and supplies expense is associated with an increase in vehicle replacements.

**Solid Waste Fund**

Solid Waste Fund operating revenues increased \$12 million primarily due to an increase in service accounts with the addition of new development and homes, as well as rate adjustments effective April 2022 and January 2023. Operating expenses increased \$15 million primarily due to increases in pension expense, vehicle replacements, and disposal services with the implementation of the new organic waste disposal service in July 2022.

**Community Center Fund**

Community Center Fund operating revenues increased \$4 million and operating expenses increased \$4 million. The Convention Center Complex was open for events partway through fiscal year 2022. Fiscal year 2023 was the first full year of operations since the temporary closure, leading to an increase in both operating revenues and expenses. Net nonoperating revenue increased by \$8 million due to an increase in TOT revenue of \$4 million, as hotel stays and travel increased, and an increase in interest and investment revenue of \$4 million, mainly due to a decrease in the loss in fair value related to the Community Center's share of Pool A investment holdings.

**Other Enterprise Funds**

Other Enterprise Funds consist of the activities of the City's Parking and 4<sup>th</sup> R Child Development Funds. Total operating revenues increased by \$4 million. 4<sup>th</sup> R saw an increase of \$1 million of revenue due to an increase in enrollment in fiscal year 2023. Parking saw an increase of \$3 million of revenue due to an increase in events in Downtown Sacramento, as well as increased enforcement and metered hours. Net transfers decreased by \$4 million due to decreases in budgeted program support received from the General Fund as operations continue to rebound from the economic effects of COVID-19.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2023, the City had invested \$3.7 billion in a broad range of capital assets, including land, buildings, vehicles, parks and park improvements, roads, bridges, and water, wastewater and storm drainage transmission and distribution systems. Current year capital asset additions, net of deletions, of \$123 million were offset by current year depreciation/amortization expense of \$143 million, resulting in a net decrease in capital assets of \$20 million.

<b>City of Sacramento</b>							
<b>Capital Assets</b>							
As of June 30, 2023 and 2022 <sup>(1)</sup>							
(net of depreciation, in millions)							
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>		
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	
Capital assets not being depreciated							
Land	\$ 220	\$ 220	\$ 49	\$ 49	\$ 269	\$ 269	
Easements	2	2	-	-	2	2	
Construction in progress	278	270	453	445	731	715	
Depreciable capital assets:							
Buildings and improvements	403	412	259	284	662	696	
Equipment	11	12	101	105	112	117	
Software	1	1	8	9	9	10	
Vehicles	96	94	-	-	96	94	
Transmission and distribution system	3	4	963	956	966	960	
Roadway network	519	547	-	-	519	547	
Streetlight network	173	173	-	-	173	173	
Parks and park improvements	149	138	-	-	149	138	
Lease and IT subscription assets, net	13	2	4	2	17	4	
Total capital assets	<u>\$ 1,868</u>	<u>\$ 1,875</u>	<u>\$ 1,837</u>	<u>\$ 1,850</u>	<u>\$ 3,705</u>	<u>\$ 3,725</u>	

Note (1) FY22 amounts have not been restated for GASB 96 which was implemented in 2023.

This year's major capital asset additions include:

- \$7 million for the Downtown Mobility Project,
- \$5 million for the Community Center Theater Renovation Project,
- \$5 million for the Bell Ave Complete Street Rehabilitation Project,
- \$4 million for the Del Rio Trail Project,
- \$4 million for the Railyards Rehabilitation Project,
- \$4 million for the Emergency CWTP Sewer Repair,
- Other capital project additions in progress including the I Street CWTP Sewer Repair Project, the Del Paso Blvd Road Diet Project, the Convention Center Expansion Project, and the HSIP 8 Traffic and Pedestrian Signals Project. Many other capital projects were completed during the year and transferred from construction in progress to the appropriate capital asset categories.

The City has \$124 million in commitments for contracts awarded but not completed as of June 30, 2023. The major contracts outstanding are \$3 million for installation of motor-controlled valves and drainage systems as part of the Ground Water Flush-to-Waste project; \$3 million for Citywide cleanup services; \$3 million for replacement of lighting system and relocation of HVAC system in Ballroom B at the SAFE Credit Union Convention Center; \$3 million for management of the Safeground camping and parking at Miller Park; \$3 million for the Bikeway improvements on P, Q, 9th, 10th, 19th, and 21st Streets, and conversion from one-way to two-way traffic on 5th Street and I Street; \$2 million for the construction of a Class I bike trail along the Sacramento Southern Railroad between Sutterville Road and Meadowview Road; and \$35 million for the purchase of vehicles, primarily for the replacement refuse trucks and garbage trucks.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

During fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which introduced the recognition of right-to-use IT subscription assets as capital assets. The City has various noncancellable subscription arrangements for the right-to-use IT software valued at \$14 million, net of accumulated amortization as of June 30, 2023.

More detailed information about the City's capital assets and lease and IT subscription assets is presented in Notes 4 and 6 to the financial statements.

**Long-term Debt**

The following table summarizes the City's outstanding debt (excluding other long-term liabilities):

<b>City of Sacramento</b>						
<b>Outstanding Debt</b>						
As of June 30, 2023 and 2022						
(in millions)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue and other bonds, net	\$ 443	\$ 460	\$ 765	\$ 794	\$ 1,208	\$ 1,254
Notes payable	16	17	137	143	153	160
Total outstanding debt	<u>\$ 459</u>	<u>\$ 477</u>	<u>\$ 902</u>	<u>\$ 937</u>	<u>\$ 1,361</u>	<u>\$ 1,414</u>

Total outstanding debt for governmental activities and business-type activities decreased \$18 million and \$35 million, respectively, due to principal payments on existing obligations and amortization of bond premiums.

More detailed information about the City's long-term liabilities is presented in Note 7 to the financial statements.

**Credit rating**

The following table summarizes the City's bonded debt ratings (nr designates not rated) at June 30, 2023, as determined by S&P Global Ratings (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings (Fitch):

Bond issues:	<u>S &amp; P</u>	<u>Moody's</u>	<u>Fitch</u>
• 2006 Capital Improvement Revenue Bonds, Series B	AA-	Aa3	nr
• 2006 Capital Improvement Revenue Bonds, Series E	AA-	Aa3	nr
• 2013 Water Revenue Bonds	AA	nr	AA-
• 2013 Wastewater Revenue Bonds	AA	nr	AA
• 2015 Refunding Revenue Bonds	AA-/AA	Aa3	nr
• 2015 Lease Revenue Bonds (Golden 1 Center)	AA-	nr	A+
• 2017 Water Revenue Bonds	AA	nr	AA-
• 2018 TOT Revenue Bonds, Senior Series A&B	nr	A1	nr
• 2018 TOT Revenue Bonds, Subordinate Series C	nr	A2	nr
• 2019 Wastewater Revenue Bonds	AA	nr	AA
• 2019 STID Assessment Revenue Bonds	nr	A2	nr
• 2020 Water Revenue Refunding Bonds	AA	nr	AA-
• 2020 Wastewater Revenue Refunding Bonds	AA	nr	AA



**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2023

---

The City's issuer credit rating as of June 30, 2023 is AA with a stable outlook from S&P, Aa2 with a stable outlook from Moody's, and AA with a stable outlook from Fitch. The issuer credit rating is an assessment of the City's creditworthiness and capacity to meet financial commitments as they come due without regard to the terms of a specific debt instrument. The ratings and stable outlook determination are based on a multitude of factors for each of the rating agencies. Highlights include: the City's improved economic condition, as demonstrated by the steady rise in assessed values, in combination with the City's operating surpluses driving the growing reserve balances; the City's continued growth despite the pandemic-driven effects on the regional economy; and the City's tight budget management, adequate expenditure flexibility, moderate long-term liabilities, and strong reserves relative to the City's moderate revenue volatility.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**Economic Factors**

The City has seen continued recovery from the fiscal impacts of the COVID-19 pandemic, but its financial condition is now affected by higher inflation and interest rates than in the past decade, leading to slower projected economic growth. Housing demand remains higher than supply in the region, but home sales have slowed considerably over the past year as prices and interest rates have reduced demand. Homelessness and the need to increase services, shelter capacity, and housing is one of the biggest issues the City faces.

**Next Year's Budget**

General Fund budget appropriations for fiscal year 2024 are \$628.2 million, an increase of 5.4 percent compared to the fiscal year 2023 approved budget. In addition to the allocation of resources for several priority initiatives, the approved budget appropriations include a \$3.1 million contribution to the City's Economic Uncertainty Reserve (EUR). This contribution is intended to maintain the minimum EUR level for the General Fund and Measure U Fund as required by adopted City policy.

City Council adopted a balanced budget for fiscal year 2024 based on strategic use of one-time resources and available fund balance.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Sacramento Department of Finance, Accounting Division, 915 I Street, Fourth Floor, Sacramento, CA, 95814, or visit the City's web page at <http://www.cityofsacramento.org>.

# Government-wide Financial Statements

**City of Sacramento**  
**Statement of Net Position**  
June 30, 2023  
(in thousands)

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 959,538	\$ 417,327	\$ 1,376,865
Receivables, net	391,919	81,583	473,502
Internal balances	4,870	(4,870)	-
Inventories	-	1,673	1,673
Prepaid items	7,322	233	7,555
Restricted cash and investments	33,806	94,936	128,742
Intangible assets	-	104	104
Land and other capital assets not being depreciated/amortized	500,396	502,271	1,002,667
Other capital assets, net of depreciation/amortization	<u>1,367,657</u>	<u>1,334,830</u>	<u>2,702,487</u>
Total assets	<u>3,265,508</u>	<u>2,428,087</u>	<u>5,693,595</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Loss on refunding of debt	2,198	9,262	11,460
Pensions	366,365	43,431	409,796
OPEB	<u>30,029</u>	<u>4,031</u>	<u>34,060</u>
Total deferred outflows of resources	<u>398,592</u>	<u>56,724</u>	<u>455,316</u>
<b><u>LIABILITIES</u></b>			
Payables	91,605	39,239	130,844
Unearned revenue	12,436	3,698	16,134
Long-term liabilities:			
Due within one year	68,949	35,372	104,321
Due in more than one year	<u>1,997,141</u>	<u>1,079,041</u>	<u>3,076,182</u>
Total liabilities	<u>2,170,131</u>	<u>1,157,350</u>	<u>3,327,481</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Service concession arrangement	5,801	-	5,801
Gain on refunding of debt	-	303	303
Pensions	2,431	660	3,091
OPEB	67,072	11,746	78,818
Leases	<u>29,379</u>	<u>9,775</u>	<u>39,154</u>
Total deferred inflows of resources	<u>104,683</u>	<u>22,484</u>	<u>127,167</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,346,924	952,381	2,299,305
Restricted for:			
Capital projects	260,988	58,741	319,729
Debt service	1,086	-	1,086
Public works programs	39,396	-	39,396
Economic development programs	72,326	-	72,326
Other programs	71,766	22,020	93,786
Trust and endowments:			
Expendable	10,331	-	10,331
Nonexpendable	586	-	586
Unrestricted	<u>(414,117)</u>	<u>271,835</u>	<u>(142,282)</u>
Total net position	<u>\$ 1,389,286</u>	<u>\$ 1,304,977</u>	<u>\$ 2,694,263</u>

The notes to the basic financial statements are an integral part of this statement.

## City of Sacramento

### Statement of Activities

For the Fiscal Year Ended June 30, 2023  
(in thousands)

Functions/Programs	Operating Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 229,455	\$ (20,826)	\$ 27,839	\$ 33,632	\$ 219	\$ (146,939)
Police	257,552	-	12,438	7,399	75	(237,640)
Fire	200,767	-	49,582	2,314	-	(148,871)
Public works	137,292	-	57,100	16,983	84,125	20,916
Convention and cultural services	29,053	-	12,831	6,954	729	(8,539)
Youth, parks, and community enrichment	80,719	-	13,319	2,818	9,232	(55,350)
Community development	67,398	-	35,562	889	40,806	9,859
Community response	20,314	-	-	-	-	(20,314)
Library	24,416	-	-	9,200	-	(15,216)
Interest on long-term debt	26,259	-	-	-	-	(26,259)
Total governmental activities	1,073,225	(20,826)	208,671	80,189	135,186	(628,353)
Business-type activities:						
Water	109,740	7,267	135,399	515	7,543	26,450
Wastewater	32,874	2,541	44,809	-	6,449	15,843
Storm drainage	45,355	2,876	61,120	37	4,077	17,003
Solid waste	73,031	4,807	87,753	360	-	10,275
Community center	31,008	1,908	13,889	-	-	(19,027)
Parking	11,049	1,427	16,978	-	-	4,502
Child development	6,339	-	5,592	273	-	(474)
Total business-type activities	309,396	20,826	365,540	1,185	18,069	54,572
Total primary government	\$ 1,382,621	\$ -	\$ 574,211	\$ 81,374	\$ 153,255	\$ (573,781)

The notes to the basic financial statements are an integral part of this statement.

# City of Sacramento

## Statement of Activities

For the Fiscal Year Ended June 30, 2023

(in thousands)

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Changes in net position:			
Net (expense) revenue	\$ (628,353)	\$ 54,572	\$ (573,781)
General revenues:			
Taxes:			
Property taxes	228,337	-	228,337
Utility user taxes	69,529	-	69,529
Local sales tax	130,485	-	130,485
Property transfer tax	11,776	-	11,776
Business operations tax	31,554	-	31,554
Transient occupancy tax	6,227	31,294	37,521
Other taxes	2,417	-	2,417
Unrestricted sales taxes shared state revenue	115,343	-	115,343
Unrestricted investment earnings	11,711	4,399	16,110
Unrestricted miscellaneous	13,377	-	13,377
Loss on sale of capital assets	-	(74)	(74)
Transfers	40,152	(40,152)	-
Total general revenues and transfers	660,908	(4,533)	656,375
Changes in net position	32,555	50,039	82,594
Net position, beginning of year	1,356,731	1,254,938	2,611,669
Net position, end of year	\$ 1,389,286	\$ 1,304,977	\$ 2,694,263

The notes to the basic financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# Fund Financial Statements

**THIS PAGE INTENTIONALLY LEFT BLANK**



**City of Sacramento**  
**Governmental Funds**  
**Balance Sheet**

June 30, 2023  
(in thousands)

	General Fund	Measure U Fund	2015 Golden 1 Center Lease Revenue Bond Fund
<b>ASSETS</b>			
Cash and investments held by City	\$ 301,629	\$ 72,686	\$ 7,044
Cash and investments held by fiscal agent	-	-	-
Receivables, net:			
Taxes	34,266	22,955	-
Accounts	29,042	154	2,025
Loans	1,561	-	135,147
Intergovernmental	4,079	-	-
Leases	27,226	-	-
Interest	1,504	312	30
Prepaid items	756	16	-
Restricted assets:			
Cash and investments held by City	-	-	-
Cash and investments held by fiscal agent	-	-	17,951
<b>Total assets</b>	<b>\$ 400,063</b>	<b>\$ 96,123</b>	<b>\$ 162,197</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 19,373	\$ 7,615	\$ -
Accrued payroll	21,007	2,155	-
Due to other funds	-	-	-
Deposits	160	-	-
Unearned revenue	892	-	-
Advances from other funds	1,562	-	-
<b>Total liabilities</b>	<b>42,994</b>	<b>9,770</b>	<b>-</b>
Deferred inflows of resources:			
Unavailable revenue	7,107	-	135,147
Leases	25,483	-	-
<b>Total deferred inflows of resources</b>	<b>32,590</b>	<b>-</b>	<b>135,147</b>
Fund balances:			
Nonspendable:			
Prepaid items	756	16	-
Leases	1,743	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	-	-	-
Debt service	-	-	17,951
Public works programs	-	-	-
Economic development programs	-	-	-
Other programs	-	-	-
Committed:			
Economic uncertainty	72,534	1,773	-
Capital projects	58,540	23,197	-
Debt service	-	-	9,069
Fire programs	14,999	-	-
Housing trust fund	1,000	600	-
OPEB	6,072	457	-
Set-aside for FY24 Budget	26,500	4,000	-
Other programs	131,163	56,310	-
Assigned:			
Debt service	-	-	30
Unassigned	11,172	-	-
<b>Total fund balances</b>	<b>324,479</b>	<b>86,353</b>	<b>27,050</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 400,063</b>	<b>\$ 96,123</b>	<b>\$ 162,197</b>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Governmental Funds**  
**Balance Sheet**

June 30, 2023  
(in thousands)

	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and investments held by City	\$ 434,045	\$ 815,404
Cash and investments held by fiscal agent	11	11
Receivables, net:		
Taxes	6,970	64,191
Accounts	20,099	51,320
Loans	26,227	162,935
Intergovernmental	64,022	68,101
Leases	4,005	31,231
Interest	958	2,804
Prepaid items	13	785
Restricted assets:		
Cash and investments held by City	10,322	10,322
Cash and investments held by fiscal agent	5,533	23,484
<b>Total assets</b>	<b>\$ 572,205</b>	<b>\$ 1,230,588</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 25,911	\$ 52,899
Accrued payroll	72	23,234
Due to other funds	3,633	3,633
Deposits	3,379	3,539
Unearned revenue	11,341	12,233
Advances from other funds	20,413	21,975
<b>Total liabilities</b>	<b>64,749</b>	<b>117,513</b>
Deferred inflows of resources:		
Unavailable revenue	62,797	205,051
Leases	3,896	29,379
<b>Total deferred inflows of resources</b>	<b>66,693</b>	<b>234,430</b>
Fund balances:		
Nonspendable:		
Prepaid items	13	785
Leases	109	1,852
Permanent fund principal	578	578
Restricted:		
Capital projects	282,956	282,956
Debt service	4,968	22,919
Public works programs	21,885	21,885
Economic development programs	72,326	72,326
Other programs	79,938	79,938
Committed:		
Economic uncertainty	-	74,307
Capital projects	677	82,414
Debt service	918	9,987
Fire programs	-	14,999
Housing trust fund	-	1,600
OPEB	8	6,537
Set-aside for FY23 Budget	-	30,500
Other programs	19,952	207,425
Assigned:		
Debt service	2,026	2,056
Unassigned	(45,591)	(34,419)
<b>Total fund balances</b>	<b>440,763</b>	<b>878,645</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 572,205</b>	<b>\$ 1,230,588</b>

The notes to the basic financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Governmental Funds**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
June 30, 2023  
(in thousands)

<b>Fund balances - total governmental funds</b>		<b>\$ 878,645</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds.		205,051
Prepaid bond insurance represents costs associated with the issuance of long-term debt which are amortized over the period the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.		171
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds:		
Governmental capital assets	3,603,208	
Less: accumulated depreciation/amortization	<u>(1,831,529)</u>	
		1,771,679
Certain current liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(5,007)
Deferred outflows and inflows of resources are not recognized in the current period and therefore, not reported in the governmental funds.		
Deferred outflows related to pensions	361,097	
Deferred outflows related to OPEB	29,529	
Deferred inflows related to pensions	(2,358)	
Deferred inflows related to OPEB	(65,525)	
Loss on refunding of debt	<u>2,198</u>	
		324,941
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Accrued compensated absences	(50,318)	
Accrued claims and judgments	(3,835)	
Financing plan fee credits	(80,394)	
Net pension liability	(1,134,159)	
Net OPEB liability	(165,449)	
Pollution remediation obligations	(997)	
Revenue and other bonds payable, net	(443,396)	
Notes payable	(16,385)	
Lease liabilities	(1,157)	
IT subscription liabilities	<u>(10,151)</u>	
		(1,906,241)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>120,047</u>
<b>Net position of governmental activities</b>		<b><u>\$ 1,389,286</u></b>

The notes to the basic financial statements are an integral part of this statement.

## City of Sacramento

### Governmental Funds

#### Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023

(in thousands)

	General Fund	Measure U Fund	2015 Golden 1 Center Lease Revenue Bond Fund
Revenues:			
Taxes	\$ 450,650	\$ 130,485	\$ -
Intergovernmental	23,623	-	-
Charges for services	117,069	-	-
Fines, forfeits, and penalties	9,112	-	-
Interest, rents, and concessions	5,785	465	1,986
Community service fees	-	-	-
Assessment levies	498	-	-
Contributions and donations	1	-	-
Miscellaneous	449	-	-
<b>Total revenues</b>	<b>607,187</b>	<b>130,950</b>	<b>1,986</b>
Expenditures:			
Current:			
General government	69,337	18,811	-
Police	220,744	7,897	-
Fire	180,249	9,011	-
Public works	19,766	1,161	-
Convention and cultural services	5,538	3,628	-
Youth, parks, and community enrichment	3,218	39,843	-
Community development	32,077	10,791	-
Community response	8,897	10,783	-
Library	-	14,272	-
Utilities	67	4,445	-
Citywide and community support	53,564	5,191	-
Capital outlay	25,810	5,997	-
Debt service:			
Principal	3,927	350	4,005
Interest and fiscal charges	62	7	8,110
<b>Total expenditures</b>	<b>623,256</b>	<b>132,187</b>	<b>12,115</b>
Excess (deficiency) of revenues over (under) expenditures	(16,069)	(1,237)	(10,129)
Other financing sources (uses):			
Transfers in	46,167	630	9,900
Transfers out	(39,178)	(3,606)	-
Issuance of long-term debt	5,549	768	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>12,538</b>	<b>(2,208)</b>	<b>9,900</b>
Changes in fund balances	(3,531)	(3,445)	(229)
Fund balances, beginning of year	328,010	89,798	27,279
Fund balances, end of year	<b>\$ 324,479</b>	<b>\$ 86,353</b>	<b>\$ 27,050</b>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 16,153	\$ 597,288
Intergovernmental	120,661	144,284
Charges for services	21,964	139,033
Fines, forfeits, and penalties	338	9,450
Interest, rents, and concessions	9,326	17,562
Community service fees	31,251	31,251
Assessment levies	60,085	60,583
Contributions and donations	25,339	25,340
Miscellaneous	868	1,317
<b>Total revenues</b>	<b>285,985</b>	<b>1,026,108</b>
Expenditures:		
Current:		
General government	55,313	143,461
Police	6,635	235,276
Fire	2,960	192,220
Public works	39,739	60,666
Convention and cultural services	12,470	21,636
Youth, parks, and community enrichment	12,023	55,084
Community development	18,160	61,028
Community response	-	19,680
Library	9,200	23,472
Utilities	350	4,862
Citywide and community support	-	58,755
Capital outlay	88,711	120,518
Debt service:		
Principal	13,872	22,154
Interest and fiscal charges	19,048	27,227
<b>Total expenditures</b>	<b>278,481</b>	<b>1,046,039</b>
Excess (deficiency) of revenues over (under) expenditures	7,504	(19,931)
Other financing sources (uses):		
Transfers in	34,998	91,695
Transfers out	(7,105)	(49,889)
Issuance of long-term debt	11,739	18,056
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<b>39,632</b>	<b>59,862</b>
Changes in fund balances	47,136	39,931
Fund balances, beginning of year	393,627	838,714
Fund balances, end of year	<b>\$ 440,763</b>	<b>\$ 878,645</b>

The notes to the basic financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# City of Sacramento

## Governmental Funds

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

(in thousands)

<b>Changes in fund balances - total governmental funds</b>		<b>\$ 39,931</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.</p>		
Capital outlay	47,648	
Depreciation/amortization expense	<u>(75,490)</u>	(27,842)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Infrastructure dedications		10,632
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Issuance of long-term debt	(18,056)	
Principal repayments on long-term debt	<u>22,154</u>	4,098
<p>Revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues - unavailable revenues at the end of the year were greater than beginning unavailable revenues by this amount.</p>		
		6,405
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Accrued compensated absences	(4,154)	
Accrued claims and judgments	969	
Pension expense	(38,792)	
Other postemployment benefits	34,553	
Pollution remediation	(401)	
Interest	60	
Amortization of prepaid bond insurance	(17)	
Amortization of bond premium	1,136	
Amortization of gain/loss on refunding	<u>(219)</u>	(6,865)
<p>Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources.</p>		
		(1,069)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net expense of the internal service funds is reported with the governmental activities.</p>		
		<u>7,265</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 32,555</u></b>

The notes to the basic financial statements are an integral part of this statement.



# City of Sacramento

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual (Non-GAAP Budgetary Basis)

#### with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget	Budget to GAAP Reconciliation	Actual
	Original	Final	Amounts - Budgetary Basis			Amounts - GAAP Basis
<b>Revenues:</b>						
Taxes	\$ 439,918	\$ 447,430	\$ 450,650	\$ 3,220	\$ -	\$ 450,650
Intergovernmental	11,531	14,203	23,623	9,420	-	23,623
Charges for services	106,643	113,667	117,069	3,402	-	117,069
Fines, forfeits and penalties	7,082	7,356	9,112	1,756	-	9,112
Interest, rents, and concessions	2,969	3,760	5,785	2,025	-	5,785
Assessment levies	74	74	498	424	-	498
Contributions and donations	-	1	1	-	-	1
Miscellaneous	1,049	242	449	207	-	449
<b>Total revenues</b>	<b>569,266</b>	<b>586,733</b>	<b>607,187</b>	<b>20,454</b>	<b>-</b>	<b>607,187</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Mayor/Council	9,897	12,570	5,747	6,823	(69)	5,678
City Auditor	1,108	1,317	1,286	31	-	1,286
City Manager	49,098	75,346	26,059	49,287	(10,201)	15,858
City Attorney	12,144	17,593	11,319	6,274	(263)	11,056
City Clerk	2,850	2,683	2,193	490	(5)	2,188
City Treasurer	1,675	1,692	1,172	520	-	1,172
Finance	8,806	8,902	8,513	389	9	8,522
Information technology	17,581	20,042	18,749	1,293	(15)	18,734
Human resources	9,117	9,881	5,267	4,614	(424)	4,843
Subtotal - General government	112,276	150,026	80,305	69,721	(10,968)	69,337
Police	220,468	228,141	220,782	7,359	(38)	220,744
Fire	163,407	174,203	180,282	(6,079)	(33)	180,249
Public works	18,801	22,966	20,008	2,958	(242)	19,766
Convention and cultural services	12,565	14,065	5,957	8,108	(419)	5,538
Youth, parks, and community enrichment	1,900	4,054	3,219	835	(1)	3,218
Community development	38,694	38,527	32,697	5,830	(620)	32,077
Community response	21,988	14,623	11,962	2,661	(3,065)	8,897
Utilities	339	164	67	97	-	67
Citywide and community support	72,222	59,566	53,566	6,000	(2)	53,564
Capital outlay	61,234	74,603	22,738	51,865	3,072	25,810
<b>Debt service:</b>						
Principal	-	3,927	3,927	-	-	3,927
Interest and fiscal charges	-	29	62	(33)	-	62
<b>Total expenditures</b>	<b>723,894</b>	<b>784,894</b>	<b>635,572</b>	<b>149,322</b>	<b>(12,316)</b>	<b>623,256</b>
Excess (deficiency) of revenues over (under) expenditures	(154,628)	(198,161)	(28,385)	169,776	12,316	(16,069)
<b>Other financing sources (uses):</b>						
Transfers in	38,345	45,848	46,167	319	-	46,167
Transfers out	(28,724)	(39,694)	(39,178)	516	-	(39,178)
Issuance of long-term debt	-	-	-	-	5,549	5,549
<b>Total other financing sources (uses)</b>	<b>9,621</b>	<b>6,154</b>	<b>6,989</b>	<b>835</b>	<b>5,549</b>	<b>12,538</b>
Changes in fund balance	(145,007)	(192,007)	(21,396)	170,611	17,865	(3,531)
Fund balance, beginning of year	328,010	328,010	328,010	-	-	328,010
Fund balance, end of year	\$ 183,003	\$ 136,003	\$ 306,614	170,611	\$ 17,865	\$ 324,479

The notes to the basic financial statements are an integral part of this statement.

# City of Sacramento

## Measure U Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual (Non-GAAP Budgetary Basis)

#### with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 135,769	\$ 132,270	\$ 130,485	\$ (1,785)	\$ -	\$ 130,485
Interest, rents, and concessions	-	-	465	465	-	465
<b>Total revenues</b>	<b>135,769</b>	<b>132,270</b>	<b>130,950</b>	<b>(1,320)</b>	<b>-</b>	<b>130,950</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	46,942	42,585	28,251	14,334	(9,440)	18,811
Police	8,788	8,798	8,169	629	(272)	7,897
Fire	9,899	9,780	9,011	769	-	9,011
Public works	2,113	1,705	1,336	369	(175)	1,161
Convention and cultural services	5,368	4,860	3,660	1,200	(32)	3,628
Youth, parks, and community enrichment	43,809	42,890	39,829	3,061	14	39,843
Community development	14,095	14,405	11,334	3,071	(543)	10,791
Community response	19,152	20,693	17,961	2,732	(7,178)	10,783
Library	14,272	14,272	14,272	-	-	14,272
Utilities	4,773	4,773	4,445	328	-	4,445
Citywide and community support	6,382	6,053	5,191	862	-	5,191
Capital outlay	20,147	27,251	6,594	20,657	(597)	5,997
<b>Debt service:</b>						
Principal	-	350	350	-	-	350
Interest and fiscal charges	-	7	7	-	-	7
<b>Total expenditures</b>	<b>195,740</b>	<b>198,422</b>	<b>150,410</b>	<b>48,012</b>	<b>(18,223)</b>	<b>132,187</b>
Excess (deficiency) of revenues over (under) expenditures	(59,971)	(66,152)	(19,460)	46,692	18,223	(1,237)
<b>Other financing sources (uses):</b>						
Transfers in	-	630	630	-	-	630
Transfers out	(250)	(3,606)	(3,606)	-	-	(3,606)
Issuance of long-term debt	-	-	-	-	768	768
<b>Total other financing sources (uses)</b>	<b>(250)</b>	<b>(2,976)</b>	<b>(2,976)</b>	<b>-</b>	<b>768</b>	<b>(2,208)</b>
Changes in fund balance	(60,221)	(69,128)	(22,436)	46,692	18,991	(3,445)
Fund balance, beginning of year	89,798	89,798	89,798	-	-	89,798
<b>Fund balance, end of year</b>	<b>\$ 29,577</b>	<b>\$ 20,670</b>	<b>\$ 67,362</b>	<b>\$ 46,692</b>	<b>\$ 18,991</b>	<b>\$ 86,353</b>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2023  
(in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Storm Drainage Fund</b>	<b>Solid Waste Fund</b>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments held by City	\$ 198,644	\$ 58,007	\$ 60,542	\$ 46,872
Cash and investments held by fiscal agent	98	11	-	-
Receivables, net:				
Taxes	-	-	-	-
Accounts	21,333	11,953	10,635	12,747
Loans	-	-	49	-
Intergovernmental	628	1,010	1,014	-
Leases	60	-	-	155
Interest	1,149	294	263	208
Due from other funds	-	-	-	-
Inventories	1,204	70	399	-
Prepaid items	202	-	3	-
Intangible asset, current portion	-	-	-	-
Total current assets	<u>223,318</u>	<u>71,345</u>	<u>72,905</u>	<u>59,982</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	66,191	10,220	621	884
Cash and investments held by fiscal agent	3,499	413	-	-
Advances to other funds	-	-	-	-
Leases receivable	780	-	-	1,441
Loans receivable	-	-	873	-
Intangible assets	-	-	-	-
Capital assets:				
Land	2,899	1,138	17,885	1,133
Buildings and improvements	168,160	58,531	11,805	32,153
Machinery and equipment	116,264	5,891	18,605	12,437
Vehicles	-	-	-	-
Transmission and distribution system	925,200	247,351	442,413	-
Construction in progress	58,384	7,131	8,035	1,957
Software	3,491	3,447	3,747	2,772
Easements	134	-	157	-
Leased land	-	-	-	-
Leased building	-	-	177	-
Leased equipment	184	-	-	-
IT subscriptions	722	188	165	91
Less: accumulated depreciation/amortization	<u>(399,595)</u>	<u>(103,165)</u>	<u>(248,820)</u>	<u>(37,047)</u>
Total noncurrent assets	<u>946,313</u>	<u>231,145</u>	<u>255,663</u>	<u>15,821</u>
Total assets	<u>1,169,631</u>	<u>302,490</u>	<u>328,568</u>	<u>75,803</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Loss on refunding of debt	7,041	2,221	-	-
Pensions	18,265	4,800	5,882	7,391
OPEB	1,377	461	563	902
Total deferred outflows of resources	<u>26,683</u>	<u>7,482</u>	<u>6,445</u>	<u>8,293</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2023  
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments held by City	\$ 30,266	\$ 22,887	\$ 417,218	\$ 143,427
Cash and investments held by fiscal agent	-	-	109	696
Receivables, net:				
Taxes	3,567	-	3,567	-
Accounts	4,391	767	61,826	5,020
Loans	-	-	49	-
Intergovernmental	-	-	2,652	-
Leases	-	351	566	-
Interest	173	78	2,165	516
Due from other funds	-	-	-	3,883
Inventories	-	-	1,673	-
Prepaid items	8	20	233	6,366
Intangible asset, current portion	-	8	8	-
<b>Total current assets</b>	<b>38,405</b>	<b>24,111</b>	<b>490,066</b>	<b>159,908</b>
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	5,985	-	83,901	-
Cash and investments held by fiscal agent	7,123	-	11,035	-
Advances to other funds	-	-	-	26,595
Leases receivable	-	7,664	9,885	-
Loans receivable	-	-	873	-
Intangible assets	-	96	96	-
Capital assets:				
Land	20,071	5,825	48,951	-
Buildings and improvements	113,040	63,538	447,227	7,454
Machinery and equipment	4,913	6,235	164,345	543
Vehicles	-	-	-	213,142
Transmission and distribution system	-	-	1,614,964	-
Construction in progress	369,525	7,997	453,029	495
Software	46	32	13,535	256
Easements	-	-	291	-
Leased land	-	1,978	1,978	-
Leased building	-	-	177	35
Leased equipment	-	-	184	-
IT subscriptions	76	767	2,009	165
Less: accumulated depreciation/amortization	(73,938)	(47,024)	(909,589)	(125,716)
<b>Total noncurrent assets</b>	<b>446,841</b>	<b>47,108</b>	<b>1,942,891</b>	<b>122,969</b>
<b>Total assets</b>	<b>485,246</b>	<b>71,219</b>	<b>2,432,957</b>	<b>282,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding of debt	-	-	9,262	-
Pensions	3,538	3,555	43,431	5,268
OPEB	371	357	4,031	500
<b>Total deferred outflows of resources</b>	<b>3,909</b>	<b>3,912</b>	<b>56,724</b>	<b>5,768</b>

The notes to the basic financial statements are an integral part of this statement.

(continued)

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2023  
(in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Storm Drainage Fund</b>	<b>Solid Waste Fund</b>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	4,017	15,396	1,253	2,034
Due to other funds	-	-	-	-
Accrued payroll	1,228	356	477	511
Accrued compensated absences	291	79	80	97
Interest payable	3,033	613	29	36
Liability for landfill postclosure	-	-	-	298
Deposits	5	-	-	-
Unearned revenue	1,588	-	417	-
Accrued claims and judgments	54	88	79	214
Lease liabilities	-	-	35	-
IT subscription liabilities	296	75	66	30
Revenue and other bonds payable, net	16,876	2,374	-	1,320
Notes payable	3,502	-	98	-
	<u>30,890</u>	<u>18,981</u>	<u>2,534</u>	<u>4,540</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	3,658	1,136	1,688	1,554
Advances from other funds	-	-	-	-
Water fee credits	96	-	-	-
Wastewater fee credits	-	8,450	-	-
Net OPEB liability	10,764	4,046	4,520	15,116
Accrued claims and judgments	-	-	-	-
Liability for landfill postclosure	-	-	-	3,442
Lease liabilities	-	-	73	-
IT subscription liabilities	127	38	33	30
Revenue and other bonds payable, net	324,927	54,235	-	9,022
Notes payable	131,466	-	1,746	-
Net pension liability	52,893	16,513	33,185	23,819
	<u>523,931</u>	<u>84,418</u>	<u>41,245</u>	<u>52,983</u>
Total noncurrent liabilities				
Total liabilities	<u>554,821</u>	<u>103,399</u>	<u>43,779</u>	<u>57,523</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Gain on refunding of debt	-	-	-	157
Pensions	242	81	109	108
OPEB	3,871	1,184	1,795	3,765
Leases	795	-	-	1,576
	<u>4,908</u>	<u>1,265</u>	<u>1,904</u>	<u>5,606</u>
Total deferred inflows of resources				
<b><u>NET POSITION</u></b>				
Net investment in capital assets	412,265	156,089	251,841	3,103
Restricted for:				
Capital projects	50,060	8,681	-	-
Other programs	-	223	20,950	847
Unrestricted	<u>174,260</u>	<u>40,315</u>	<u>16,539</u>	<u>17,017</u>
Total net position	<u>\$ 636,585</u>	<u>\$ 205,308</u>	<u>\$ 289,330</u>	<u>\$ 20,967</u>

(continued)

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**  
June 30, 2023  
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	5,660	2,750	31,110	6,579
Due to other funds	250	-	250	-
Accrued payroll	182	293	3,047	347
Accrued compensated absences	38	29	614	80
Interest payable	1,255	39	5,005	-
Liability for landfill postclosure	-	-	298	-
Deposits	-	72	77	-
Unearned revenue	1,257	436	3,698	203
Accrued claims and judgments	4	9	448	35,693
Lease liabilities	-	111	146	8
IT subscription liabilities	25	49	541	54
Revenue and other bonds payable, net	7,914	1,241	29,725	-
Notes payable	-	-	3,600	-
Total current liabilities	16,585	5,029	78,559	42,964
Noncurrent liabilities:				
Accrued compensated absences	503	783	9,322	1,130
Advances from other funds	4,620	-	4,620	-
Water fee credits	-	-	96	-
Wastewater fee credits	-	-	8,450	-
Net OPEB liability	237	1,461	36,144	4,877
Accrued claims and judgments	-	-	-	99,152
Liability for landfill postclosure	-	-	3,442	-
Lease liabilities	-	1,651	1,724	-
IT subscription liabilities	25	668	921	55
Revenue and other bonds payable, net	339,097	8,567	735,848	-
Notes payable	-	-	133,212	-
Net pension liability	10,604	12,868	149,882	18,800
Total noncurrent liabilities	355,086	25,998	1,083,661	124,014
Total liabilities	371,671	31,027	1,162,220	166,978
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Gain on refunding of debt	-	146	303	-
Pensions	60	60	660	73
OPEB	412	719	11,746	1,547
Leases	-	7,404	9,775	-
Total deferred inflows of resources	472	8,329	22,484	1,620
<b><u>NET POSITION</u></b>				
Net investment in capital assets	102,356	26,727	952,381	93,219
Restricted for:				
Capital projects	-	-	58,741	-
Other programs	-	-	22,020	-
Unrestricted	14,656	9,048	271,835	26,828
Total net position	\$ 117,012	\$ 35,775	\$ 1,304,977	\$ 120,047

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Storm Drainage Fund</b>	<b>Solid Waste Fund</b>
Operating revenues:				
Charges for services:				
User fees and charges	\$ 135,304	\$ 43,072	\$ 59,836	\$ 87,347
Rents and concessions	59	-	-	181
Charge to other agencies for contract services	-	1,737	1,284	-
Miscellaneous	36	-	-	225
Total operating revenues	<u>135,399</u>	<u>44,809</u>	<u>61,120</u>	<u>87,753</u>
Operating expenses:				
Employee services	43,243	13,148	16,709	19,308
Services and supplies	29,477	15,337	20,422	56,769
Depreciation/amortization	30,481	5,300	11,035	1,223
Insurance premiums	-	-	-	-
Claims and judgments	20	-	-	265
Total operating expenses	<u>103,221</u>	<u>33,785</u>	<u>48,166</u>	<u>77,565</u>
Operating income (loss)	<u>32,178</u>	<u>11,024</u>	<u>12,954</u>	<u>10,188</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	2,008	188	(298)	413
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	515	-	37	360
Insurance and other claim recoveries	-	-	-	-
Interest expense	(13,763)	(1,630)	(65)	(273)
Amortization of bond prepaid insurance	(23)	-	-	-
Gain (loss) on disposition of capital assets	-	(223)	149	-
Total nonoperating revenues (expenses)	<u>(11,263)</u>	<u>(1,665)</u>	<u>(177)</u>	<u>500</u>
Income before capital contributions and transfers	20,915	9,359	12,777	10,688
Capital contributions	8,230	6,597	4,311	-
Transfers in	1,201	2,397	42	339
Transfers out	(14,537)	(4,767)	(4,601)	(9,572)
Changes in net position	15,809	13,586	12,529	1,455
Total net position, beginning of year	<u>620,776</u>	<u>191,722</u>	<u>276,801</u>	<u>19,512</u>
Total net position, end of year	<u>\$ 636,585</u>	<u>\$ 205,308</u>	<u>\$ 289,330</u>	<u>\$ 20,967</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services:				
User fees and charges	\$ 2,659	\$ 21,461	\$ 349,679	\$ 130,797
Rents and concessions	11,230	1,047	12,517	-
Charge to other agencies for contract services	-	-	3,021	-
Miscellaneous	-	62	323	117
Total operating revenues	<u>13,889</u>	<u>22,570</u>	<u>365,540</u>	<u>130,914</u>
Operating expenses:				
Employee services	6,753	9,336	108,497	12,994
Services and supplies	10,710	7,567	140,282	35,386
Depreciation/amortization	1,321	1,614	50,974	16,383
Insurance premiums	-	-	-	14,416
Claims and judgments	7	-	292	45,738
Total operating expenses	<u>18,791</u>	<u>18,517</u>	<u>300,045</u>	<u>124,917</u>
Operating income (loss)	<u>(4,902)</u>	<u>4,053</u>	<u>65,495</u>	<u>5,997</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	1,480	608	4,399	900
Transient occupancy taxes	31,294	-	31,294	-
Revenue from other agencies	-	273	1,185	21
Insurance and other claim recoveries	-	-	-	737
Interest expense	(14,125)	(298)	(30,154)	(10)
Amortization of bond prepaid insurance	-	-	(23)	-
Gain on disposition of capital assets	-	-	(74)	205
Total nonoperating revenues (expenses)	<u>18,649</u>	<u>583</u>	<u>6,627</u>	<u>1,853</u>
Income before capital contributions and transfers	13,747	4,636	72,122	7,850
Capital contributions	-	-	19,138	-
Transfers in	2,718	5,934	12,631	422
Transfers out	(9,825)	(10,550)	(53,852)	(1,007)
Changes in net position	<u>6,640</u>	<u>20</u>	<u>50,039</u>	<u>7,265</u>
Total net position, beginning of year	<u>110,372</u>	<u>35,755</u>	<u>1,254,938</u>	<u>112,782</u>
Total net position, end of year	<u>\$ 117,012</u>	<u>\$ 35,775</u>	<u>\$ 1,304,977</u>	<u>\$ 120,047</u>

The notes to the basic financial statements are an integral part of this statement.



# City of Sacramento

## Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Storm Drainage Fund</b>	<b>Solid Waste Fund</b>
Cash flows from operating activities:				
Receipts from customers and users	\$ 133,304	\$ 43,313	\$ 58,004	\$ 85,421
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(29,399)	(15,626)	(21,008)	(57,149)
Payments to employees	(42,009)	(12,671)	(16,227)	(19,406)
Claims and judgments paid	(43)	(74)	(64)	(309)
Net cash provided by (used for) operating activities	<u>61,853</u>	<u>14,942</u>	<u>20,705</u>	<u>8,557</u>
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Transfers in from other funds	1,201	2,397	42	338
Transfers out to other funds	(14,005)	(4,721)	(4,601)	(9,464)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	338	-	37	360
Net cash provided by (used for) noncapital financing activities	<u>(12,466)</u>	<u>(2,324)</u>	<u>(4,522)</u>	<u>(8,766)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(9,912)	(8,053)	(2,965)	(772)
Proceeds from sale of capital assets	-	-	149	959
Proceeds from issuance of debt	107	-	-	-
Principal payments on capital debt	(20,897)	(1,980)	(95)	(1,105)
Interest payments on capital debt	(15,104)	(1,882)	(66)	(464)
Principal payments on lease liabilities	-	-	(34)	-
Interest payments on lease liabilities	-	-	(1)	-
Principal payments on IT subscription liabilities	(299)	(75)	(66)	(31)
Interest payments on IT subscription liabilities	-	-	-	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(532)	(46)	-	(109)
Capital contributions received	3,524	5,964	-	-
Receipts from leases	48	-	-	153
Collection of interest from leases	11	-	-	24
Loan repayments received	-	-	47	-
Cash reimbursement for fee credits	-	(1,509)	-	-
Net cash used for capital and related financing activities	<u>(43,054)</u>	<u>(7,581)</u>	<u>(3,031)</u>	<u>(1,345)</u>
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	1,600	77	(420)	327
Net increase (decrease) in cash and cash equivalents	7,933	5,114	12,732	(1,227)
Cash and cash equivalents, beginning of year	260,499	63,537	48,431	48,983
Cash and cash equivalents, end of year	<u>\$ 268,432</u>	<u>\$ 68,651</u>	<u>\$ 61,163</u>	<u>\$ 47,756</u>

The notes to the basic financial statements are an integral part of this statement.

# City of Sacramento

## Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 10,355	\$ 21,601	\$ 351,998	\$ -
Receipts from interfund services provided	-	-	-	207,868
Payments to suppliers	(9,052)	(6,857)	(139,091)	(126,505)
Payments to employees	(6,951)	(9,343)	(106,607)	(12,986)
Claims and judgments paid	(8)	(6)	(504)	(21,911)
Net cash provided by (used for) operating activities	(5,656)	5,395	105,796	46,466
Cash flows from noncapital financing activities:				
Transient occupancy taxes	30,725	-	30,725	-
Transfers in from other funds	-	5,934	9,912	-
Transfers out to other funds	(9,825)	(1,750)	(44,366)	(961)
Collections on interfund loans	-	-	-	2,687
Loans made to other funds	-	-	-	(18,633)
Interfund loan repayments	(250)	-	(250)	-
Intergovernmental revenue received	-	273	1,008	21
Net cash provided by (used for) noncapital financing activities	20,650	4,457	(2,971)	(16,886)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(6,925)	(2,237)	(30,864)	(20,868)
Proceeds from sale of capital assets	-	-	1,108	881
Proceeds from issuance of debt	-	-	107	-
Principal payments on capital debt	(6,395)	(1,040)	(31,512)	(411)
Interest payments on capital debt	(15,318)	(440)	(33,274)	(11)
Principal payments on lease liabilities	-	(108)	(142)	(14)
Interest payments on lease liabilities	-	(26)	(27)	-
Principal payments on IT subscription liabilities	(26)	(50)	(547)	(56)
Interest payments on IT subscription liabilities	-	(7)	(7)	-
Transfers in from other funds	2,718	-	2,718	422
Transfers out to other funds	-	(8,800)	(9,487)	(46)
Capital contributions received	-	-	9,488	-
Receipts from leases	-	244	445	-
Collection of interest from leases	-	89	124	-
Loan repayments received	-	-	47	-
Cash reimbursement for fee credits	-	-	(1,509)	-
Net cash used for capital and related financing activities	(25,946)	(12,375)	(93,332)	(20,103)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	1,432	523	3,539	682
Net increase (decrease) in cash and cash equivalents	(9,520)	(2,000)	13,032	10,159
Cash and cash equivalents, beginning of year	52,894	24,887	499,231	133,964
Cash and cash equivalents, end of year	\$ 43,374	\$ 22,887	\$ 512,263	\$ 144,123

The notes to the basic financial statements are an integral part of this statement.

(continued)

## City of Sacramento

### Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Storm Drainage Fund</b>	<b>Solid Waste Fund</b>
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ 198,644	\$ 58,007	\$ 60,542	\$ 46,872
Cash and investments held by fiscal agent	98	11	-	-
Restricted cash and investments held by City	66,191	10,220	621	884
Restricted cash and investments held by fiscal agent	3,499	413	-	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 268,432</b>	<b>\$ 68,651</b>	<b>\$ 61,163</b>	<b>\$ 47,756</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 32,178	\$ 11,024	\$ 12,954	\$ 10,188
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	30,037	5,029	10,707	1,039
Amortization of intangible assets	444	271	328	184
Nonoperating claims and judgments	-	-	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(1,650)	(1,496)	(3,401)	(2,169)
Intergovernmental receivables	-	-	160	-
Inventories	(41)	(33)	(8)	-
Prepaid items	(6)	-	(2)	-
Accounts payable	125	(256)	(89)	(82)
Accrued payroll	306	157	121	9
Accrued compensated absences	95	183	166	(89)
Accrued claims and judgments	(23)	(74)	(64)	(44)
Liability for landfill closure	-	-	-	(298)
Deposits	-	-	(487)	-
Unearned revenue	(290)	-	125	-
Water fee credits	(96)	-	-	-
Net pension liability and related deferred outflows/inflows of resources	2,430	681	877	1,064
Net OPEB liability and related deferred outflows/inflows of resources	(1,597)	(544)	(682)	(1,082)
Deferred inflows related to leases	(59)	-	-	(163)
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 61,853</b>	<b>\$ 14,942</b>	<b>\$ 20,705</b>	<b>\$ 8,557</b>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ 4,241	\$ 648	\$ 4,311	\$ -
Amortization of bond premium and discount	1,721	339	-	160
Amortization of bond loss on refunding	(524)	(116)	-	-
Amortization of bond gain on refunding	-	-	-	26
Amortization of bond prepaid insurance	(23)	-	-	-
Increase in prepaid items for capital assets	-	-	-	-
Capital asset acquisitions on accounts payable	523	709	277	23
Loss on disposition of capital assets	-	223	-	-
Fee credit reimbursement accounts payable	-	2,322	-	-

(continued)

The notes to the basic financial statements are an integral part of this statement.

# City of Sacramento

## Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ 30,266	\$ 22,887	\$ 417,218	\$ 143,427
Cash and investments held by fiscal agent	-	-	109	696
Restricted cash and investments held by City	5,985	-	83,901	-
Restricted cash and investments held by fiscal agent	7,123	-	11,035	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 43,374</b>	<b>\$ 22,887</b>	<b>\$ 512,263</b>	<b>\$ 144,123</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (4,902)	\$ 4,053	\$ 65,495	\$ 5,997
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	1,321	1,606	49,739	16,366
Amortization of intangible assets	-	8	1,235	17
Nonoperating claims and judgments	-	-	-	876
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(3,972)	(53)	(12,741)	5
Intergovernmental receivables	-	-	160	-
Inventories	-	-	(82)	-
Prepaid items	(7)	(8)	(23)	222
Accounts payable	1,665	718	2,081	49
Accrued payroll	(12)	(24)	557	18
Accrued compensated absences	(61)	(35)	259	(95)
Accrued claims and judgments	(1)	(6)	(212)	22,951
Liability for landfill closure	-	-	(298)	-
Deposits	-	(430)	(917)	-
Unearned revenue	438	74	347	(25)
Water fee credits	-	-	(96)	-
Net pension liability and related deferred outflows/inflows of resources	321	470	5,843	677
Net OPEB liability and related deferred outflows/inflows of resources	(446)	(418)	(4,769)	(592)
Deferred inflows related to leases	-	(560)	(782)	-
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (5,656)</b>	<b>\$ 5,395</b>	<b>\$ 105,796</b>	<b>\$ 46,466</b>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 9,200	\$ -
Amortization of bond premium and discount	1,259	151	3,630	-
Amortization of bond loss on refunding	-	-	(640)	-
Amortization of bond gain on refunding	-	24	50	-
Amortization of bond prepaid insurance	-	-	(23)	-
Increase in prepaid items for capital assets	-	-	-	1,671
Capital asset acquisitions on accounts payable	770	188	2,490	3,038
Loss on disposition of capital assets	-	-	223	-
Fee credit reimbursement accounts payable	-	-	2,322	-

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**

June 30, 2023  
(in thousands)

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Investment Pool Custodial Fund</u>	<u>Other Custodial Funds</u>
<b><u>ASSETS</u></b>				
Cash and investments held by City	\$ 4,414	\$ 10,912	\$ 128,727	\$ 152,082
Cash and investments held by fiscal agent	-	20,983	-	4,995
Prepaid items	-	130	-	-
Receivables, net:				
Interest	926	-	411	572
Intergovernmental	-	616	-	-
Special assessments	-	-	-	681
Investments, at fair value:				
Corporate bonds/notes	50,763	-	-	-
Equities	19,163	-	-	-
Exchange traded funds	147,933	-	-	-
Mortgage loans	274	-	-	-
Municipal bonds/notes	22,449	-	-	-
U.S. agencies	1,129	-	-	-
U.S. Treasury bonds	2,971	-	-	-
Restricted assets:				
Cash and investments held by City	-	-	-	5,251
Cash and investments held by fiscal agent	-	-	-	23,394
Loans receivable	-	3,555	-	-
Capital assets:				
Land	-	3,353	-	-
Buildings and improvements	-	102	-	-
Less: accumulated depreciation	-	(36)	-	-
<b>Total assets</b>	<b>250,022</b>	<b>39,615</b>	<b>129,138</b>	<b>186,975</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Loss on refunding of debt	-	848	-	-
<b><u>LIABILITIES</u></b>				
Accounts payable	3	1	-	-
Benefits payable	53	-	-	-
Due to bondholders	-	-	-	49,380
Interest payable	-	236	-	-
Contracts payable	-	18,687	-	-
Bonds payable	-	30,935	-	-
Notes payable	-	152,114	-	-
<b>Total liabilities</b>	<b>56</b>	<b>201,973</b>	<b>-</b>	<b>49,380</b>
<b><u>NET POSITION</u></b>				
Held in trust for:				
Restricted for pensions	249,966	-	-	-
Redevelopment dissolution	-	(161,510)	-	-
Held for external pool participants	-	-	129,138	137,595
<b>Total net position (deficit)</b>	<b>\$ 249,966</b>	<b>\$ (161,510)</b>	<b>\$ 129,138</b>	<b>\$ 137,595</b>

The notes to the basic financial statements are an integral part of this statement.

**City of Sacramento**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Pension Trust Fund	Private-Purpose Trust Fund	Investment Pool Custodial Fund	Other Custodial Funds
<b>Additions:</b>				
Deposits	\$ -	\$ -	\$ 104,488	\$ 3,591
Property taxes	-	27,112	-	-
Special assessments	-	-	-	18,443
Capital contributions	-	-	-	7,032
Other income	-	6	-	-
<b>Contributions:</b>				
Employees	3	-	-	-
<b>Investment income:</b>				
From investment activities:				
Net appreciation (depreciation) in fair value of investments	17,525	-	(1,095)	(1,180)
Interest	3,411	788	2,480	3,504
Dividends	3,356	-	-	-
<b>Total investment income</b>	<b>24,292</b>	<b>788</b>	<b>1,385</b>	<b>2,324</b>
<b>Investment expenses:</b>				
Banking, interest, and fiscal agent expenses	30	-	297	-
Professional services	969	-	-	-
<b>Total investment expenses</b>	<b>999</b>	<b>-</b>	<b>297</b>	<b>-</b>
<b>Net income from investment activities</b>	<b>23,293</b>	<b>788</b>	<b>1,088</b>	<b>2,324</b>
<b>Total additions</b>	<b>23,296</b>	<b>27,906</b>	<b>105,576</b>	<b>31,390</b>
<b>Deductions:</b>				
Benefit payments	27,501	-	-	-
Withdrawals	-	-	99,397	9,779
Interest expense	-	9,192	-	-
Other enforceable obligation payments	-	10,893	-	-
Loan forgiveness	-	176	-	-
Paid to bondholders	-	-	-	24,120
Administrative expenses	-	-	-	1,985
Loss on disposal of capital asset	-	732	-	-
Depreciation expense	-	3	-	-
<b>Total deductions</b>	<b>27,501</b>	<b>20,996</b>	<b>99,397</b>	<b>35,884</b>
<b>Changes in net position</b>	<b>(4,205)</b>	<b>6,910</b>	<b>6,179</b>	<b>(4,494)</b>
<b>Net position (deficit), beginning of year</b>	<b>254,171</b>	<b>(168,420)</b>	<b>122,959</b>	<b>142,089</b>
<b>Net position (deficit), end of year</b>	<b>\$ 249,966</b>	<b>\$ (161,510)</b>	<b>\$ 129,138</b>	<b>\$ 137,595</b>

The notes to the basic financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# Notes to the Basic Financial Statements



# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### DEFINITION OF REPORTING ENTITY

The City of Sacramento (City) was incorporated in 1849 under the laws of the State of California. Sacramento is a charter city and operates under a City Council – City Manager form of government. The City provides a full range of municipal services including police, fire, water, wastewater, storm drainage, solid waste, construction and maintenance of streets, planning and zoning, code enforcement, parks, recreation programs, and cultural activities.

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

#### Blended Component Units

The Sacramento City Financing Authority (SCFA) is a joint exercise of powers entity created by the City and the former Redevelopment Agency of the City of Sacramento to facilitate the financing and refinancing of public capital facilities. Most of the debt of the SCFA is backed by the City's General Fund. The SCFA is governed by the City Council.

The Sacramento Public Financing Authority (SPFA) is a joint exercise of powers entity created by the City and the Housing Authority of the City of Sacramento (Housing Authority) to facilitate the financing and refinancing of public capital facilities. The debt of the SPFA is backed by the City. The SPFA is governed by the City Council.

#### Fiduciary Component Unit

Sacramento City Employees' Retirement System (SCERS) is a single employer pension plan sponsored and administered by the City for City employees, except public safety employees, hired before January 29, 1977 and public safety employees who retired with SCERS benefits before December 30, 1989. Under provisions of the City Charter, SCERS is managed by the Administration, Investment and Fiscal Management Board (the SCERS Board), consisting of the City Manager, City Director of Finance, City Treasurer and two residents of the City appointed by the City Council. Duties of the SCERS Board include the adoption of investment standards for SCERS, the establishment of contribution rates, the administration and investment of funds, the selection of investment advisors, the crediting of interest, and any action relating to the fiscal management of SCERS. Stand-alone financial statements may be obtained at <https://www.cityofsacramento.org/Finance/Accounting/Reporting>.

### ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

#### Governmental Accounting Standards Implemented During the Fiscal Year Ended June 30, 2023

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in Statement 91 are effective for fiscal years beginning after December 15, 2021. The applicable provisions were implemented July 1, 2022, and did not have a material impact on the financial statements. See note 7 for more information.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions in Statement 94 are effective for fiscal years beginning after June 15, 2022. The applicable provisions were implemented July 1, 2022, and did not have a material impact to the financial statements.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Governmental Accounting Standards Implemented During the Fiscal Year Ended June 30, 2023 (Continued)

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The provisions in Statement 96 are effective for fiscal years beginning after June 15, 2022. The applicable provisions were implemented July 1, 2022, and as a result, the City has restated IT subscription assets and liabilities for certain City funds, as well as governmental and business-type activities. There was no restatement of beginning net position. See note 6 for more information.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The provisions of paragraphs 11 through 25 of Statement 99 are effective for fiscal years beginning after June 15, 2022. The applicable provisions of paragraphs 11 through 25 were implemented and did not have a material impact to the financial statements. The provisions of paragraphs 4 through 10 of Statement 99 are effective for fiscal years beginning after June 15, 2023. The City has not determined the effect of implementing paragraphs 4 through 10 of this statement.

#### Upcoming Governmental Accounting Standards Implementation

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this statement is 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 provisions in Statement 100 are effective for fiscal years beginning after June 15, 2023. The City has not determined the effect of implementing this statement.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is 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 provisions in Statement 101 are effective for fiscal years beginning after December 15, 2023. The City has not determined the effect of implementing this statement.

#### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated to expenses and capital assets of governmental and business-type activities. At the government-wide level, citywide and community support expenses/expenditures within the General Fund are allocated to City departments. Utilities expenditures within the General Fund is allocated to public works. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide and Fund Financial Statements (Continued)**

As a general rule the effect of interfund activity has been removed from the government-wide financial statements. Internal service fund activity has been eliminated from the statement of activities. The effect of interfund services provided and used between functions, such as the sale of water from the Water Fund to the General Fund, has not been eliminated in the statement of activities. The City's payments in lieu of taxes from its enterprise funds to the General Fund are reported as interfund transfers.

The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility user taxes, intergovernmental revenue, special assessments, charges for services, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Measure U Fund was established to account for the temporary half-cent sales tax approved by voters on November 6, 2012. On November 6, 2018, Sacramento voters approved a new version of the City's Measure U sales and use tax eliminating the sunset provision and raising it from half-cent to one cent. The one cent sales and use tax was effective April 1, 2019.

The 2015 Golden 1 Center Lease Revenue Bond Fund accounts for debt service activities related to financing a portion of construction costs of a multi-purpose entertainment and sports complex located in the downtown area of Sacramento.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The City reports the following major enterprise funds:

The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

The Wastewater Fund accounts for the operation and maintenance of the City's wastewater system.

The Storm Drainage Fund accounts for the operation and maintenance of the City's surface drainage system.

The Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.

The Community Center Fund accounts for the operation and maintenance of the City's Community Center, including the theater and exhibit halls.

Additionally, the City reports the following fund types:

Internal Service Funds account for the financing of fleet and risk management services to other departments on a cost reimbursement basis.

The Pension Trust Fund accounts for the assets held on behalf of the Sacramento City Employees' Retirement System (SCERS) for pension benefit payments to qualified employees.

The Private-Purpose Trust Fund accounts for the assets received by the Successor Agency from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

Custodial Funds account for assets held by the City as a custodian for individuals, private organizations, and other governments. The City's Custodial Funds include assets held by the City for bonded assessment and community facilities districts and Investment Trust Funds. Investment Trust Funds account for the net position held on behalf of investors, in the City's investment pool and individual accounts, who are not part of the City's financial reporting entity.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, including fees, fines, and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Program revenues also include earnings on investments that are legally restricted for a specific program. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted net position are available for use, it is the City's practice to use restricted resources first followed by unrestricted resources as they are needed. When all fund balance types are available, it is the City's practice to use restricted resources first, followed by committed, assigned, and unassigned resources as they are needed.

Permanent funds, commonly referred to as endowment funds, are governmental funds used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs. The City has received endowments for various programs, a list of which can be found in the Permanent Funds section of the Combining and Individual Fund Financial Statements and Schedules. The investments of donor-restricted endowments have \$6,141 of net appreciation that is available for authorization for expenditures by the governing board. The corpus of permanent funds is reported as Nonspendable Fund Balance and investment earnings available for expenditure are reported as Restricted Fund Balance in the fund level financial statements, and as Restricted for Nonexpendable Trust and Endowments in the statement of net position. Funds are spent in accordance with legal trust agreements and the City budget, subject to State law governing the spending of endowment fund investment earnings in California Probate Code Section 18504.

#### Budget Information

The City Manager submits a proposed budget to the City Council no later than 60 days prior to the commencement of the fiscal year. The City Council holds public hearings, modifies the City Manager's recommendations, and adopts a final budget in June. The budget adoption resolution specifies that budgets will be controlled at the department level (e.g., police, fire, public works, parks and recreation etc.) by fund.

Annual budgets are adopted for the General Fund, Measure U Fund, the City/County Office of Metropolitan Water Planning (CCOMWP) Fund, the Cal EPA Fund, as well as certain activities within the Transportation and Development Fund, the Culture and Leisure Fund, the Parks and Recreation Fund, and the Special Districts Fund. Annual budgets are also adopted for the enterprise and internal service funds, although they are not legally required. Multi-year project-length budgets are adopted for the General Fund, capital projects funds, and the Operating Grants Fund where appropriations remain authorized for each project until closed, irrespective of fiscal year. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders are treated as expenditures in the year of commitment.

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend department budgets during the year for transactions up to \$250 without City Council approval. All other appropriation adjustments during the year require City Council approval. Unencumbered annual budget appropriations lapse at fiscal year-end. The City honors contracts represented by year-end encumbrances and the appropriations carried over provide authority to complete these transactions in future years. Multi-year project-length budget appropriations are automatically carried over into the next fiscal year.

#### Financial Statements Elements

**Fair Value Measurement** – The City categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statements Elements (Continued)**

**Property Taxes** - Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost-of-living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local governments may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

Property taxes are levied annually by the Sacramento County Assessor on July 1 and become a lien on property on the preceding January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan". The State Revenue and Taxation Code allows counties to distribute secured real property, assessment and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and related penalties and interest during a fiscal year will revert to the County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue. Under the Teeter Plan code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

**Receivables and Payables** – Property taxes, sales taxes, utility user taxes, and other taxes, related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end.

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available as described above.

Long-term loans receivable reported in the governmental fund statements are recorded with offsetting unavailable revenue because the amounts will not be received within 60 days after fiscal year-end. Long-term loans receivable reported in the proprietary fund statements, as well as long-term loans reported in the government-wide statements, are not offset by unavailable revenue. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Inventories and Prepaid Items** - Inventories in the proprietary funds are stated at cost and consist of expendable materials and supplies. Inventories are expensed when consumed using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Statements Elements (Continued)

**Restricted Assets** - Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position and balance sheets because their use is limited by applicable bond covenants. Unspent developer impact fees are classified as restricted assets on the statements of net position for the Water and Wastewater enterprise funds.

**Capital Assets** - Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements, as well as the proprietary funds and fiduciary funds financial statements. Capital assets are recorded at the lower of actual historical cost or acquisition value (as of the date donated for contributed assets) although for certain older assets estimated historical costs are used.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	Primarily 15 to 70 years
Transmission and distribution system	Primarily 15 to 100 years
Machinery, vehicles and equipment	Primarily 5 to 30 years
Software	Primarily 5 to 20 years
Roadway network	Primarily 20 to 70 years
Streetlight network	Primarily 40 to 50 years
Park and park improvements	Primarily 15 to 30 years

It is the policy of the City to capitalize all land, buildings and improvements, equipment, and infrastructure assets, except assets costing less than \$20, unless a federal funding source is utilized. All capital assets in excess of \$5 financed by a federal funding source are capitalized. The City also capitalizes all intangible capital assets, primarily easements and software, except assets costing less than \$100, unless a federal funding source is utilized. Costs of capital assets sold or retired (and related amounts of accumulated depreciation/amortization) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund, governmental activities, and business-type activities. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

The Crocker Art Museum's collection of works of art, held in trust by the City, has not been reported in these financial statements. The City has elected not to report the collection because it meets the three criteria for waiving capitalization: the collection is held for reasons other than financial gain; the collection is protected, kept unencumbered, cared for, and preserved; and the collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for the collection.

The intangible right-to-use lease and IT subscription assets are also reported as capital assets. Refer to the Lease and IT subscription section of Note 1 for further information.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an expense/expenditure until then. The City has three items, deferred outflows related to loss on refunding of debt, pensions, and OPEB, which qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as revenue until then. The City has five items recognized in the statement of net position: deferred inflows related to gain on refunding of debt, service concession arrangement revenue, pensions, OPEB, and leases. In addition, there is one item recognized in the governmental funds, unavailable revenue, which qualifies for reporting in this category.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Elements (Continued)**

**Compensated Absences** - Benefit qualified employees accrue vacation, sick, and holiday benefits. A full-time employee may accumulate up to sixty days of vacation. Sick leave vests and may be accumulated until retirement. An employee with sixty or more days of accumulated sick leave at the end of a calendar year may elect to receive a 25% payment of any unused sick leave earned in the previous calendar year. The amount of sick leave paid is deducted from the employee's total accumulation. Upon retirement, employees with a minimum of 20 years of City service, excluding SCERS employees, have the option of converting their sick leave accumulation into CalPERS service credit hours, or receiving a cash payment of one-third of the accumulated sick leave. The City accrues expected cash payments of accumulated sick leave at fiscal year-end. Employees who leave the City and are not retiring forfeit any remaining sick leave.

Employees receive 14 holidays per calendar year. Employees accrue all or a portion of these 14 days during the year depending on their job classification. Classifications that accrue all 14 days get paid in cash throughout the year whenever their holiday leave balances exceed the 14 days total. All other employees accrue one or two days of "floating" holiday time, depending on the bargaining unit, throughout the year in conjunction with their remaining twelve holidays. Employees who accrue "floating" holiday time get paid annually in January for any calendar year-end balance greater than eight hours.

All hourly employees have the option of being compensated for their overtime pay with compensatory time off (CTO). Depending on the employee's CTO plan, the employee may accrue a maximum of 80, 120 or 160 hours of CTO. The employee's applicable labor agreement or the City Council's resolution for unrepresented employees determines the maximum accruable number of CTO hours.

All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Unearned Revenue** - Unearned revenue in accrual-based statements arises when resources are received by the City before it has a legal claim to them (i.e., when grant monies are received prior to incurring qualified expenditures).

**Long-term Obligations** - In the government-wide and proprietary and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses on debt refunding are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method. Bonds payable are reported net of bond premium or discount. Bond issuance costs, except prepaid bond insurance which is deferred and amortized, are reported as expenditures/expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Elements (Continued)**

**Fund Balance** - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes, either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution, which is the highest form of decision authority, are classified as committed fund balances. Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted nor committed, are classified as assigned fund balances. Negative fund balance in governmental funds and residual fund balance in the General Fund, after determining the fund balance classifications described above, is reported as unassigned fund balance. The General Fund is the only fund that can report a positive unassigned fund balance amount.

The City's Economic Uncertainty Reserve (Reserve) is a stabilization arrangement in the General Fund and Measure U Fund reported as committed fund balance. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund and Measure U revenues and a target reserve equal to two months of regular ongoing General Fund and Measure U expenditures, including transfers. The City Manager may recommend a release from the Reserve when the gap between projected revenue and expenditures is greater than \$1,000 in the proposed budget. Additions and releases from the Reserve must be approved by City Council by resolution.

**Statement of Cash Flows** - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Pensions** - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and Sacramento Employees' Retirement System (SCERS) Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and SCERS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Statement Elements (Continued)

**Other Postemployment Benefits (OPEB)** - For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's CalPERS Plan 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Leases, City as a Lessee, and IT Software Subscriptions** - The City is a lessee in various noncancellable leases of land, buildings, and equipment. The City also has noncancellable subscription arrangements for the right-to-use information technology software (IT subscriptions). For leases and IT subscriptions with a maximum possible term of 12 months or less at commencement, the City recognizes expenses/expenditures based on the provisions of the agreements. For all other leases and IT subscriptions, the City recognizes a lease or IT subscription liability and an intangible right-to-use lease or IT subscription asset in the statement of net position.

At lease or IT subscription commencement, the City measures the lease or IT subscription liability at the present value of fixed payments expected to be made during the lease or subscription term. Subsequently, lease and IT subscription liabilities are reduced by the principal portion of payments made. The lease or IT subscription asset is initially measured at the initial amount of the lease or IT subscription liability, plus any initial direct costs ancillary to placing the underlying asset into service and payments made at or before the lease or IT subscription commencement date, less any incentives received. Subsequently, lease and IT subscription assets are amortized into depreciation and amortization expense on a straight-line basis over the shorter of the lease or subscription term or the useful life of the underlying asset. If the City is reasonably certain of exercising a purchase option contained in a lease or IT subscription agreement, the lease or IT subscription asset will be amortized over the useful life of the underlying asset. It is the policy of the City to capitalize all leased land, buildings, and equipment, except those with less than \$20 of fixed payments expected to be made during the lease term, unless a federal funding source is utilized. The City also capitalizes all IT subscription assets, except those with less than \$100 of fixed payments expected to be made during the IT subscription term, unless a federal funding source is utilized. All lease and IT subscription assets in excess of \$5 financed by a federal funding source are capitalized. These same thresholds are used in the recognition of lease and IT subscription liabilities.

**Leases, City as a Lessor** - The City is a lessor in various noncancellable leases of land, buildings, and equipment. For leases with a maximum possible term of 12 months or less at commencement, the City recognizes revenues based on the provisions of the lease agreement. For all other leases, the City recognizes a lease receivable and a deferred inflow of resources related to leases in the statement of net position and governmental fund balance sheet.

At lease commencement, the City measures the lease receivable at the present value of fixed payments expected to be received during the lease term. Subsequently, lease receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources related to leases is initially measured at the initial amount of the lease receivable. Subsequently, the deferred inflow of resources related to leases is amortized into lease revenue on a straight-line basis over the term of the agreement. It is the policy of the City to recognize lease receivables and deferred inflow of resources related to leases for all leased out land, buildings, and equipment, except leases with less than \$20 of fixed payments expected to be received during the lease term.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Statement Elements (Continued)

**Other Lease and IT Software Subscription Considerations** - Key estimates and judgments include the City's determination of the discount rate used to calculate the present value of the lease or IT subscription, lease or IT subscription terms, lease or IT subscription payments, and lease receipts. The City generally uses its estimated incremental borrowing rate as the discount rate for leases and IT subscriptions unless the rate charged is explicitly stated or known. The City's incremental borrowing rate for leases and IT subscriptions is based on the estimate of interest rates that the City would be charged for borrowing lease and IT subscription amounts during the term of the agreement. The City uses an incremental borrowing rate of between 0.316% and 3.16%. The agreement term includes noncancellable periods of lease and IT subscription arrangements, plus any additional periods covered by an option to extend for which it is reasonably certain to be exercised or an option to terminate for which it is reasonably certain to not be exercised. Periods in which both parties to the agreement have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the lease and IT subscription term. Receipts and payments are evaluated by the City to determine if they should be included in the measurement of lease receivables and lease or IT subscription liabilities, including receipts and payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, termination penalties, and other receipts and payments.

The City monitors changes in circumstances that may require remeasurement of lease and IT subscription agreements. When certain changes occur that are expected to significantly affect the value of the lease or IT subscription, the amounts are remeasured and adjusted.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS**

The following is a summary of cash and investments at June 30, 2023:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Fiduciary Net Position	Total
Cash and investments	\$ 1,386,779	\$ 566,795	\$ 1,953,574
Restricted cash and investments	118,828	28,645	147,473
<b>Total</b>	<b>\$ 1,505,607</b>	<b>\$ 595,440</b>	<b>\$ 2,101,047</b>

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2023-0208, has delegated its investment authority to the City Treasurer. The City Treasurer manages the City’s investments in accordance with the City’s investment policy, which was last reaffirmed by the City Council on June 20, 2023. The City’s investment policy requires compliance with the California Government Code for investments of public funds. The City’s investment policy also provides limits on rate anticipation, arbitrage, and other swap investments.

SCERS pension trust fund investments are managed by the SCERS Board pursuant to an investment policy adopted by the SCERS Board and approved by the City Council by Resolution 2023-0207. Investment standards adopted by the SCERS Board were last approved by the City Council on June 20, 2023. The investment policy allows the SCERS Board to invest in fixed income and equity securities deemed prudent. Pursuant to the investment policy, the SCERS Board annually allocates the funds to different investment groups. For fiscal year 2023, the asset allocations consisted of the following: 32.5% Fixed Income securities, 32.5% Large Cap Growth stocks, 30% Equity Income stocks and 5% International stocks. The investment policy allows for up to 5% variance from these approved allocation levels to provide flexibility to investment activities without altering the risk profile of the SCERS portfolio.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

The table below identifies the investment types that are authorized for public funds of the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local agency bonds	5 years*	None	None	None
U.S. Treasury obligations	5 years*	None	None	None
U.S. agency securities	5 years*	None	None	None
Supranational securities	5 years	30%	None	AA
Bankers' acceptances	180 days	40%	30%	None
Commercial paper	270 days	25%	10%	A1/P1
Negotiable certificates of deposit	5 years	30%	None	None
Repurchase agreements	1 year	None	None	None
Reverse repurchase and securities lending agreements	92 days	20% of base value of portfolio	None	None
Medium term notes (bank notes and corporate bonds)	5 years*	30%	None	A
Mutual funds	N/A	20%	10%	Aaa
Money market mutual funds	N/A	20%	10%	Aaa
Collateralized bank deposits	5 years	None	None	None
Mortgage pass-through securities	5 years	20%	None	AA
Joint Powers Authority pool	N/A	None	None	None
County pooled investment	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

\*The City investment policy allows these investments to have maximum maturities of 5 years, plus not more than 30 days. Such approved maturity extensions are authorized by California Government Code section 53601.

The table above does not address the investments held by the SCERS pension trust fund. The SCERS Board was established by the City Charter to maintain and manage investments of this system, including but not limited to the adoption of investment standards and the administration and investment of the funds. The statutory authority for the SCERS Board is created in Sacramento City Charter Section 383. Allowable investments are governed by the SCERS investment policy and are different than those prescribed by the City's investment policy.

The table above also does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City or other trust funds.

The table above also does not address investments of equities held by permanent funds that are governed by the provisions of the trust agreements.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The City’s investment policy limits interest rate risk by requiring compliance with the California Government Code for investments of public funds, as described in detail above. One of the ways that the City and SCERS manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s and SCERS’ investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following tables that show the distribution of the investments by maturity. The remaining maturity of the City’s and SCERS’ investments included in the tables below are based on the stated maturity dates of the individual investments, except in the case of variable rate investments where the maturity date is the next reset date. Variable rate securities are investments with terms that provide for the adjustment of interest rates on specified dates based on predefined mathematical formulas. The fair value of such investments can reasonably be expected to be affected at each interest rate reset date.

The City’s cash and investments by maturities as of June 30, 2023 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
Bank deposits	\$ 87,175	\$ -	\$ -	\$ -	\$ 87,175
Corporate bonds/notes	-	61,639	413,875	207	475,721
Equities	5,082	-	-	-	5,082
Exchange traded funds	1,943	-	-	-	1,943
Investment Trust of California (CalTRUST)	-	119,982	58,488	-	178,470
Local Agency Investment Fund (LAIF)	-	2,350	-	-	2,350
Municipal bonds/notes	-	29,860	65,534	-	95,394
Money market mutual funds	-	60,342	-	-	60,342
Negotiable certificates of deposit	-	273,913	32,573	-	306,486
Supranational securities	-	15,448	14,049	-	29,497
U.S. agency securities	-	97,219	463,327	-	560,546
U.S. Treasury bills	-	19,895	-	-	19,895
U.S. Treasury notes	-	11,087	17,963	-	29,050
<b>Total Cash and Investments</b>	<b>\$ 94,200</b>	<b>\$ 691,735</b>	<b>\$ 1,065,809</b>	<b>\$ 207</b>	<b>\$ 1,851,951</b>

The \$207 of corporate bonds/notes with remaining maturities longer than five years are held by other trust funds. The \$5,082 of equities and \$1,943 of exchange traded funds are also held by other trust funds. Allowable investments of these other trust funds are not governed by the City’s investment policy. Investment discretion is given to the City Treasurer and funds are invested to meet objectives based on the agreements in place for these other trust funds.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Interest Rate Risk (Continued)**

SCERS' cash and investments by maturities as of June 30, 2023 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
City of Sacramento Investment Pool	\$ -	\$ 4,414	\$ -	\$ -	\$ 4,414
Corporate bonds/notes	-	-	11,301	39,462	50,763
Equities	19,163	-	-	-	19,163
Exchange traded funds	147,933	-	-	-	147,933
Mortgage loans	-	274	-	-	274
Municipal bonds/notes	-	-	6,793	15,656	22,449
U.S. agency securities	-	-	4	1,125	1,129
U.S. Treasury bonds	-	-	1,519	1,452	2,971
<b>Total Cash and Investments</b>	<b>\$ 167,096</b>	<b>\$ 4,688</b>	<b>\$ 19,617</b>	<b>\$ 57,695</b>	<b>\$ 249,096</b>

Investments in callable securities are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such securities earlier than their respective maturity dates. The investor must then replace the called securities with investments that may have lower yields than the original securities. The fair values of the callable securities held by the City and SCERS at June 30, 2023, by investment type, are as follows:

Investment Type	City	SCERS
Corporate bonds/notes	\$ 127,022	\$ 8,091
Municipal bonds/notes	8,053	3,181
Negotiable certificates of deposit	14,117	-
Supranational securities	5,549	-
U.S. agency securities	504,791	361
	<b>\$ 659,532</b>	<b>\$ 11,633</b>

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 2 – CASH AND INVESTMENTS (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for the purchase of investments with public funds, as described in detail above. Obligations of the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The S & P Global Ratings (S & P) credit ratings of the City and SCERS investments subject to credit risk as of June 30, 2023 are as follows:

Investment Type	S & P	City	SCERS
City of Sacramento Investment Pool	not rated	\$ -	\$ 4,414
Corporate bonds/notes	A	400,162	13,730
	AA	63,188	5,065
	AAA	8,580	-
	BBB	385	31,964
	not rated	3,406	4
Investment Trust of California (CalTRUST)	not rated	178,470	-
Local Agency Investment Fund (LAIF)	not rated	2,350	-
Municipal bonds/notes	A	1,194	3,986
	AA	64,625	12,096
	AAA	8,162	-
	not rated	21,413	6,367
Money market mutual funds	AAA	60,342	-
Negotiable certificates of deposit	A	273,872	-
	AA	14,521	-
	not rated	18,093	-
Supranational securities	AAA	29,497	-
U.S. agency securities	AA	545,192	860
	not rated	15,354	-
	Total	\$ 1,708,806	\$ 78,486

The \$385 in corporate bonds/notes rated BBB are held by other trust funds.

As of June 30, 2023, the City held notes issued by the Bank of Montreal that are not rated by S & P but are rated A2 by Moody's Investors Service. The notes have a fair value of \$3,406 as of June 30, 2023.



# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 2 – CASH AND INVESTMENTS (Continued)

#### Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, the City did not hold investments in an individual issuer exceeding 5% of total investments (other than U.S. Treasury securities, mutual funds, and external investment pools).

As of June 30, 2023, SCERS held the following investments in individual issuers exceeding 5% of total SCERS investments and net position (other than U.S. Treasury securities, mutual funds, and external investment pools):

iShares Russell 1000 Value ETF	\$	37,327
Technology Select Sector SPDR Fund (ETF)		17,979
Healthcare Select SPDR Fund (ETF)		15,065

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City or SCERS will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's financial institutions also have insurance through the Federal Deposit Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits. All SCERS cash and cash equivalents are held with the City of Sacramento Investment Pool and SCERS is not exposed to custodial credit risk for deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City or SCERS will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all City investments are insured, registered or held by the Treasurer's custodial agent in the City's name. All SCERS investments registered or held with the custodial agent are in SCERS' name.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurement and Application**

The City and SCERS categorize fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City and SCERS have the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's and SCERS' own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's and SCERS' own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by management. City and SCERS management consider observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City and SCERS management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The money market mutual funds held by the City pool and outside the City pool are at \$1 net asset value per share. The total net asset value of these at June 30, 2023 was \$26,192 and \$34,150, respectively, with \$0 unfunded commitments. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government agency securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

Deposits and withdrawals in governmental investment pools, such as LAIF and CalTRUST for the City and the City of Sacramento Investment Pool for SCERS, are made on the basis of \$1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurement and Application (Continued)**

The City's treasury pools' asset market prices are derived from closing bid prices as of the end of business day as supplied by ICE Data Services, Inc. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated fair value. Prices that fall between data points are interpolated. Nonnegotiable FDIC-insured bank certificates of deposit are priced at par.

The following is a description of the valuation methods and assumptions used by the City and SCERS to estimate the fair value of its investments:

- When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.
- For investments classified within Level 2 of the fair value hierarchy, the City's and SCERS' custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.
- SCERS holds one investment measured using Level 3 inputs, a Mortgage Loan. The Mortgage Loan is reported using the income approach. The value of the Mortgage Loan is materially close to the Discounted Cash Flow, therefore the book value is reported.

There have been no changes in the methods and assumptions used at June 30, 2023. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City and SCERS management believe its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurement and Application (Continued)**

The City has the following recurring fair value measurements as of June 30, 2023:

	Balance at June 30, 2023	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Corporate bonds/notes	\$ 448,751	\$ -	\$ 448,751	\$ -
Equities	5,082	5,082	-	-
Exchange traded funds	1,943	1,943	-	-
Municipal bonds/notes	95,394	-	95,394	-
Negotiable certificates of deposit	293,267	-	293,267	-
Supranational securities	29,497	-	29,497	-
U.S. agency securities	559,713	-	559,713	-
U.S. Treasury bills	19,895	19,895	-	-
U.S. Treasury notes	17,963	17,963	-	-
<b>Total Investments by Fair Value Level</b>	<b>1,471,505</b>	<b>\$ 44,883</b>	<b>\$ 1,426,622</b>	<b>\$ -</b>
<b>Investments Measured at Net Asset Value</b>				
Money market mutual funds	26,192			
<b>Investments Uncategorized</b>				
Investment Trust of California (CalTRUST)	178,470			
Local Agency Investment Fund (LAIF)	2,350			
<b>Total Investments Uncategorized</b>	<b>180,820</b>			
<b>Total Investments Held by City</b>	<b>1,678,517</b>			
<b>Investments Held by Fiscal Agent by Fair Value Level</b>				
Corporate bonds/notes	26,970	\$ -	\$ 26,970	\$ -
Negotiable certificates of deposit	13,219	-	13,219	-
U.S. agency securities	833	-	833	-
U.S. Treasury notes	11,087	11,087	-	-
<b>Total Investments Held by Fiscal Agent by Fair Value Level</b>	<b>52,109</b>	<b>\$ 11,087</b>	<b>\$ 41,022</b>	<b>-</b>
<b>Investments Held by Fiscal Agent Measured at Net Asset Value</b>				
Money market mutual funds	34,150			
<b>Total Investments Held by Fiscal Agent</b>	<b>86,259</b>			
<b>Total Investments</b>	<b>1,764,776</b>			
<b>Total Bank Deposits</b>	<b>87,175</b>			
<b>Total Cash and Investments</b>	<b>\$ 1,851,951</b>			

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurement and Application (Continued)**

SCERS has the following recurring fair value measurements as of June 30, 2023:

	Balance at June 30, 2023	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Corporate bonds/notes	\$ 50,763	\$ -	\$ 50,763	\$ -
Equities	19,163	19,163	-	-
Exchange traded funds	147,933	147,933	-	-
Mortgage loans	274	-	-	274
Municipal bonds/notes	22,449	-	22,449	-
U.S. agency securities	1,129	-	1,129	-
U.S. Treasury bonds	2,971	2,971	-	-
<b>Total Investments by Fair Value Level</b>	<b>244,682</b>	<b>\$ 170,067</b>	<b>\$ 74,341</b>	<b>\$ 274</b>
<b>Investments at Fair Value not Subject to Fair Value Hierarchy</b>				
City of Sacramento Investment Pool	4,414			
<b>Total Cash and Investments</b>	<b>\$ 249,096</b>			

**City Sponsored Investment Pool**

As part of the City's total cash and investments portfolio, the City Treasurer manages an investment pool, which includes both internal and external investors. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Treasurer is granted authority for managing the pool by City Charter Section 73 and City Council ordinances and resolutions. Monthly, the City Treasurer reports investment activity to the Council for review.

The fair value of investments is determined monthly. Participants' shares sold and redeemed are determined by the daily cash balance deposited in the pool (the value of its pool shares). The value of the pool shares is based upon amortized cost in day-to-day operations but is adjusted to the fair value at year-end. The investments are reported at fair value. The value of the shares is supported by the value of the underlying investments. External participants, including various joint powers agencies, comprise 7.95% of pool participation. The City Sponsored Investment Pool excludes activities of the pension trust fund, the Sacramento Housing and Redevelopment Agency (SHRA), and funds held by fiscal agents.

The City Treasurer also manages external individual investment accounts for SHRA and the Sacramento Public Library Authority Hurst Trust.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

(dollar amounts expressed in thousands)

### NOTE 2 – CASH AND INVESTMENTS (Continued)

#### City Sponsored Investment Pool (Continued)

The following represents a condensed statement of net position and changes in net position for the City Sponsored Investment Pool and external individual investment accounts as of June 30, 2023:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Corporate bonds/notes	\$ 447,045	\$ 484,702	0.45-5.55%	07/23-03/27
Deposits	87,115	87,115	2.97%-3.00%	N/A
Investment Trust of California (CalTRUST)	178,470	178,470	3.44-5.07%	N/A
Local Agency Investment Fund (LAIF)	2,350	2,350	3.17%	N/A
Municipal bonds/notes	95,394	100,653	0.37-5.49%	07/23-06/27
Money market mutual funds	26,192	26,192	0.01-4.51%	N/A
Negotiable certificates of deposit	293,267	295,541	0.49-5.44%	07/23-06/26
Supranational securities	29,497	31,389	0.37-3.00%	09/23-11/26
U.S. agency securities	559,713	601,427	0.40-6.00%	07/23-12/27
U.S. Treasury bills/notes	37,858	39,765	0.37-4.97%	07/23-02/26
Total cash and investments in City sponsored investment pool and external individual investment accounts	<u>\$ 1,756,901</u>	<u>\$ 1,847,604</u>		

A summary of cash and investments as of June 30, 2023 is as follows:

	City Sponsored Investment Pool	External Individual Investment Accounts	Total
<b>Statement of Net Position:</b>			
Cash and investments at fair value	\$ 1,619,842	\$ 137,059	\$ 1,756,901
Interest receivables	5,174	536	5,710
Net position	<u>\$ 1,625,016</u>	<u>\$ 137,595</u>	<u>\$ 1,762,611</u>
Equity of internal pool participants	\$ 1,495,878	\$ -	\$ 1,495,878
Equity of external pool participants	129,138	137,595	266,733
Total equity	<u>\$ 1,625,016</u>	<u>\$ 137,595</u>	<u>\$ 1,762,611</u>
<b>Statement of Changes in Net Position:</b>			
Net position at July 1, 2022	\$ 1,542,041	\$ 142,089	\$ 1,684,130
Net change in investments by pool participants	82,975	(4,494)	78,481
Net position at June 30, 2023	<u>\$ 1,625,016</u>	<u>\$ 137,595</u>	<u>\$ 1,762,611</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Participation in External Investment Pools**

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2023, the City's investment in LAIF is \$2,350. The total amount invested by all public agencies in LAIF at that date is \$25,677,325. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2023 had a balance of \$176,442,053. Of that amount, 97.22% is invested in non-derivative financial products, and 2.78% is invested in derivative financial products.

The City is also a voluntary participant in the Investment Trust of California (CalTRUST), which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2023, the City's investment in CalTRUST is \$178,470, of which \$48,598 was invested in the Liquidity funds pool, \$71,384 in the Short-term pool, and \$58,488 in the Medium-term pool. Amounts that may be withdrawn from CalTRUST are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the Short-term and Medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 3 – RECEIVABLES**

Receivables as of June 30, 2023, were as follows:

	Taxes	Accounts	Loans	Inter-govern- mental	Leases	Interest	Total
Governmental activities							
General Fund	\$ 34,266	\$ 29,042	\$ 1,561	\$ 4,079	\$ 27,226	\$ 1,504	\$ 97,678
Measure U Fund	22,955	154	-	-	-	312	23,421
2015 Golden 1 Center							
Lease Revenue Bond Fund	-	2,025	135,147	-	-	30	137,202
Other governmental funds	6,970	20,099	32,028	64,022	4,005	958	128,082
Internal service funds	-	5,020	-	-	-	516	5,536
	<u>\$ 64,191</u>	<u>\$ 56,340</u>	<u>\$ 168,736</u>	<u>\$ 68,101</u>	<u>\$ 31,231</u>	<u>\$ 3,320</u>	<u>\$ 391,919</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,272</u>	<u>\$ 10,533</u>	<u>\$ 28,734</u>	<u>\$ -</u>	<u>\$ 198,539</u>
Business-type activities							
Water Fund	\$ -	\$ 21,333	\$ -	\$ 628	\$ 840	\$ 1,149	\$ 23,950
Wastewater Fund	-	11,953	-	1,010	-	294	13,257
Storm Drainage Fund	-	10,635	922	1,014	-	263	12,834
Solid Waste Fund	-	12,747	-	-	1,596	208	14,551
Community Center Fund	3,567	4,391	-	-	-	173	8,131
Other enterprise funds	-	767	-	-	8,015	78	8,860
	<u>\$ 3,567</u>	<u>\$ 61,826</u>	<u>\$ 922</u>	<u>\$ 2,652</u>	<u>\$ 10,451</u>	<u>\$ 2,165</u>	<u>\$ 81,583</u>

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$26,835 in governmental activities and \$977 in business-type activities.

Included in the Loans Receivable amount related to other governmental funds above is the present value of the installment payments under the golf service concession arrangement of \$5,801, reported with the associated deferred inflow in the government-wide statement of net position.

The Golden 1 Center was sold to the Sacramento Kings under the terms of the Arena Management, Operations and Lease Agreement during the fiscal year ended June 30, 2017. The agreed-upon minimum lease payments to be received from the Kings was \$389,414 over 35 years. Total minimum lease payments have since gone up to \$405,324 over 35 years in accordance with the agreement's annual fee escalation tied to the Consumer Price Index. The present value of these minimum lease payments discounted at 5.674% is \$145,930 and the current loan receivable balance as of June 30, 2023 is \$135,147. Payments from the Sacramento Kings will be used to fund the payment of debt service related to the Golden 1 Center 2015 lease revenue bonds.



**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 4 – CAPITAL ASSETS**

**Summary**

The following is a summary of capital assets as of June 30, 2023:

	Governmental Activities	Business- type Activities	Total
Capital assets not being depreciated/amortized			
Land	\$ 220,493	\$ 48,951	\$ 269,444
Easements	2,348	291	2,639
Construction in progress	277,555	453,029	730,584
Total capital assets not being depreciated/amortized	<u>500,396</u>	<u>502,271</u>	<u>1,002,667</u>
Depreciable/amortizable capital assets			
Buildings and improvements	720,704	447,227	1,167,931
Equipment	81,327	164,345	245,672
Software	6,413	13,535	19,948
Vehicles	215,921	-	215,921
Transmission and distribution system	4,777	1,614,964	1,619,741
Roadway network	1,732,078	-	1,732,078
Streetlight network	294,256	-	294,256
Parks and park improvements	252,708	-	252,708
Total depreciable/amortizable capital assets	<u>3,308,184</u>	<u>2,240,071</u>	<u>5,548,255</u>
Less accumulated depreciation/amortization for:			
Buildings and improvements	(317,712)	(188,384)	(506,096)
Equipment	(70,155)	(63,034)	(133,189)
Software	(5,486)	(5,727)	(11,213)
Vehicles	(119,934)	-	(119,934)
Transmission and distribution system	(1,358)	(651,678)	(653,036)
Roadway network	(1,213,304)	-	(1,213,304)
Streetlight network	(121,358)	-	(121,358)
Parks and park improvements	(104,249)	-	(104,249)
Total accumulated depreciation/amortization	<u>(1,953,556)</u>	<u>(908,823)</u>	<u>(2,862,379)</u>
Depreciable/amortizable capital assets, net	<u>1,354,628</u>	<u>1,331,248</u>	<u>2,685,876</u>
Lease and IT subscription assets, net (Note 6)	<u>13,029</u>	<u>3,582</u>	<u>16,611</u>
Total capital assets, net	<u>\$ 1,868,053</u>	<u>\$ 1,837,101</u>	<u>\$ 3,705,154</u>

Refer to Note 6 for more detailed information on lease and IT subscription asset activity and amortization expense by function.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 4 – CAPITAL ASSETS (Continued)**

**Governmental Activities**

Governmental capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance, As Restated <sup>(1)</sup>	Increases	Decreases	Transfers In/Out	Ending Balance
<b>Capital assets not being depreciated/amortized</b>					
Land	\$ 219,585	\$ 908	\$ -	\$ -	\$ 220,493
Easements	2,348	-	-	-	2,348
Construction in progress	270,374	40,038	(32,857)	-	277,555
Total capital assets not being depreciated/amortized	492,307	40,946	(32,857)	-	500,396
<b>Depreciable/amortizable capital assets</b>					
Buildings and improvements	715,677	5,027	-	-	720,704
Equipment	80,479	848	-	-	81,327
Software	6,413	-	-	-	6,413
Vehicles	206,885	19,520	(10,484)	-	215,921
Transmission and distribution system	4,777	1,069	-	(1,069)	4,777
Roadway network	1,723,815	12,251	(3,988)	-	1,732,078
Streetlight network	287,938	6,318	-	-	294,256
Parks and park improvements	233,996	18,712	-	-	252,708
Total depreciable/amortizable capital assets	3,259,980	63,745	(14,472)	(1,069)	3,308,184
<b>Less accumulated depreciation/amortization for:</b>					
Buildings and improvements	(303,772)	(13,940)	-	-	(317,712)
Equipment	(67,909)	(2,246)	-	-	(70,155)
Software	(5,134)	(352)	-	-	(5,486)
Vehicles	(113,423)	(16,328)	9,817	-	(119,934)
Transmission and distribution system	(1,271)	(87)	-	-	(1,358)
Roadway network	(1,176,858)	(40,434)	3,988	-	(1,213,304)
Streetlight network	(114,556)	(6,802)	-	-	(121,358)
Parks and park improvements	(95,831)	(8,418)	-	-	(104,249)
Total accumulated depreciation/amortization	(1,878,754)	(88,607)	13,805	-	(1,953,556)
Depreciable/amortizable capital assets, net	1,381,226	(24,862)	(667)	(1,069)	1,354,628
Lease and IT subscription assets, net (Note 6)	9,812	3,217	-	-	13,029
Governmental activities capital assets, net	\$ 1,883,345	\$ 19,301	\$ (33,524)	\$ (1,069)	\$ 1,868,053
<b>Depreciation/amortization expense was charged to functions as follows:</b>					
General government		\$ 4,741			
Police		881			
Fire		755			
Public works		50,259			
Convention and cultural services		3,872			
Youth, parks, and community enrichment		10,653			
Community development		160			
Library		944			
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets		16,342			
Total governmental activities depreciation/amortization expense		\$ 88,607			

(1) The June 30, 2022 beginning balance of governmental activities has been restated to reflect the IT subscription assets required by GASB Statement No. 96 in the amount of \$8,259.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 4 – CAPITAL ASSETS (Continued)

#### Business-type Activities

Business-type capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance, As Restated <sup>(1)</sup>	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 48,951	\$ -	\$ -	\$ -	\$ 48,951
Easements	291	-	-	-	291
Construction in progress	444,855	26,456	(18,282)	-	453,029
Total capital assets not being depreciated/amortized	494,097	26,456	(18,282)	-	502,271
Depreciable/amortizable capital assets					
Buildings and improvements	464,915	2,778	(20,466)	-	447,227
Equipment	162,097	2,248	-	-	164,345
Software	13,535	-	-	-	13,535
Transmission and distribution system	1,571,737	42,158	-	1,069	1,614,964
Total depreciable/amortizable capital assets	2,212,284	47,184	(20,466)	1,069	2,240,071
Less accumulated depreciation/amortization for:					
Buildings and improvements	(180,680)	(7,704)	-	-	(188,384)
Equipment	(56,647)	(6,387)	-	-	(63,034)
Software	(4,833)	(894)	-	-	(5,727)
Transmission and distribution system	(616,214)	(35,464)	-	-	(651,678)
Total accumulated depreciation/amortization	(858,374)	(50,449)	-	-	(908,823)
Depreciable/amortizable capital assets, net	1,353,910	(3,265)	(20,466)	1,069	1,331,248
Lease and IT subscription assets, net (Note 6)	3,339	243	-	-	3,582
Business-type activities capital assets, net	\$ 1,851,346	\$ 23,434	\$ (38,748)	\$ 1,069	\$ 1,837,101
Depreciation/amortization expense was charged to functions as follows:					
Water		\$ 30,258			
Wastewater		5,261			
Storm drainage		10,965			
Solid waste		1,218			
Community center		1,317			
Parking		1,369			
Child development		61 <sup>(2)</sup>			
Total business-type activities depreciation/amortization expense		\$ 50,449			

(1) The June 30, 2022 beginning balance of business-type activities has been restated to reflect the IT subscription assets required by GASB Statement No. 96, in the amount of \$1,249.

(2) \$8 of depreciation/amortization expense reported in the Other Enterprise Funds is related to the amortization of the Regency Park joint-use agreement and is not recognized within this note or Note 6.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 5 – PAYABLES**

Payables as of June 30, 2023, were as follows:

	<u>Vendors</u>	<u>Employees</u>	<u>Interest</u>	<u>Deposits</u>	<u>Total</u>
Governmental activities					
General Fund	\$ 19,373	\$ 21,007	\$ 38	\$ 160	\$ 40,578
Measure U Fund	7,615	2,155	2	-	9,772
2015 Golden 1 Center Lease					
Revenue Bond Fund	-	-	3,531	-	3,531
Other governmental funds	25,911	72	1,436	3,379	30,798
Internal service funds	<u>6,579</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>6,926</u>
Total governmental activities	<u>\$ 59,478</u>	<u>\$ 23,581</u>	<u>\$ 5,007</u>	<u>\$ 3,539</u>	<u>\$ 91,605</u>
Business-type activities					
Water Fund	\$ 4,017	\$ 1,228	\$ 3,033	\$ 5	\$ 8,283
Wastewater Fund	15,396	356	613	-	16,365
Storm Drainage Fund	1,253	477	29	-	1,759
Solid Waste Fund	2,034	511	36	-	2,581
Community Center Fund	5,660	182	1,255	-	7,097
Other enterprise funds	<u>2,750</u>	<u>293</u>	<u>39</u>	<u>72</u>	<u>3,154</u>
Total business-type activities	<u>\$ 31,110</u>	<u>\$ 3,047</u>	<u>\$ 5,005</u>	<u>\$ 77</u>	<u>\$ 39,239</u>

Included in the Interest Payable amount related to 2015 Golden 1 Center Lease Revenue Bond Fund above is the interest payable accrual of \$3,531, reported in the government-wide statement of net position.

Included in the Interest Payable amount related to other governmental funds above is the interest payable accrual for other debt service funds of \$1,434, reported in the government-wide statement of net position.

Included in the Interest Payable amount related to the General Fund, Measure U Fund, and Other Governmental Funds above is the interest payable associated with lease and IT subscription liabilities of \$42, reported in the government-wide statement of net position.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS

#### City as a Lessee and IT Software Subscriber

As discussed in Note 1, the City is a lessee for various noncancellable leases of land, buildings, and equipment. The City also has noncancellable subscription arrangements for the right-to-use information technology software (IT subscriptions). Leases of land have initial terms of 10 to 50 years, and contain one or more renewal provisions, generally in 5 or 10-year periods. Leases of buildings and equipment have initial terms of 3 to 10 years, and contain one or more renewal provisions, generally in 1 or 5-year periods. IT subscription arrangements have initial terms of 1 to 5 years, and contain one or more renewal provisions, generally in 1 to 5-year periods. The City's lease and IT subscription arrangements generally do not include termination options reasonably certain to be exercised by either party to the arrangement or restrictive financial or other covenants. The City's lease and IT subscription arrangements do not contain any material residual value guarantees.

A summary of lease and IT subscription asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Lease assets:				
Land	\$ 188	\$ -	\$ -	\$ 188
Buildings	1,789	-	-	1,789
Total lease assets	<u>1,977</u>	<u>-</u>	<u>-</u>	<u>1,977</u>
Less accumulated amortization for:				
Lease assets:				
Land	(6)	(6)	-	(12)
Buildings	(418)	(418)	-	(836)
Total accumulated amortization	<u>(424)</u>	<u>(424)</u>	<u>-</u>	<u>(848)</u>
Lease assets, net	<u>1,553</u>	<u>(424)</u>	<u>-</u>	<u>1,129</u>
IT subscription assets	8,259	6,483	-	14,742
Less accumulated amortization	-	(2,842)	-	(2,842)
IT subscription assets, net	<u>8,259</u>	<u>3,641</u>	<u>-</u>	<u>11,900</u>
Governmental activities lease and IT subscription assets, net	<u>\$ 9,812</u>	<u>\$ 3,217</u>	<u>\$ -</u>	<u>\$ 13,029</u>
<b>Business-type activities</b>				
Lease assets:				
Land	\$ 1,978	\$ -	\$ -	\$ 1,978
Buildings	177	-	-	177
Equipment	184	-	-	184
Total lease assets	<u>2,339</u>	<u>-</u>	<u>-</u>	<u>2,339</u>
Less accumulated amortization for:				
Lease assets:				
Land	(122)	(123)	-	(245)
Buildings	(35)	(35)	-	(70)
Equipment	(92)	(37)	-	(129)
Total accumulated amortization	<u>(249)</u>	<u>(195)</u>	<u>-</u>	<u>(444)</u>
Lease assets, net	<u>2,090</u>	<u>(195)</u>	<u>-</u>	<u>1,895</u>
IT subscription assets	1,249	760	-	2,009
Less accumulated amortization	-	(322)	-	(322)
IT subscription assets, net	<u>1,249</u>	<u>438</u>	<u>-</u>	<u>1,687</u>
Business-type activities lease and IT subscription assets, net	<u>\$ 3,339</u>	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 3,582</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessee and IT Software Subscriber (Continued)**

Amortization expense for lease and IT subscription assets was charged to functions as follows:

	Governmental Activities		
	Lease Assets	IT Subscription Assets	Total
	General Government	\$ 69	\$ 586
Police	72	1,204	1,276
Fire	144	645	789
Public works	42	92	134
Convention and cultural services	56	19	75
Youth, parks, and community enrichment	41	37	78
Community development	-	257	257
Community response	-	2	2
<b>Total amortization expense</b>	<b>\$ 424</b>	<b>\$ 2,842</b>	<b>\$ 3,266</b>

	Business-type Activities		
	Lease Assets	IT Subscription Assets	Total
	Water	\$ 37	\$ 186
Wastewater	-	39	39
Storm Drainage	35	35	70
Solid waste	-	5	5
Community Center	-	4	4
Parking	123	53	176
<b>Total amortization expense</b>	<b>\$ 195</b>	<b>\$ 322</b>	<b>\$ 517</b>

A summary of changes in the related lease and IT subscription liabilities for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance
	<b>Governmental activities</b>			
Lease liabilities	\$ 1,643	\$ -	\$ (478)	\$ 1,165
IT subscription liabilities	8,259	6,483	(4,482)	10,260
<b>Total</b>	<b>\$ 9,902</b>	<b>\$ 6,483</b>	<b>\$ (4,960)</b>	<b>\$ 11,425</b>
<b>Business-type activities</b>				
Lease liabilities	\$ 2,012	\$ -	\$ (142)	\$ 1,870
IT subscription liabilities	1,249	760	(547)	1,462
<b>Total</b>	<b>\$ 3,261</b>	<b>\$ 760</b>	<b>\$ (689)</b>	<b>\$ 3,332</b>

The June 30, 2022 beginning balance of governmental activities and business-type activities have been restated to reflect the IT subscription assets and IT subscription liabilities required by GASB Statement No. 96. Governmental activities IT subscription assets and IT subscription liabilities have been restated in the amount of \$8,259. Business-type activities IT subscription assets and IT subscription liabilities have been restated in the amount of \$1,249.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessee and IT Software Subscriber (Continued)**

Future minimum lease and IT subscription payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities			
	Lease Payments		IT Subscription Payments	
	Principal	Interest	Principal	Interest
2024	\$ 289	\$ 11	\$ 4,062	\$ 139
2025	195	10	3,138	95
2026	137	9	1,114	52
2027	64	8	467	40
2028	46	7	435	30
2029 - 2033	262	25	1,044	32
2034 - 2038	74	10	-	-
2039 - 2043	32	7	-	-
2044 - 2048	35	4	-	-
2049 - 2053	31	1	-	-
<b>Totals</b>	<b>\$ 1,165</b>	<b>\$ 92</b>	<b>\$ 10,260</b>	<b>\$ 388</b>

Fiscal Year Ending June 30,	Business-type Activities			
	Lease Payments		IT Subscription Payments	
	Principal	Interest	Principal	Interest
2024	\$ 146	\$ 28	\$ 541	\$ 21
2025	150	26	303	14
2026	154	25	50	8
2027	120	24	51	7
2028	43	22	51	7
2029 - 2033	142	106	268	23
2034 - 2038	155	93	198	5
2039 - 2043	169	78	-	-
2044 - 2048	185	63	-	-
2049 - 2053	202	45	-	-
2054 - 2058	221	26	-	-
2059 - 2063	183	6	-	-
<b>Totals</b>	<b>\$ 1,870</b>	<b>\$ 542</b>	<b>\$ 1,462</b>	<b>\$ 85</b>

Variable lease and IT subscription payments - Variable lease and IT subscription payments, other than those that are fixed in substance, are excluded from the measurement of the lease and IT subscription liability. Such amounts are recognized as expense/expenditures in the period in which the obligation for those payments is incurred.

Certain land leases require the City to make variable lease payments based on a percentage of gross revenue. These amounts are generally determined quarterly or annually. The amount recognized as expense/expenditures for variable lease payments not included in the measurement of lease liabilities was \$376 during the fiscal year ended June 30, 2023. The City also leases land from the State Lands Commission and subleases this land to various lessees. Each year, the City pays a percentage of gross revenues to the State Lands Commission. The City recognized \$241 of expense associated with the leased land from the State Lands Commission during the fiscal year ended June 30, 2023.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessee and IT Software Subscriber (Continued)**

Certain vehicle leases require the City to make variable lease payments based on usage. These amounts are generally determined monthly. The amount recognized as expense/expenditures for variable lease payments not included in the measurement of lease liabilities was \$677 during the fiscal year ended June 30, 2023.

Certain IT subscription arrangements require the City to make variable subscription payments based on the number of user licenses or transactions processed. The amount recognized as expense/expenditures for variable subscription payments not included in the measurement of IT subscription liabilities was \$1,042 during the fiscal year ended June 30, 2023. \$777 was associated with variable IT subscription arrangements based on the number of user licenses and \$265 was associated with IT variable subscription arrangements based on the number of transactions processed.

**City as a Lessor**

As discussed in Note 1, the City is a lessor for various non-cancellable leases of land, buildings, and equipment. Leases of land have initial terms of 3 to 50 years, and contain one or more renewal provisions, generally in 5 or 10-year periods. Leases of buildings and equipment have initial terms of 3 to 45 years, and contain one or more renewal provisions, generally in 1 or 5-year periods. The City’s lease arrangements do not contain any material residual value guarantees.

Future minimum lease payments receivable are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 2,497	\$ 467	\$ 566	\$ 230
2025	2,302	404	636	149
2026	2,103	375	669	141
2027	2,080	346	686	132
2028	2,103	318	693	123
2029 - 2033	9,345	1,152	2,734	485
2034 - 2038	6,250	583	1,678	312
2039 - 2043	2,680	235	1,800	168
2044 - 2048	507	143	989	39
2049 - 2053	581	97	-	-
2054 - 2058	658	42	-	-
2059 - 2063	125	1	-	-
Totals	\$ 31,231	\$ 4,163	\$ 10,451	\$ 1,779



# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)

#### City as a Lessor (Continued)

Lease related revenue recognized during the fiscal year ended June 30, 2023, excluding variable lease receipts, is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Lease revenue	\$ 2,643	\$ 735
Interest revenue	456	163

Variable lease receipts - Variable lease receipts, other than those that are fixed in substance, are excluded from the measurement of the lease receivable. Such amounts are recognized as lease revenue in the period in which it is earned.

Certain leases require the lessee to make variable lease payments based on a percentage of gross receipts. These amounts are determined monthly, quarterly, or annually as noted in the lease arrangement. The amount recognized as revenue for variable lease receipts not included in the measurement of lease receivables was \$4,495 during the fiscal year ended June 30, 2023.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 7 – LONG-TERM LIABILITIES**

**Activity**

The following is a summary of changes in long-term liabilities at June 30, 2023. Certain long-term liabilities provide financing to both governmental and business-type activities.

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
Revenue and Other Bonds, Direct Placements:					
2016 Lease Financing	\$ 6,065	\$ -	\$ (505)	\$ 5,560	\$ 515
Revenue and Other Bonds, Public Offerings:					
2006 Capital Improvement Revenue Bonds, Series B	38,805	-	(1,670)	37,135	1,770
2006 Capital Improvement Revenue Bonds, Series E	78,062	-	(5,549)	72,513	5,375
2015 Refunding Revenue Bonds	68,015	-	(3,735)	64,280	3,925
2015 Lease Revenue Bonds - Golden 1 Center	254,565	-	(4,005)	250,560	4,165
Subtotal, revenue and other bonds, public offerings	439,447	-	(14,959)	424,488	15,235
Direct Borrowing Notes Payable:					
1985 Marina Phase I	1,175	-	(62)	1,113	65
1985 Marina Phase II	1,880	-	(84)	1,796	86
2008 Sacramento Marina South Basin	13,647	-	(171)	13,476	280
Subtotal, direct borrowing notes payable	16,702	-	(317)	16,385	431
Plus deferred amounts:					
Issuance premiums	14,484	-	(1,136)	13,348	1,136
Subtotal, debt governmental activities	476,698	-	(16,917)	459,781	17,317
Other Long-term Liabilities:					
Accrued claims and judgments	116,698	45,723	(23,741)	138,680	39,528
Accrued compensated absences	47,469	48,298	(44,239)	51,528	3,665
Lease liabilities	1,643	-	(478)	1,165	289
IT subscription liabilities	8,259	6,483	(4,482)	10,260	4,062
Net OPEB liability	161,715	30,236	(21,625)	170,326	-
Net pension liability	657,912	606,780	(111,733)	1,152,959	-
Pollution remediation obligations	596	874	(473)	997	130
Financing plan fee credits:					
Delta Shores	39,909	5,601	(650)	44,860	-
Jacinto Creek	1,003	152	-	1,155	25
North Natomas	28,028	5,980	(1,144)	32,864	3,508
Park Development	1,559	6	(50)	1,515	425
Willowcreek	49	-	(49)	-	-
Subtotal, other long-term liabilities	1,064,840	750,133	(208,664)	1,606,309	51,632
Total governmental activities	\$ 1,541,538	\$ 750,133	\$ (225,581)	\$ 2,066,090	\$ 68,949

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Activity (Continued)**

<b>BUSINESS-TYPE ACTIVITIES:</b>	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Revenue and Other Bonds, Public Offerings:</b>					
2006 Capital Improvement Revenue Bonds, Series E	\$ 92,277	\$ -	\$ (6,411)	\$ 85,866	\$ 6,750
Water Revenue Bonds, Series 2013	15,960	-	(5,065)	10,895	5,315
Water Revenue Bonds, Series 2017	49,215	-	(960)	48,255	1,010
Water Revenue Refunding Bonds, Series 2020	183,485	-	(2,050)	181,435	2,080
Wastewater Revenue Bonds, Series 2013	1,570	-	(765)	805	805
Wastewater Revenue Bonds, Series 2019	25,120	-	(880)	24,240	925
Wastewater Revenue Refunding Bonds, Series 2020	27,105	-	(335)	26,770	340
2015 Refunding Revenue Bonds	20,425	-	(2,145)	18,280	2,250
2018 TOT Revenue Bonds, Senior Series A	195,815	-	-	195,815	-
2018 TOT Revenue Bonds, Senior Series B	12,610	-	(4,215)	8,395	4,370
2018 TOT Revenue Bonds, Subordinate Series C	64,540	-	(1,265)	63,275	1,325
2019 STID Assessment Revenue Bonds	48,740	-	(915)	47,825	960
Subtotal, revenue and other bonds, public offerings	<u>736,862</u>	<u>-</u>	<u>(25,006)</u>	<u>711,856</u>	<u>26,130</u>
<b>Direct Borrowing Notes Payable:</b>					
California Department of Public Health	5,864	-	(495)	5,369	507
California Infrastructure and Economic Development Bank (I-Bank)	1,939	-	(95)	1,844	98
Drinking Water State Revolving Fund	135,408	107	(5,916)	129,599	2,995
Subtotal, direct borrowing notes payable	<u>143,211</u>	<u>107</u>	<u>(6,506)</u>	<u>136,812</u>	<u>3,600</u>
<b>Less deferred amounts:</b>					
Issuance premiums	57,350	-	(3,633)	53,717	3,595
Subtotal, debt, business type activities	<u>937,423</u>	<u>107</u>	<u>(35,145)</u>	<u>902,385</u>	<u>33,325</u>
<b>Other Long-term Liabilities:</b>					
Accrued compensated absences	9,677	8,962	(8,703)	9,936	614
Lease liabilities	2,012	-	(142)	1,870	146
IT subscription liabilities	1,249	761	(548)	1,462	541
Net OPEB liability	35,090	4,104	(3,050)	36,144	-
Net pension liability	82,679	82,271	(15,068)	149,882	-
Accrued claims and judgments	660	-	(212)	448	448
Water fee credits	192	-	(96)	96	-
Wastewater fee credits	10,772	-	(2,322)	8,450	-
Liability for landfill postclosure	4,038	-	(298)	3,740	298
Subtotal, other long-term liabilities	<u>146,369</u>	<u>96,098</u>	<u>(30,439)</u>	<u>212,028</u>	<u>2,047</u>
Total business-type activities	<u>1,083,792</u>	<u>96,205</u>	<u>(65,584)</u>	<u>1,114,413</u>	<u>35,372</u>
Total long-term liabilities	<u>\$ 2,625,330</u>	<u>\$ 846,338</u>	<u>\$ (291,165)</u>	<u>\$ 3,180,503</u>	<u>\$ 104,321</u>

The June 30, 2022 beginning balance of governmental activities and business-type activities have been restated to reflect the IT subscription liabilities required by GASB Statement No. 96, in the amounts of \$8,259 and \$1,249, respectively.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

The following is a list of long-term debt issues outstanding at June 30, 2023, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

#### Revenue and Other Bonds

##### Issued Amount

- \$55,235 2006 Capital Improvement Revenue Bonds, Series B (Taxable)  
Authorized and issued June 15, 2006, due in annual installments of \$720 to \$3,760 through December 1, 2036, bearing interest rates of 5.4% to 5.8%. Net proceeds of \$50,692 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including an arts rehearsal building, Pocket Area Library and other capital projects within the City of Sacramento. The debt is secured by collateral of real property situated in the City of Sacramento, the indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately.
- \$186,950 2006 Capital Improvement Revenue Bonds, Series E (Refunding)  
Authorized and issued December 12, 2006, due in annual installments of \$402 to \$8,570 through December 1, 2033, bearing interest rates of 4% to 5.25%. Net proceeds of \$216,661 plus cash of \$13,441 have been utilized for the purpose of establishing an irrevocable escrow to defease \$218,000 principal amount of the outstanding 2001 Capital Improvement Revenue Bonds and a portion of the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, and the associated liabilities have been removed from the governmental and business-type activities columns of the statement of net position. The debt is secured by collateral of real property situated in the City of Sacramento, the indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately.
- \$215,195 2013 Water Revenue Bonds  
Authorized and issued March 2013, due in annual installments of \$9,731 to \$14,018 through fiscal year 2043, bearing interest rates of 1% to 5%, for the purpose of financing the costs of improvements to the City's municipal water system. In May 2020, the City issued 2020 Water Revenue Refunding Bonds to defease and refund \$166,405 of the outstanding 2013 Water Revenue Bonds. The refunded principal of \$166,405 is scheduled for redemption September 1, 2023. Remaining amount due in annual installments of \$5,717 to \$ 5,720 through fiscal year 2025, bearing interest rate of 5%. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$11,438 as of June 30, 2023. Current year principal and interest paid was \$5,720 and water fee revenue was \$135,399.
- \$30,855 2013 Wastewater Revenue Bonds  
Authorized and issued June 2013, due in annual installments of \$951 to \$1,958 through fiscal year 2043, bearing interest rates of 3% to 5%, for the purpose of financing the costs of improvements to the City's wastewater system. In July 2020, the City issued 2020 Wastewater Revenue Refunding Bonds to defease and refund \$24,835 of the outstanding 2013 Wastewater Revenue Bonds. The refunded principal of \$24,835 is scheduled for redemption September 1, 2023. Remaining amount due in annual installments of \$822 to \$ 825 through fiscal year 2024, bearing interest rate of 5%. The debt is secured by a pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$825 as of June 30, 2023. Current year principal and interest paid was \$824 and wastewater fee revenue was \$44,809.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

#### Revenue and Other Bonds (Continued)

##### Issued Amount

- |           |  |
|-----------|--|
| \$183,380 | <p>2015 Refunding Revenue Bonds<br/>Authorized and issued October 1, 2015, due in annual installments of \$5,120 to \$24,773 through December 1, 2037, bearing interest rates of 3% to 5%. Net proceeds of \$205,778 plus cash of \$28,165, together with certain proceeds of the Tax Allocation Bonds, were utilized to establish an irrevocable escrow to defease \$257,630 principal amount of outstanding 2002 Capital Improvement Revenue Bonds, 2003 Capital Improvement Revenue Bonds, 2005 Refunding Revenue Bonds, 2006 Capital Improvement Revenue Bonds, Series A, 2006 Capital Improvement Revenue Bonds, Series C, and pay costs of issuance. The refunded liabilities have been removed from the associated fund and government-wide financial statements. The debt is secured by collateral of real property situated in the City of Sacramento. The indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately.</p> |
| \$272,870 | <p>2015 Lease Revenue Bonds – Golden 1 Center<br/>The bonds were originally issued on August 13, 2015, in the aggregate principal amount of \$299,995, to pay for a portion of the acquisition and construction of the multi-purpose entertainment and sports center (the Golden 1 Center) in downtown Sacramento. On the fixed rate conversion date, October 6, 2015, \$27,125 principal amount of the bonds were cancelled. The bonds are due in annual installments of \$7,229 to \$18,379 through fiscal year 2050, bearing interest of 2.5% to 5.6%. The debt is secured by collateral of the Golden 1 Center and other improvements made to the associated parcel of land.</p>   |
| \$9,115   | <p>2016 Lease Financing – H Street Theater Complex (Direct Placement)<br/>The City delivered its 2016 Lease Financing on January 26, 2016, due in annual installments of \$668 to \$1,010 through fiscal year 2033, bearing interest at 2.8%. Bond proceeds of \$9,115, together with cash of \$3,471 were utilized to establish a prepayment fund to refund \$12,010 aggregate principal, plus interest, and pay the costs of issuance of the outstanding Sacramento Regional Arts Facilities 2002 Certificates of Participation. The debt is secured by lease rental payments from the California Musical Theatre.</p>   |
| \$52,610  | <p>2017 Water Revenue Bonds<br/>Authorized and issued June 2017, due in annual installments of \$1,805 to 3,379 through fiscal year 2048, bearing interest rate of 4% to 5%, for the purpose of financing the costs of improvements to the City's municipal water system. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$84,422 as of June 30, 2023. Current year principal and interest paid was \$3,377 and water fee revenue was \$135,399.</p>  |
| \$195,815 | <p>2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series A<br/>Authorized September 2018, issued November 2018, due in annual installments of \$5,711 to \$14,482 through fiscal year 2048, bearing an interest rate of 5%, for the purpose of financing the costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium, as well as other projects eligible for TOT funding. The debt is secured by the pledge of, and payable solely from, TOT revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$353,118 as of June 30, 2023. Current year interest paid was \$9,791 and TOT revenue was \$31,294. Principal payments begin June 2025.</p>   |

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

#### Revenue and Other Bonds (Continued)

##### Issued Amount

- |          |   |
|----------|---|
| \$20,610 | 2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series B (Taxable)<br>Authorized September 2018, issued November 2018, due in annual installments of \$441 to \$4,690 through fiscal year 2025, bearing interest rates of 3.5% to 3.9%, for the purpose of financing the costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium, as well as other projects eligible for TOT funding. The debt is secured by the pledge of, and payable solely from, TOT revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$8,870 as of June 30, 2023. Current year principal and interest paid was \$4,689 and TOT revenue was \$31,294. |
| \$66,890 | 2018 Transient Occupancy Tax (TOT) Revenue Bonds, Subordinate Series C<br>Authorized September 2018, issued November 2018, due in annual installments of \$1,951 to \$4,495 through fiscal year 2048, bearing an interest rate of 5%, for the purpose of financing the costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium, as well as other projects eligible for TOT funding. The debt is secured by the pledge of, and payable solely from, TOT revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$112,237 as of June 30, 2023. Current year principal and interest paid was \$4,492 and TOT revenue was \$31,294.          |
| \$25,960 | 2019 Wastewater Revenue Bonds<br>Authorized March 2019, issued April 2019, due in annual installments of \$1,157 to \$2,119 through fiscal year 2040, bearing an interest rate of 5%, for the purpose of financing the costs of improvements to the City's wastewater system. The debt is secured by a pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$35,981 as of June 30, 2023. Current year principal and interest paid was \$2,114 and wastewater fee revenue was \$44,809.   |
| \$50,465 | 2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds<br>Authorized July 2019, issued August 2019, due in annual installments of \$1,469 to \$2,744 through fiscal year 2050, bearing interest rates of 4% to 5%, for the purpose of financing an additional Ballroom in the Sacramento Convention Center and other capital improvement projects. The debt is secured by the pledge of, and payable solely from, STID revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$74,005 as of June 30, 2023. Current year principal and interest paid was \$2,741 and STID fee revenue was \$3,619.  |

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

#### Revenue and Other Bonds (Continued)

##### Issued Amount

- \$188,390 2020 Water Refunding Revenue Bonds  
Authorized April 2020, issued May 2020, due in annual installments of \$6,976 to \$12,701 through fiscal year 2043, bearing interest rates of 1% to 3%. Net proceeds of \$188,390, together with City contribution of \$1,005 and bond reserve fund release of \$4,248, were utilized to establish an irrevocable escrow to defease \$166,405 principal amount of outstanding 2013 Water Revenue Bonds and pay costs of issuance. The refunded liabilities have been removed from the Water Fund and government-wide financial statements and are scheduled for redemption September 1, 2023. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$242,522 as of June 30, 2023. Current year principal and interest paid was \$6,981 and water fee revenue was \$135,399.
- \$27,970 2020 Wastewater Refunding Revenue Bonds  
Authorized April 2020, issued July 2020, due in annual installments of \$925 to \$1,752 through fiscal year 2043, bearing interest rates of 0.5% to 2.5%. Net proceeds of \$27,970, together with City contribution of \$401 and bond reserve fund release of \$580, were utilized to establish an irrevocable escrow to defease \$24,835 principal amount of outstanding 2013 Wastewater Revenue Bonds and pay costs of issuance. The refunded liabilities have been removed from the Wastewater Fund and government-wide financial statements and are scheduled for redemption September 1, 2023. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$34,135 as of June 30, 2023. Current year principal and interest paid was \$924 and wastewater fee revenue was \$44,809.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

#### Notes Payable

##### Issued Amount

- \$2,220 1985 Sacramento Marina Note Payable, Phase I  
Authorized July 1985, issued November 1985, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$20 to \$82 through August 2030, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina.
- \$3,229 1985 Sacramento Marina Note Payable, Phase II  
Authorized July 1985, issued September 1987, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$27 to \$150 through August 2037, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina.
- \$10,477 2008 Sacramento Marina Note Payable, South Basin  
Authorized February 2005, the City had made loan draws of \$9,000 plus accrued interest of \$1,477 through June 30, 2013, from the California Department of Boating and Waterways (DB&W), for the purpose of constructing the South Basin Improvements at the Sacramento Marina. Principal and interest was due in 30 annual installments of \$204 to \$662, through August 2041, bearing an interest rate of 4.6%. The City had made no principal payments and only a portion of interest payments on this loan since 2013, and had been working with the DB&W on a loan restructure. Effective August 2019, the DB&W and the City executed a formal agreement to restructure this loan. After restructuring, the maturity dates of previously matured principal and interest amounts have been extended and are no longer past due. The note still bears an interest rate of 4.6% and principal and interest are due in annual installments of \$500 to \$1,698, through August 2041. The debt is secured by collateral of the Sacramento Marina.
- \$10,000 California Department of Public Health  
Authorized September 2009 for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years, through 2033, with annual principal and interest payments of approximately \$639. The City pledged future Water Enterprise Fund revenue to repay the note. Current year water fee revenue was \$135,399.
- \$2,975 California Infrastructure and Economic Development (I-Bank)  
Authorized in December 2007, due in annual principal and interest installments from \$163 to \$155 through August 2038, bearing an interest rate of 3.17%, for the purpose of financing the purchase and construction of the Basin 31 Detention Basin. The City pledged future storm drainage fee revenue to repay the note. The note is payable solely from the storm drainage fee revenue through August 2038. Total principal and interest remaining to be paid on the note is \$2,364. Current year principal and interest paid was \$161 and storm drainage fee revenue was \$61,120. The loan agreement contains a provision that in the event of a default, the principal of the loan and accrued interest on all unpaid installments would be due immediately.
- \$173,142 Drinking Water State Revolving Fund (DWSRF)  
Authorized in May 2017, the DWSRF has agreed to fund the City's Accelerated Meter Installation and Pipe Replacement Program. Under the agreement, the City is to pay for project costs upfront and the DWSRF is to reimburse the City with loan amounts not to exceed \$173,142. Construction began in October 2017 with an end date of June 2022. The final reimbursement request deadline is June 2023. The note will be repaid over a 20-year period beginning July 2022, bearing an interest rate of 1.7%. Annual principal and interest payments will be approximately \$8,240 after the final claim and reimbursement. The City has pledged future water fee revenues and the restricted reserve fund to repay the note. Current year water fee revenues were \$135,399. The amount claimed and reimbursed to the City as of June 30, 2023 was \$138,448.



# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

(dollar amounts expressed in thousands)

---

### NOTE 7 – LONG-TERM LIABILITIES (Continued)

#### Other Long-term Liabilities

Accrued claims and judgements – Estimated liabilities of the City’s workers’ compensation, auto, and general liability self-insurance programs administered through the Risk Management Internal Service Fund. The first year of salary continuation in the City’s workers’ compensation program is accrued and paid by the City’s General Fund, enterprise funds, and internal service funds.

Lease and IT subscription liabilities – The City has entered into various agreements for the intangible right-to-use lease and IT subscription assets. Lease and IT subscription liabilities are recorded at the present value of future fixed payments for the remaining term of the agreements. Lease liabilities are reported in accordance with GASB Statement No. 87. IT subscription liabilities are reported in accordance with GASB Statement No. 96. Refer to Note 1 and Note 6 for more detailed information.

Compensated absences – Estimated amounts due to employees for earned, but unused, compensated absence accounts, including leave balances for vacation, sick, holiday and compensated time off. Compensated absences are generally liquidated by the City’s General Fund, enterprise funds, and internal service funds.

Net OPEB liability (other postemployment benefits) – Net liability for retiree medical benefits accounted for and reported in accordance with GASB Statement No. 75. The net OPEB liability is \$170,326 and \$36,144 for governmental activities and business-type activities, respectively, at June 30, 2023. The net liability is liquidated by the fund that has recorded the liability. Governmental activities net OPEB liability is liquidated primarily by the General Fund and business-type activities net OPEB liability is liquidated by the respective enterprise fund. Refer to Note 9 for more detailed information.

Pollution remediation obligations – Estimated liabilities to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

Financing plan fee credits – Issued to developers as consideration for infrastructure and other capital improvements constructed on behalf of the City within the scope of the Delta Shores, North Natomas, Jacinto Creek and other development impact fee programs. Credits are redeemable from or against future impact fees assessed within the geographic boundaries of the finance plan.

Water fee credits – Issued to developers as consideration for infrastructure constructed on behalf of the City. Credits are redeemable from or against future water development impact fees.

Wastewater fee credits – Issued to developers as consideration for infrastructure constructed on behalf of the City. Credits are redeemable from or against future wastewater development impact fees.

Liability for landfill closure – Estimated post-closure maintenance and monitoring costs for the closed landfill sites.

Net pension liability – The net pension liability is \$1,152,959 and \$149,882 for governmental activities and business-type activities, respectively, at June 30, 2023. The net liability is liquidated by the fund that has recorded the liability. Governmental activities net pension liability is liquidated primarily by the General Fund and business-type activities net pension liability is liquidated by the respective enterprise fund. Refer to Note 8 for more detailed information.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Future Debt Service Requirements**

The following tables disclose the annual debt service requirements for the City’s long-term debt outstanding as of June 30, 2023.

Annual debt service requirements of governmental activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue and Other Bonds, Direct Placements		Revenue and Other Bonds, Public Offerings	
	Principal	Interest	Principal	Interest
2024	\$ 515	\$ 154	\$ 15,235	\$ 22,911
2025	535	140	15,971	22,079
2026	545	124	16,847	21,203
2027	565	109	17,784	20,279
2028	580	92	18,751	19,318
2029-2033	2,820	204	106,927	80,554
2034-2038	-	-	76,650	54,689
2039-2043	-	-	52,985	38,414
2044-2048	-	-	69,670	21,702
2049-2050	-	-	33,668	2,874
Subtotals	5,560	823	424,488	304,023
Plus: Issuance premiums	-	-	13,348	-
Totals	\$ 5,560	\$ 823	\$ 437,836	\$ 304,023

Fiscal Year Ending June 30,	Direct Borrowing Notes Payable	
	Principal	Interest
2024	\$ 431	\$ 751
2025	474	733
2026	547	710
2027	572	685
2028	599	659
2029-2033	3,563	2,848
2034-2038	4,675	1,946
2039-2042	5,524	677
Totals	\$ 16,385	\$ 9,009

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Future Debt Service Requirements (Continued)**

Annual debt service requirements of business-type activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue and Other Bonds, Public Offerings		Direct Borrowing Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 26,130	\$ 29,644	\$ 3,600	\$ 1,295
2025	27,309	28,460	6,689	2,304
2026	28,443	27,309	6,809	2,184
2027	29,596	26,143	6,931	2,061
2028	30,824	24,915	7,055	1,937
2029-2033	164,728	104,558	36,902	7,731
2034-2038	133,865	74,394	37,270	4,478
2039-2043	156,915	44,977	31,556	1,218
2044-2048	108,805	16,621	-	-
2049-2050	5,241	237	-	-
Subtotals	711,856	377,258	136,812	23,208
Plus: Issuance premiums	53,717	-	-	-
Totals	<u>\$ 765,573</u>	<u>\$ 377,258</u>	<u>\$ 136,812</u>	<u>\$ 23,208</u>

**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 U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2023.

**Special Assessment Debt**

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$229,248 at June 30, 2023. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Custodial Funds.

**Conduit Debt**

Outstanding obligations related to redevelopment agency revenue bonds total \$126,550 at June 30, 2023. The redevelopment agency bonds were issued by the Sacramento City Financing Authority to finance redevelopment activities and to refund certain other obligations of the redevelopment agency. The City has a limited commitment and is not liable for repayment of these bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 8 – PENSION PLANS**

**Defined Benefit Plan Description**

The City of Sacramento provides defined retirement benefits through the California Public Employees’ Retirement System (CalPERS) and the Sacramento City Employees’ Retirement System (SCERS). CalPERS is an agent multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

As of June 30, 2023, the City reported total net pension liability, deferred outflows of resources and deferred inflows of resources for the CalPERS (Miscellaneous and Safety Plans) and SCERS plans as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan	\$ 478,883	\$ 151,217	\$ 2,115
Safety Plan	812,117	256,305	976
SCERS	11,841	2,274	-
Total	\$ 1,302,841	\$ 409,796	\$ 3,091

For the fiscal year ended June 30, 2023, the City recognized total pension expense of \$177,695 for CalPERS and SCERS plans.

**CalPERS**

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and their beneficiaries. Copies of CalPERS’ annual financial report may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, CA 95814. A separate report for the City’s plan within CalPERS is not available.

**General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Safety and Miscellaneous Plans (the Plans) are established by State statute and City 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 at <http://www.calpers.ca.gov>.

**Benefits Provided** – CalPERS provides 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. Members with five years of total service are eligible to retire at age 50 or 52, depending on the plan, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**General Information about the Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of annual salary	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.13%	8.00%
Required employer contribution rates	25.43%	25.43%

	Safety	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	January 1, 2013
Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3.0%	2.0% to 2.7%
Required employee contribution rates	10.22%	13.00%
Required employer contribution rates	54.33%	54.33%

**Employees Covered** – At June 30, 2021, the most recent valuation date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	3,258	1,412
Inactive employees entitled to but not yet receiving benefits	4,533	469
Active employees	2,572	1,341
Total	10,363	3,222

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. For the fiscal year ended June 30, 2023, the contributions for the miscellaneous and safety plans were \$51,544 and \$81,076, respectively.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability**

The City’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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.80%	2.80%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.00% <sup>(2)</sup>	7.00% <sup>(2)</sup>
Mortality	2021 CalPERS Experience Study	2021 CalPERS Experience Study

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The discount rate used to measure the total pension liability was 6.90% for each Plan, a decrease from the previous 7.15%, the inflation rate used was 2.30%, a decrease from the previous 2.50%, and the payroll growth rate used was 2.80%, an increase from the previous 2.75%.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 CalPERS experience study for the period of 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2021.pdf>.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 8 – PENSION PLANS (Continued)

#### Net Pension Liability (Continued)

**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 current member contribution rates and contributions from employers will be made at statutorily required rates. Based on those assumptions, each pension 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 pension 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 expected real rates of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> <sup>(1,2)</sup>
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	<u>100%</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Changes in the Net Pension Liability** – The changes in the Net Pension Liability for each Plan for the measurement date of June 30, 2022 are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2022	\$ 1,558,069	\$ 1,316,345	\$ 241,724
Changes in the year:			
Service cost	34,966	-	34,966
Interest on the total pension liability	110,101	-	110,101
Changes of assumptions	58,232	-	58,232
Difference between expected and actual experience	(3,289)	-	(3,289)
Plan to Plan resource movement	-	(2)	2
Contributions - employer	-	47,273	(47,273)
Contributions - employee	-	16,052	(16,052)
Net investment income	-	(99,652)	99,652
Benefit payments, including refunds of employee contributions	(69,665)	(69,665)	-
Administrative expense	-	(820)	820
Net changes	<u>130,345</u>	<u>(106,814)</u>	<u>237,159</u>
Balance at June 30, 2023	<u>\$ 1,688,414</u>	<u>\$ 1,209,531</u>	<u>\$ 478,883</u>

Safety Plan:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2022	\$ 2,236,651	\$ 1,754,154	\$ 482,497
Changes in the year:			
Service cost	51,608	-	51,608
Interest on the total pension liability	158,263	-	158,263
Changes of assumptions	80,583	-	80,583
Difference between expected and actual experience	4,868	-	4,868
Plan to Plan resource movement	-	2	(2)
Contributions - employer	-	74,645	(74,645)
Contributions - employee	-	25,718	(25,718)
Net investment income	-	(133,570)	133,570
Benefit payments, including refunds of employee contributions	(108,473)	(108,473)	-
Administrative expense	-	(1,093)	1,093
Net changes	<u>186,849</u>	<u>(142,771)</u>	<u>329,620</u>
Balance at June 30, 2023	<u>\$ 2,423,500</u>	<u>\$ 1,611,383</u>	<u>\$ 812,117</u>
Totals of both Miscellaneous and Safety Plans	<u>\$ 4,111,914</u>	<u>\$ 2,820,914</u>	<u>\$ 1,291,000</u>



**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 719,154	\$ 1,158,763	\$ 1,877,917
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 478,883	\$ 812,117	\$ 1,291,000
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 281,831	\$ 529,631	\$ 811,462

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plans’ fiduciary net position is available in the separately issued CalPERS financial reports.

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$68,467 and \$106,149 for the Miscellaneous and Safety Plans, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>		<u>Total</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 51,544	\$ -	\$ 81,076	\$ -	\$ 132,620	\$ -
Changes of assumption	37,435	-	65,379	(976)	102,814	(976)
Differences between actual and expected experience	1,069	(2,115)	28,562	-	29,631	(2,115)
Net differences between projected and actual earnings on plan investments	61,169	-	81,288	-	142,457	-
Total	<u>\$ 151,217</u>	<u>\$ (2,115)</u>	<u>\$ 256,305</u>	<u>\$ (976)</u>	<u>\$ 407,522</u>	<u>\$ (3,091)</u>

The amount of \$132,620 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 fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

Fiscal Year Ending June 30,	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
2024	\$ 30,542	\$ 41,604	\$ 72,146
2025	24,518	35,444	59,962
2026	4,468	24,696	29,164
2027	38,030	67,672	105,702
2028	-	4,837	4,837
Total	<u>\$ 97,558</u>	<u>\$ 174,253</u>	<u>\$ 271,811</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 8 – PENSION PLANS (Continued)**

**SCERS**

The City reports SCERS as a pension trust fund. SCERS issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained at <https://www.cityofsacramento.org/Finance/Accounting/Reporting>. The following is a summary of significant accounting policies:

**Basis of Accounting** – SCERS’ financial statements are prepared using the accrual basis of accounting. City and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments** – Investments are reported at fair value, except mortgage loans which are reported at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**General Information about the Pension Plan**

**Plan Description** – The SCERS is a closed defined benefit pension plan. It has not accepted new members since January 28, 1977. All full-time, non-safety employees hired before January 29, 1977, are eligible to participate in SCERS.

**Benefits Provided** – SCERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries based on the plan that they belong to. SCERS has the following plans:

**Charter Section 399 Plan** – This defined benefit plan was established effective January 1, 1977 to provide retirement, disability and death benefits. Active members contribute at a rate based upon entry age and type of employment. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor, but no larger than 75% of final average earnings. Employees may retire at age 70, or age 50 and 5 years of service.

**Equal Shares Plan** – This defined benefit plan was established July 1, 1970 to provide retirement, disability and death benefits to all City employees electing coverage at that date and to all employees who were hired from that date through January 1, 1977. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor, but no larger than 75% of final average earnings. Employees may retire at age 70, or age 50 and 5 years of service.

**Charter Section 175 Plan** – This defined benefit plan was established in 1953 to provide for retirement, disability and death benefits at a lower amount than the successor Equal Shares Plan. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor. For retirement after age 65 with 20 years of service, benefit is minimum of \$60 per month. Employees may retire at age 70, or age 55 and 20 years of service.

An employee who leaves City service may withdraw his or her contributions, plus any accumulated interest under all the retirement and disability benefit plans described above.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**General Information about the Pension Plan (Continued)**

Benefit factors at sample ages for benefit plans described above are as follows:

Retirement Age	Charter Section 175	Charter Section 399 and Equal Shares
50	N/A	1.10%
55	1.10%	1.75%
60	1.67%	2.40%
65	2.44%	2.40%

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

	Charter Section 399	Equal Shares	Charter Section 175	Total
Inactive members or beneficiaries receiving benefits	712	27	35	774
Inactive members entitled to but not yet receiving benefits	4	-	1	5
Active plan members	1	-	-	1
Total plan members	<u>717</u>	<u>27</u>	<u>36</u>	<u>780</u>

**Cost-of-living Adjustment** – This adjustment, established in 1969, provides for annual retirement benefit increases of up to 3% of normal benefits based on a corresponding rise in the consumer price index. Cost-of-living benefits are payable to retirees and beneficiaries of all of the above plans after one year of retirement. The cost-of-living adjustment was 3% for fiscal year 2023. Members contribute to this adjustment at a rate of 1% of their normal retirement contributions. The City is required to fund all costs in excess of members’ contributions and investment earnings.

**Social Security Adjustments** – For members participating in Social Security, their benefit will be adjusted at the later of age 62 or actual retirement age. The amount of the adjustment is one half of the primary insurance amount (PIA) from Social Security, multiplied by the ratio of the sum of salary earned from the City to the sum of salary from all sources used in the calculation of the Social Security amount. The member’s benefit under SCERS plus the amount received from Social Security cannot be less than the member’s benefit under SCERS calculated with no reductions at the time of retirement. The City applies this offset to service retirees, not to disabled retirees.

**Contributions** – The City Charter grants the authority to establish and amend the contribution requirements of the City and active employees to the SCERS Board. The SCERS Board establishes rates based on actuarially determined rates recommended by an independent actuary. 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 accrual liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2023, the average active employee contribution rate was 2.91% of annual pay. For the fiscal year ended June 30, 2023, the City’s annual required and actual contribution was zero.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
 (dollar amounts expressed in thousands)

### NOTE 8 – PENSION PLANS (Continued)

#### Net Pension Liability

The City’s net pension liability for SCERS was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumption** – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
Salary increase	2.50%	CPI Plus 0.5% merit, average
Discount rate	6.00%	

Mortality rates for service retirements and beneficiaries were based on CalPERS 2000-2019 Mortality Table projected for future mortality improvement utilizing Society of Actuaries Scale MP-2021. Mortality rates for disability retirements were based on CalPERS 2000-2019 Mortality Table for non-work related Disabled Retirees for Miscellaneous and CalPERS 2000-2019 Mortality Table for work-related Disabled Retirees for Safety. Both tables were projected for future mortality improvement utilizing Society of Actuaries Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35.0%	3.9%
Large Cap Growth	30.0%	7.5%
Equity Income	30.0%	7.5%
International Equity	5.0%	7.7%
Total	100.0%	

**Discount Rate** – The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Changes in the Net Pension Liability** – The changes in the Net Pension Liability for the SCERS Plan for the measurement date of June 30, 2023 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022	\$ 270,541	\$ 254,171	\$ 16,370
Changes in the year:			
Service cost	5	-	5
Interest on the total pension liability	15,407	-	15,407
Differences between expected and actual experience	3,355	-	3,355
Contribution - employee	-	3	(3)
Net investment income	-	23,293	(23,293)
Benefit payments, including refunds of employee contributions	(27,501)	(27,501)	-
Net changes	(8,734)	(4,205)	(4,529)
Balance at June 30, 2023	\$ 261,807	\$ 249,966	\$ 11,841

**Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date** – There were no assumption changes. The overall experience loss was due to a cost of living increase greater than expected, but this was offset by more deaths than expected.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for the SCERS plan, calculated using the discount rate for the SCERS Plan, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% decrease (5%)	Current Discount Rate (6%)	1% increase (7%)
SCERS net pension liability (asset)	\$ 31,642	\$ 11,841	\$ (5,551)

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the Basic Financial Statements section of this report and the separately issued SCERS financial report that may be obtained at <https://www.cityofsacramento.org/Finance/Accounting/Reporting>.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 8 – PENSION PLANS (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$3,079 attributable to the SCERS plans. At June 30, 2023, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
	<hr/>
Net differences between projected and actual earnings on plan investments	\$ 2,274
	<hr/> <hr/>

Amounts reported as deferred outflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows of Resources
	<hr/>
2024	\$ (1,127)
2025	(3,098)
2026	8,271
2027	(1,772)
Total	<hr/> <hr/> \$ 2,274

**Defined Contribution Plan**

The City also provides defined contribution retirement benefits through the City's 401(a) Money Purchase Plan (the 401(a)). The 401(a) is administered by Nationwide. The 401(a) provisions and contribution requirements are established and may be amended by City Council. Unrepresented exempt and certain represented employees may elect to participate. Participating employees of the aforementioned groups are required to contribute 5% and 2%, and the City contributes 4% and 2%, respectively, of covered salary. For the fiscal year ended June 30, 2023, employees contributed \$5,163 and the City contributed \$4,263 to the 401(a).

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**General Information**

**Plan Description** – The City provides contributions for postemployment medical, dental and vision benefits to employees who retire directly from the City and their dependents through an agent-multiple employer defined benefit OPEB plan (OPEB Plan) through CalPERS. The postemployment health, dental, and vision care employer contributions range from \$0 to \$899.39 per month per participant, which covers between 0% and 100% of the benefit cost, depending on the choice of plan and number of dependents. Participants have the choice of enrolling in one of several health plans, one of two dental plans, and one of two vision plans. To be eligible for the City paid benefits, the employee must have been employed with the City by a certain hire date, retire with a minimum of ten full years of active City service and be 50 years of age. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The eligibility of the City's postemployment health contributions has been eliminated for employees hired after a certain date dependent upon the employee's labor agreement. The postemployment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

#### General Information (Continued)

In addition, the City established an irrevocable trust to pre-fund the other benefits with the California Employers' Retiree Benefit Trust (CERBT). The CERBT financial statements and additional reports can be obtained from the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Employees Covered** – At June 30, 2021, the most recent valuation date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefits	3,399
Inactive employees entitled to but not yet receiving benefits	280
Active employees	3,561
Total	7,240

**Contributions** – The plan and its contribution requirements are established by memorandums of understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The City is mainly funding the OPEB Plan on a pay-as-you-go basis. However, the City Council has authorized the City Manager to establish an OPEB trust fund with CalPERS that the City pre-funds with budgetary savings. Contributions recognized by the OPEB plan from the employer for the fiscal year ended June 30, 2023 were \$23,167.

#### Net OPEB Liability

The City's net OPEB liability is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	6.25%
Healthcare cost trend rate	Non-Medicare - 6.5% for 2023, decreasing to 3.75% for 2076. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to 3.75% for 2076. Medicare (Kaiser) - 4.6% for 2023, decreasing to 3.75% in 2076.

Mortality and pre-retirement turnover assumptions were developed based on CalPERS' specific data. For further details, please refer to the 2021 Experience Study based on CalPERS' demographic experience during fiscal years 2000 to 2019. The 2021 Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Net OPEB Liability (Continued)**

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.25% for the OPEB Plan. The projection of cash flows used to determine the discount rate assumed an annual trust contribution of \$1,500, which is lower than the City’s annual trust contribution average for the previous five fiscal years. Based on this assumption, the OPEB Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected real rate of return on the OPEB Plan investments was determined using stochastic modeling based on expected real rate of return, standard deviation, correlation coefficients, and target allocation for each major asset class. The resulting real rate of return for the portfolio at the 50% confidence level is then adjusted for assumed long-term inflation and investment expenses to produce the long-term expected rate of return for the portfolio. The target asset allocation and most recent best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
Treasury Inflation-Protected Securities (TIPS)	5%	-0.08%
Commodities	3%	1.22%
Real Estate Investment Trusts (REITs)	20%	4.06%
Total	100%	

**Changes in the Net OPEB Liability** – The changes in the net OPEB liability for the OPEB Plan as of June 30, 2023 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 271,612	\$ 74,807	\$ 196,805
Changes in the year:			
Service cost	5,259	-	5,259
Interest on the total OPEB liability	16,803	-	16,803
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	24,675	(24,675)
Contributions - employee	-	-	-
Net investment income	-	(12,256)	12,256
Benefit payments	(16,048)	(16,048)	-
Administrative expense	-	(22)	22
Net changes	6,014	(3,651)	9,665
Balance at June 30, 2023	\$ 277,626	\$ 71,156	\$ 206,470



**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Net OPEB Liability (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	Discount Rate		
	1% decrease (5.25%)	Current Rate (6.25%)	1% increase (7.25%)
Net OPEB liability	\$ 239,057	\$ 206,470	\$ 179,043

**Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates** – The following presents the City's net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate		
	1% Decrease in Current Trend Rate	Current Trend Rate	1% Increase in Current Trend Rate
Net OPEB liability	\$ 182,355	\$ 206,470	\$ 235,622

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2023, the City recognized OPEB expense (income) of \$(16,747). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 23,167	\$ -
Changes of assumption	2,734	40,818
Differences between actual and expected experience	-	38,000
Net differences between projected and actual earnings on plan investments	8,159	-
Total	<u>\$ 34,060</u>	<u>\$ 78,818</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Net OPEB Liability (Continued)**

The amount of \$23,167 reported as deferred outflows of resources related to OPEB resulting from the OPEB Plan contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as decreases in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ (29,661)
2025	(24,730)
2026	(9,002)
2027	(2,258)
2028	(2,274)
Total	<u>\$ (67,925)</u>

**NOTE 10 – FUND BALANCE AND NET POSITION AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

At June 30, 2023, the government-wide statement of net position reported restricted net position of \$456,479 in governmental activities. Of this amount, \$55,022 is restricted for enabling legislation.

The Capital Grants Fund, a capital projects fund, had a deficit fund balance of \$15,376 as of June 30, 2023. The deficit represents grant expenditures unreimbursed by granting agencies within the 60-day period of availability for which corresponding revenues have not been recognized. The deficit will be recovered upon receipt of grantor reimbursements.

The 4th R Child Development Fund, an enterprise fund, had a deficit net position of \$3,339 as of June 30, 2023. It is anticipated that this deficit will be funded by future operating subsidies.

The Risk fund, an internal service fund, had a deficit net position of \$261 as of June 30, 2023. It is anticipated that this deficit will be funded by future operating subsidies.

For the fiscal year ended June 30, 2023, General Fund expenditures for the Fire Department exceeded appropriations by \$6,079. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2023, Culture and Leisure Fund expenditures for convention and cultural services exceeded appropriations by \$101. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2023, Parks and Recreation Fund expenditures for capital outlay exceeded appropriations by \$122. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2023, City/County Office of Metropolitan Water Planning special revenue fund expenditures for general government services exceeded appropriations by \$3,351 and debt service by \$55. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2023, Special Districts Fund expenditures for general government services exceeded appropriations by \$841 and convention and cultural services by \$3,890. This overspending was funded by revenue collected in excess of budgeted amounts.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 11 – INTERFUND TRANSACTIONS**

**Interfund Transfers**

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ended June 30, 2023:

	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<b>Governmental activities:</b>				
General Fund	Debt service	\$ 309	\$ (17,176)	\$ (16,867)
General Fund	In-lieu tax transfers	36,914	-	36,914
General Fund	Program support	8,944	(22,002)	(13,058)
Measure U Fund	Program support	630	(3,606)	(2,976)
2015 Golden 1 Center				
Lease Revenue Bond Fund	Debt service	9,900	-	9,900
Other Governmental Funds	Debt service	18,184	(5,248)	12,936
Other Governmental Funds	Program support	16,814	(1,857)	14,957
Internal Service Funds	Debt service	422	(46)	376
Internal Service Funds	Program support	-	(961)	(961)
Adjustment for transfer of capital assets	Transfer of capital assets	-	(1,069)	(1,069)
Total governmental activities		<u>\$ 92,117</u>	<u>\$ (51,965)</u>	<u>\$ 40,152</u>
<b>Business-type activities:</b>				
Water Fund	Debt service	\$ -	\$ (34)	\$ (34)
Water Fund	In-lieu tax transfers	-	(14,006)	(14,006)
Water Fund	Program support	1,201	(497)	704
Wastewater Fund	Debt service	-	(46)	(46)
Wastewater Fund	In-lieu tax transfers	-	(4,721)	(4,721)
Wastewater Fund	Program support	2,397	-	2,397
Storm Drainage Fund	Debt service	-	(74)	(74)
Storm Drainage Fund	In-lieu tax transfers	-	(4,503)	(4,503)
Storm Drainage Fund	Program support	42	(24)	18
Solid Waste Fund	Debt service	-	(108)	(108)
Solid Waste Fund	In-lieu tax transfers	-	(9,464)	(9,464)
Solid Waste Fund	Program support	339	-	339
Community Center Fund	Debt service	2,718	-	2,718
Community Center Fund	In-lieu tax transfers	-	(2,470)	(2,470)
Community Center Fund	Program support	-	(7,355)	(7,355)
Other Enterprise Funds	Debt service	-	(8,800)	(8,800)
Other Enterprise Funds	In-lieu tax transfers	-	(1,750)	(1,750)
Other Enterprise Funds	Program support	5,934	-	5,934
Adjustment for transfer of capital assets	Transfer of capital assets	1,069	-	1,069
Total business-type activities		<u>\$ 13,700</u>	<u>\$ (53,852)</u>	<u>\$ (40,152)</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 11 – INTERFUND TRANSACTIONS (Continued)**

**Interfund Balances**

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2023:

	Receivables	Payables	Interfund Balances
General Fund	\$ -	\$ (1,562)	\$ (1,562)
Other Governmental Funds	-	(24,046)	(24,046)
Internal Service Funds	30,478	-	\$ 30,478
Total governmental activities	<u>30,478</u>	<u>(25,608)</u>	<u>4,870</u>
Community Center Fund	-	(4,870)	(4,870)
Total business-type activities	<u>-</u>	<u>(4,870)</u>	<u>(4,870)</u>
Total	<u>\$ 30,478</u>	<u>\$ (30,478)</u>	<u>\$ -</u>

\$30,478 was loaned by the City's internal service funds to cover short-term operating deficits (approximately \$7,667) and to assist in the development of community resources (approximately \$22,811). Included in the \$30,478 of interfund loans is \$10,283 that is not expected to be repaid within one year.

\$3,633 was borrowed by the Capital Grants Fund and the CCOMWP Special Revenue Fund for short-term loans.

\$5,413 was borrowed by the Culture and Leisure Fund for the Haggin Oaks renovation project and operating deficit.

\$4,870 was borrowed by the Community Center Fund for operational requirements.

\$1,562 was borrowed by the General Fund for the acquisition of Habitat Conservation Plan mitigation lands by the Natomas Basin Conservancy.

\$15,000 was borrowed by the Economic Development Special Revenue Fund for Stockton Boulevard Housing Development Program.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to the following: worker’s compensation; torts, including errors and omissions; employment practices; theft of, damage to, and destruction of assets; and natural disasters, for which the City self-insures and/or carries commercial insurance. Earthquake damage is not included in the property insurance coverage carried by the City.

The Risk Management Internal Service Fund self-insures the first \$2,000 of each workers’ compensation claim. Excess worker’s compensation insurance is purchased through the Public Risk Innovation, Solutions, and Management (PRISM) member directed risk sharing pool and it provides statutory coverage over the City’s \$2,000 self-insured retention. The fund self-insures the first \$2,000 of liability claims plus claim costs that exceed excess coverage. PRISM provides \$40,000 in excess general and auto liability claims coverage, with a \$2,000 loss corridor deductible, for claims over the City’s self-insured retention.

Liabilities are estimated based on recommendations from an independent actuarial evaluation. Liabilities are based on the estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. The estimated liability is then discounted by the City’s expected rate of return and anticipated timing of cash outlays to determine the present value of the liability. For the fiscal year ended June 30, 2023, the expected rate of return was 3%. Settled claims have not exceeded insurance coverage for each of the past three fiscal years.

All funds of the City participate in the program and make payments to the Risk Management Internal Service Fund based on estimates of the amounts needed to pay operating costs, insurance premiums, and prior and current year claims. At June 30, 2023, the Risk Management Internal Service Fund had a net position of \$(261).

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, economic and social factors, and trends in damage awards. Accordingly, claims are reevaluated periodically to consider the effects of these factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claim liability estimate.

Changes in the Risk Management Internal Service Fund’s claims liability for the past two fiscal years are summarized as follows:

	2023	2022
Accrued claims and judgments, July 1	\$ 111,816	\$ 102,410
Incurred claims and adjustment expenses	45,723	30,617
Claim payments	<u>(22,751)</u>	<u>(21,211)</u>
Accrued claims and judgments, June 30	<u>\$ 134,788</u>	<u>\$ 111,816</u>

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

### NOTE 13 – COMMITMENTS AND CONTINGENCIES

#### Commitment of Enterprise Fund Revenues

Revenue of the Water Enterprise Fund is pledged to the payment of principal and interest on the California Department of Public Health Note Payable; the Drinking Water State Revolving Fund Note Payable; the Water Revenue Bonds, Series 2013; the Water Revenue Bonds, Series 2017 and the Water Revenue Refunding Bonds, Series 2020. Revenue of the Wastewater Enterprise Fund is pledged to the payment of principal and interest on the Wastewater Revenue Bonds, Series 2013; the Wastewater Revenue Bonds, Series 2019 and Wastewater Revenue Refunding Bonds, Series 2020. Revenue of the Storm Drainage Enterprise Fund is pledged to the payment of principal and interest on the California Infrastructure and Economic Development Bank Note Payable. Transient Occupancy Tax (TOT) revenue of the Community Center Fund is pledged to the payment of principal and interest on the 2018 TOT Revenue Bonds, Senior Series A, B and Subordinate Series C. Revenue of the Sacramento Tourism Infrastructure District (STID) Fund is pledged to the payment of principal and interest on the 2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds. See Note 7 for more detailed information.

#### Construction and Other Commitments

The City has commitments of \$123,518 for contracts awarded but not completed as of June 30, 2023. The following table shows the distribution of those commitments among major and non-major funds.

<b>Governmental Activities:</b>		<b>Business-type Activities:</b>	
General Fund	\$ 8,165	Water Fund	\$ 14,785
Measure U	19,203	Wastewater Fund	2,777
Other governmental funds	30,876	Storm Drainage Fund	2,673
Internal service funds	35,561	Solid Waste Fund	3,580
		Community Center Fund	5,438
		Other enterprise funds	460
Total governmental activities	\$ 93,805	Total business-type activities	\$ 29,713

The major contracts outstanding are \$3,067 for installation of motor-controlled valves and drainage system as part of the Ground Water Flush-to-Waste project; \$3,061 for Citywide cleanup service; \$2,766 for replacement of lighting system and relocation of HVAC system in Ballroom B at the SAFE Credit Union Convention Center; \$2,651 for management of the Safeground camping and parking at Miller Park; \$2,624 for the Bikeway improvements on P, Q, 9<sup>th</sup>, 10<sup>th</sup>, 19<sup>th</sup>, and 21<sup>st</sup> Streets, and conversion from one-way to two-way traffic on 5<sup>th</sup> Street and I Street; \$2,383 for the construction of a Class I bike trail along the Sacramento Southern Railroad between Sutterville Road and Meadowview Road; and \$35,269 for the purchase of vehicles, primarily for the replacement of refuse trucks and garbage trucks.

#### Contingent Liabilities

The City participates in various federal, state, and local grant programs, primarily including Homeless Housing, Assistance and Prevention (HHAP) and California Creative Corps Programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for earlier years and the fiscal year ended June 30, 2023 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes any such claims would be immaterial to the City's financial position at June 30, 2023. Receipt of these grant revenues is not assured in the future.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)**

**Litigation**

Various claims and lawsuits are pending against the City. As discussed in Note 12, the City is primarily self-insured and has accrued a liability for estimated claims outstanding. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that final outcome of these matters will not have a material adverse effect on the financial condition of the City.

**Landfill Post Closure Care Cost**

The City has several landfill sites which have stopped accepting waste, have been covered, and are closed. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at these sites after closure. The most recent department study estimated that \$4,336 was required for future post closure monitoring costs as of June 30, 2021. The estimate was based on actual cost for the FY18, FY19 and FY20 and may change due to inflation or deflation, technology, or applicable laws and regulations. The estimated liability was amortized to \$3,740 on June 30, 2023.

**Pollution Remediation Obligations**

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The City is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. Regulatory agencies providing oversight of the City's pollution remediation obligations and activities include the State of California Regional Water Quality Control Board, the State of California Department of Toxic Substance Control, the Sacramento County Department of Environmental Management, and the State of California Department of Public Health. The estimated obligation was \$596 at June 30, 2022 and \$997 at June 30, 2023. Pollution remediation outlays totaled approximately \$473 for the fiscal year ended June 30, 2023. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information become available. There are no estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations.

**NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

**JOINT VENTURES**

**Aggie Square Public Financing Authority**

The City is a participant with UC Davis and Wexford Science and Technology in the Aggie Square Public Financing Authority, formed in April 2021. As of June 30, 2023, the Aggie Square board is made up of three City appointed council members and two members of the public. Aggie Square is a project located at Stockton Boulevard and Second Avenue in Sacramento, mostly on property owned by UC Davis. It would expand the university's Sacramento campus, creating a state-of-the-art hub for research, innovation, and education. The proposed agreement between the City, UC Davis and Wexford Science and Technology includes inclusive economic development measures that reflect community priorities, including creation of an affordable housing fund prioritizing local residents for entry-level and higher-wage jobs and providing training pathways to those jobs; and improving biking, walking and transit access around the UC Davis Sacramento campus on Stockton Boulevard.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Sacramento Housing and Redevelopment Agency**

The City is a participant with the County of Sacramento in the Sacramento Housing and Redevelopment Agency (SHRA). SHRA is a stand-alone agency governed by the County Board of Supervisors over County housing activities and the City Council over City housing activities. Although the City does not have an equity interest in SHRA, it does have an ongoing financial interest. Based upon the approval process for activities of the Housing Authority of the City of Sacramento (Housing Authority), the City has the ability to directly influence SHRA to undertake projects for the citizenry of the City. Because the City's primary government does not have an equity interest in SHRA, SHRA's financial information is not included in these financial statements. Separately issued financial statements may be obtained from the Sacramento Housing and Redevelopment Agency, 801 12<sup>th</sup> Street, Sacramento, California, 95814.

SHRA administered the redevelopment agencies of the City and County until February 1, 2012. In 2011 the California Legislature enacted AB 1x 26, which coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies. Upon the dissolution of the redevelopment agency, the City elected to become the successor agency for the non-housing redevelopment agency activities. More information can be found in Note 15 – Successor Agency Trust Fund. The City designated the Housing Authority as the local authority to retain the housing assets and functions previously performed by the redevelopment agency, and the Housing Authority affirmatively elected pursuant to Health and Safety Code Section 34176 that it would serve as the "Successor Housing Agency" to the former redevelopment agency.

**Sacramento Public Library Authority**

The City is a participant with the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova in the Sacramento Public Library Authority (Library), a joint powers agency created to provide library services to the residents of the participating municipalities. The Library is governed by a board made up of five County appointees and various numbers of appointees from each city, depending upon population. As of June 30, 2023, five of seventeen members of the Library board were appointed by the City. The current joint powers agreement was effective beginning July 1, 2007. After June 30, 2010, any party may withdraw from the Library upon no less than one year's written notice. Upon withdrawal a party shall retain ownership of those capital facilities to which it holds title. The City is committed to fund annual contributions to operate library branches in the City. The City's Measure U Fund contributions for the fiscal year ended June 30, 2023, were \$14,272. In addition, the City paid cost reimbursements and program support of \$97 to the Library during the same period. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City levies and passes through to the Library a parcel tax which totaled \$9,200 for the fiscal year ended June 30, 2023. Financial statements may be obtained from the Sacramento Public Library Authority, 828 I Street, Sacramento, California, 95814.

**Sacramento Regional Fire/EMS Communication Center**

The City is a participant with the Sacramento Metropolitan Fire District and other local fire agencies in the Sacramento Regional Fire/EMS Communication Center (SRFECC), a fire dispatch center. SRFECC provides fire protection and emergency medical service dispatching for 1,000 square miles and 1.3 million residents in Sacramento and Placer Counties. The City provided \$4,892 of support to SRFECC during the fiscal year ended June 30, 2023. Financial statements may be obtained from the Sacramento Regional Fire/EMS Communication Center, 10230 Systems Parkway, Sacramento, California, 95827.

**Northern California Regional Public Safety Training Authority**

The City is a participant with the County of Sacramento, the Los Rios Community College District and the Regional Fire and Rescue Authority in the Northern California Regional Public Safety Training Authority (NCRPSTA) which operates the Northern California Regional Public Safety Training College located at McClellan Park. During the fiscal year ended June 30, 2023, the City provided \$502 of annual support to the NCRPSTA. Payments for rent and training during the fiscal year ended June 30, 2023 were \$38. Financial statements may be obtained from the NCRPSTA Administrative Offices, 2409 Dean Street, Suite 119, McClellan, California, 95652.



**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS**

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial support or have other financial transactions with these organizations, but it does not have a financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2023:

The City provided \$134 in annual support and \$210 in project/program expenses to the Regional Water Authority.

The City provided \$232 in annual support to the Sacramento Central Groundwater Authority.

The City received \$232 of administration fees from the Sacramento Area Flood Control Agency (SAFCA) for collecting and transmitting permitting fees. The City also participates in several cost-sharing agreements with SAFCA for individual projects related to flood control. The City's portion of the costs for these projects is remitted directly to SAFCA or other suppliers of services.

The City received \$79 in Workforce Investment Act grants from the Sacramento Employment and Training Agency.

**NOTE 15 – SUCCESSOR AGENCY TRUST FUND**

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 ("the Bill") which dissolved all redevelopment agencies in the State of California. Successor agencies are allocated property tax revenue in an amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full. In accordance with the timeline set forth in the Bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

On January 31, 2012, the City elected to be appointed as Redevelopment Agency Successor Agency (RASA) of the City of Sacramento for the non-housing assets and liabilities of the former Redevelopment Agency (RDA). The City Council elected not to serve as the successor agency for the RDA's housing assets and functions, but instead designated the City's Housing Authority to serve as the successor housing agency.

Prior to February 1, 2012, California Redevelopment Law provided tax increment financing as a source of revenue to redevelopment agencies to fund redevelopment activities. Once a redevelopment area was adopted, the RDA could only receive tax increment to the extent that it could show on an annual basis that it has incurred indebtedness that must be repaid with tax increment. Due to the nature of redevelopment financing, the RDA's liabilities exceeded its assets. Therefore, RASA historically carried a deficit, which was expected to be reduced as future tax increment revenues were received and used to repay its outstanding long-term debt. This deficit was transferred to the RASA on February 1, 2012. At June 30, 2023, RASA has a deficit net position of \$161,510 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

**NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)**

On December 31, 2015, the DOF completed the review of RASA’s Long-Range Property Management Plan (LRPMP). DOF approved the use or disposition of all the properties listed in the LRPMP. The approved LRPMP will govern the disposition and use of all the real property assets of the former redevelopment agency.

As of June 30, 2023, contracts payable of \$18,687 reported in the private-purpose trust fund are allocations of SHRA’s OPEB and pension unfunded liabilities for the former redevelopment agency employees.

**Capital Assets**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 4,969	\$ -	\$ (1,616)	\$ 3,353
Depreciable capital assets				
Buildings and improvements	141	-	(39)	102
Less accumulated depreciation for:				
Buildings and improvements	(48)	(3)	15	(36)
Depreciable capital assets, net	<u>93</u>	<u>(3)</u>	<u>(24)</u>	<u>66</u>
Total capital assets, net	<u>\$ 5,062</u>	<u>\$ (3)</u>	<u>\$ (1,640)</u>	<u>\$ 3,419</u>

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

**NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)**

**Long-term Debt**

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Revenue Bonds:</b>					
2015 Tax Allocation Refunding Bonds TE, Series A	\$ 33,871	\$ -	\$ (2,936)	\$ 30,935	\$ 2,870
<b>Notes Payable:</b>					
2003 Del Paso TE TABS, Series A	5,730	24 <sup>(1)</sup>	(499)	5,255	1,020
2005 Merged Downtown TE, Series A	133,810	534 <sup>(1)</sup>	(9,839)	124,505	15,815
2005 Oak Park TE, Series A	3,070	9 <sup>(1)</sup>	(1,035)	2,044	-
2006 65th Street TX Master Lease, Series B	2,950	-	(125)	2,825	135
2006 North Sacramento TX Master Lease, Series B	3,445	-	(150)	3,295	155
2006 Stockton Blvd Master Lease	1,947	-	(154)	1,793	141
2008 BOA Public Capital Corporation	1,307	-	(204)	1,103	210
2009 Army Depot TX Swap	2,373	-	(103)	2,270	108
2009 River District TX Swap	2,222	-	(97)	2,125	101
City of Sacramento CIEDB - Utilities/Detention Basin	969	-	(47)	922	49
Globe Mills	2,048	-	(361)	1,687	384
North Sacramento CIEDB Loan	2,487	-	(145)	2,342	150
Stockton Blvd CIEDB Loan	2,070	-	(122)	1,948	126
Subtotal, notes payable	164,428	567	(12,881)	152,114	18,394
Total, long-term debt	\$ 198,299	\$ 567	\$ (15,817)	\$ 183,049	\$ 21,264

(1) Change in accreted value is recorded as an adjustment of Notes Payable.

As of June 30, 2023, accumulated accretion for the 2003 Del Paso TE TABS, Series A, is \$3,437, and accumulated accretion for the 2005 Merged Downtown and Oak Park TE, Series A, is \$74,872.

**Future Debt Service Requirements**

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 2,870	\$ 1,326	\$ 18,394	\$ 966
2025	3,205	1,174	18,221	890
2026	1,320	1,061	20,609	810
2027	1,380	1,003	18,386	725
2028	1,435	942	17,990	650
2029-2033	10,630	3,395	77,335	2,276
2034-2038	7,685	462	18,144	565
Subtotal	28,525	9,363	189,079	6,882
Less: Unaccreted interest	-	-	(36,965)	-
Plus: Unamortized issuance premiums	2,410	-	-	-
Total	\$ 30,935	\$ 9,363	\$ 152,114	\$ 6,882

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2023  
(dollar amounts expressed in thousands)

---

### **NOTE 16 – SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSES**

On July 1, 2019, the City entered into a service concession agreement with Morton Golf LLC (Morton) under which Morton operates and maintains City golf courses, collects user fees and remits a monthly payment for rent to the City. Morton pays the City minimum installment payments plus a percentage of gross revenues over the 15-year period. The present value of the installment payments was initially estimated to be \$9,180. The City reports a loan receivable and deferred inflow of \$5,801 in the government-wide statement of net position as of June 30, 2023.

### **NOTE 17 – SUBSEQUENT EVENT**

On December 19, 2023, the City issued the 2023 Water Revenue Refunding Bonds as authorized by City Resolution 2023-0345. The 2023 Water Revenue Refunding Bonds were issued at total par of \$20,985 plus premium of \$3,106. Net proceeds were used to establish an irrevocable escrow to purchase and cancel certain 2020 Water Revenue Refunding Bonds through a tender offer. The refunding reduced total debt service payments by \$3,990 and resulted in an economic gain of \$2,529.

# Required Supplementary Information

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
 Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 23,110	\$ 22,342	\$ 23,374	\$ 27,795	\$ 28,404
Interest on the total pension liability	70,942	74,835	79,515	84,334	89,060
Changes of assumptions	-	(20,153)	-	75,970	(7,898)
Differences between expected and actual experience	-	(8,865)	(333)	(838)	6,909
Benefit payments, including refunds of employee contributions	(30,240)	(34,390)	(37,980)	(42,305)	(48,384)
<b>Net change in total pension liability</b>	<b>63,812</b>	<b>33,769</b>	<b>64,576</b>	<b>144,956</b>	<b>68,091</b>
<b>Total pension liability -- beginning</b>	<b>949,465</b>	<b>1,013,277</b>	<b>1,047,046</b>	<b>1,111,622</b>	<b>1,256,578</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 1,013,277</b>	<b>\$ 1,047,046</b>	<b>\$ 1,111,622</b>	<b>\$ 1,256,578</b>	<b>\$ 1,324,669</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 21,613	\$ 22,827	\$ 25,963	\$ 28,719	\$ 29,514
Contributions - employee	11,670	11,302	11,991	12,190	12,634
Net investment income	118,326	18,047	4,260	91,481	76,768
Benefit payments, including refunds of employee contributions	(30,240)	(34,390)	(37,980)	(42,305)	(48,384)
Net plan to plan resource movement	-	(3,066)	531	74	(2)
Administrative expense	-	(922)	(496)	(1,209)	(1,413)
Other miscellaneous expense	-	-	-	-	(2,683)
<b>Net change in fiduciary net position</b>	<b>121,369</b>	<b>13,798</b>	<b>4,269</b>	<b>88,950</b>	<b>66,434</b>
<b>Plan fiduciary net position -- beginning</b>	<b>678,261</b>	<b>799,630</b>	<b>813,428</b>	<b>817,697</b>	<b>906,647</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 799,630</b>	<b>\$ 813,428</b>	<b>\$ 817,697</b>	<b>\$ 906,647</b>	<b>\$ 973,081</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$ 213,647</b>	<b>\$ 233,618</b>	<b>\$ 293,925</b>	<b>\$ 349,931</b>	<b>\$ 351,588</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	78.92%	77.69%	73.56%	72.15%	73.46%
<b>Covered payroll **</b>	<b>\$ 156,032</b>	<b>\$ 157,449</b>	<b>\$ 166,403</b>	<b>\$ 176,795</b>	<b>\$ 181,331</b>
<b>Net pension liability as a percentage of covered payroll</b>	136.93%	148.38%	176.63%	197.93%	193.89%
<b>Measurement date</b>	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

Notes to the Required Supplementary Information

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
 Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
<b>Total pension liability</b>				
Service cost	\$ 29,053	\$ 30,236	\$ 31,307	\$ 34,966
Interest on the total pension liability	94,760	99,810	105,037	110,101
Changes of assumptions	-	-	-	58,232
Differences between expected and actual experience	12,970	2,600	3,743	(3,289)
Benefit payments, including refunds of employee contributions	(53,695)	(59,069)	(63,352)	(69,665)
<b>Net change in total pension liability</b>	<b>83,088</b>	<b>73,577</b>	<b>76,735</b>	<b>130,345</b>
<b>Total pension liability -- beginning</b>	<b>1,324,669</b>	<b>1,407,757</b>	<b>1,481,334</b>	<b>1,558,069</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 1,407,757</b>	<b>\$ 1,481,334</b>	<b>\$ 1,558,069</b>	<b>\$ 1,688,414</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 34,102	\$ 39,118	\$ 43,930	\$ 47,273
Contributions - employee	14,289	15,018	15,899	16,052
Net investment income	64,092	51,632	244,522	(99,652)
Benefit payments, including refunds of employee contributions	(53,695)	(59,069)	(63,352)	(69,665)
Net plan to plan resource movement	-	-	-	(2)
Administrative expense	(694)	(1,454)	(1,076)	(820)
Other miscellaneous expense	2	-	-	-
<b>Net change in fiduciary net position</b>	<b>58,096</b>	<b>45,245</b>	<b>239,923</b>	<b>(106,814)</b>
<b>Plan fiduciary net position -- beginning</b>	<b>973,081</b>	<b>1,031,177</b>	<b>1,076,422</b>	<b>1,316,345</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 1,031,177</b>	<b>\$ 1,076,422</b>	<b>\$ 1,316,345</b>	<b>\$ 1,209,531</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$ 376,580</b>	<b>\$ 404,912</b>	<b>\$ 241,724</b>	<b>\$ 478,883</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.25%	72.67%	84.49%	71.64%
<b>Covered payroll **</b>	<b>\$ 185,823</b>	<b>\$ 195,700</b>	<b>\$ 203,030</b>	<b>\$ 206,537</b>
<b>Net pension liability as a percentage of covered payroll</b>	202.66%	206.90%	119.06%	231.86%
<b>Measurement date</b>	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022



**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**  
Schedule of Contributions  
Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 22,711	\$ 26,156	\$ 30,084	\$ 26,947	\$ 33,664
Contributions in relation to the actuarially determined contribution	22,711	26,156	30,084	26,947	33,664
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 157,449	\$ 166,403	\$ 176,795	\$ 181,331	\$ 185,823
Contributions as a percentage of covered payroll	14.42%	15.72%	17.02%	14.86%	18.12%

Notes to the Required Supplementary Information

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
-----------------	-----------	-----------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed fair value
Inflation	2.3%
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.00% (net of administrative expenses)
Retirement age	50 - 67 years
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for CalPERS can be found in the Schedule of Investment Returns table within the separately issued CalPERS Basic Financial Statements available at: <https://www.calpers.ca.gov/page/investments/about-investment-office/investment-financial-reports>.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**  
Schedule of Contributions  
Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
Actuarially determined contributions	\$ 39,797	\$ 43,941	\$ 47,627	\$ 51,544
Contributions in relation to the actuarially determined contribution	39,797	43,941	47,627	51,544
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 195,700	\$ 203,030	\$ 206,537	\$ 221,355
Contributions as a percentage of covered payroll	20.34%	21.64%	23.06%	23.29%
<u>Notes to the Required Supplementary Information</u>				
Valuation date:	6/30/2017	6/30/2018	6/30/2019	6/30/2020

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
 Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 29,539	\$ 29,653	\$ 31,672	\$ 37,372	\$ 38,386
Interest on the total pension liability	107,189	112,331	118,821	123,132	127,930
Changes of assumptions	-	(28,604)	-	107,046	(17,242)
Differences between expected and actual experience	-	(593)	14,398	(15,086)	3,954
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)	(74,572)	(78,232)	(82,999)
<b>Net change in total pension liability</b>	<b>70,513</b>	<b>42,242</b>	<b>90,319</b>	<b>174,232</b>	<b>70,029</b>
<b>Total pension liability -- beginning</b>	<b>1,447,520</b>	<b>1,518,033</b>	<b>1,560,275</b>	<b>1,650,594</b>	<b>1,824,826</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 1,518,033</b>	<b>\$ 1,560,275</b>	<b>\$ 1,650,594</b>	<b>\$ 1,824,826</b>	<b>\$ 1,894,855</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 27,935	\$ 30,798	\$ 36,001	\$ 40,609	\$ 41,588
Contributions - employee	16,094	15,565	18,465	18,980	21,564
Net investment income	171,795	25,341	4,971	125,586	104,661
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)	(74,572)	(78,232)	(82,999)
Net plan to plan resource movement	-	1	-	(74)	(4)
Administrative expense	-	(1,288)	(697)	(1,665)	(1,922)
Other miscellaneous expense	-	-	-	-	(3,650)
<b>Net change in fiduciary net position</b>	<b>149,609</b>	<b>(128)</b>	<b>(15,832)</b>	<b>105,204</b>	<b>79,238</b>
<b>Plan fiduciary net position -- beginning</b>	<b>994,493</b>	<b>1,144,102</b>	<b>1,143,974</b>	<b>1,128,142</b>	<b>1,233,346</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 1,144,102</b>	<b>\$ 1,143,974</b>	<b>\$ 1,128,142</b>	<b>\$ 1,233,346</b>	<b>\$ 1,312,584</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$ 373,931</b>	<b>\$ 416,301</b>	<b>\$ 522,452</b>	<b>\$ 591,480</b>	<b>\$ 582,271</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	75.37%	73.32%	68.35%	67.59%	69.27%
<b>Covered payroll **</b>	<b>\$ 107,176</b>	<b>\$ 112,067</b>	<b>\$ 120,120</b>	<b>\$ 126,438</b>	<b>\$ 132,206</b>
<b>Net pension liability as a percentage of covered payroll</b>	348.89%	371.48%	434.94%	467.80%	440.43%
<b>Measurement date</b>	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

Notes to the Required Supplementary Information

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
 Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
<b>Total pension liability</b>				
Service cost	\$ 40,221	\$ 42,306	\$ 44,416	\$ 51,608
Interest on the total pension liability	136,323	143,878	151,131	158,263
Changes of assumptions	-	-	-	80,583
Differences between expected and actual experience	35,991	20,246	12,441	4,868
Benefit payments, including refunds of employee contributions	(88,688)	(95,642)	(100,827)	(108,473)
<b>Net change in total pension liability</b>	<b>123,847</b>	<b>110,788</b>	<b>107,161</b>	<b>186,849</b>
<b>Total pension liability -- beginning</b>	<b>1,894,855</b>	<b>2,018,702</b>	<b>2,129,490</b>	<b>2,236,651</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 2,018,702</b>	<b>\$ 2,129,490</b>	<b>\$ 2,236,651</b>	<b>\$ 2,423,500</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 49,875	\$ 58,584	\$ 67,242	\$ 74,645
Contributions - employee	22,752	23,832	25,904	25,718
Net investment income	86,282	69,226	327,345	(133,570)
Benefit payments, including refunds of employee contributions	(88,688)	(95,642)	(100,827)	(108,473)
Net plan to plan resource movement	-	-	-	2
Administrative expense	(937)	(1,947)	(1,434)	(1,093)
Other miscellaneous expense	3	-	-	-
<b>Net change in fiduciary net position</b>	<b>69,287</b>	<b>54,053</b>	<b>318,230</b>	<b>(142,771)</b>
<b>Plan fiduciary net position -- beginning</b>	<b>1,312,584</b>	<b>1,381,871</b>	<b>1,435,924</b>	<b>1,754,154</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 1,381,871</b>	<b>\$ 1,435,924</b>	<b>\$ 1,754,154</b>	<b>\$ 1,611,383</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$ 636,831</b>	<b>\$ 693,566</b>	<b>\$ 482,497</b>	<b>\$ 812,117</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>68.45%</b>	<b>67.43%</b>	<b>78.43%</b>	<b>66.49%</b>
<b>Covered payroll **</b>	<b>\$ 138,718</b>	<b>\$ 147,409</b>	<b>\$ 157,333</b>	<b>\$ 168,488</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>459.08%</b>	<b>470.50%</b>	<b>306.67%</b>	<b>482.00%</b>
<b>Measurement date</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**  
Schedule of Contributions  
Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 36,638	\$ 40,959	\$ 47,222	\$ 49,102	\$ 56,327
Contributions in relation to the actuarially determined contribution	36,638	40,959	47,222	49,102	56,327
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 112,067	\$ 120,120	\$ 126,438	\$ 132,206	\$ 138,718
Contributions as a percentage of covered payroll	32.69%	34.10%	37.35%	37.14%	40.61%

Notes to the Required Supplementary Information

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
-----------------	-----------	-----------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed fair value
Inflation	2.3%
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.00% (net of administrative expenses)
Retirement age	50 - 67 years
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for CalPERS can be found in the Schedule of Investment Returns table within the separately issued CalPERS Basic Financial Statements available at: <https://www.calpers.ca.gov/page/investments/about-investment-office/investment-financial-reports>.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**  
Schedule of Contributions  
Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
Actuarially determined contributions	\$ 66,147	\$ 66,915	\$ 74,528	\$ 81,076
Contributions in relation to the actuarially determined contribution	66,147	66,915	74,528	81,076
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 147,409	\$ 157,333	\$ 168,488	\$ 166,726
Contributions as a percentage of covered payroll	44.87%	42.53%	44.23%	48.63%
<u>Notes to the Required Supplementary Information</u>				
Valuation date:	6/30/2017	6/30/2018	6/30/2019	6/30/2020

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 131	\$ 103	\$ 96	\$ 92	\$ 66
Interest on the total pension liability	23,134	23,416	22,759	20,877	20,095
Changes of assumptions	23,117	-	(16,246)	862	(927)
Differences between expected and actual experience	(8,783)	(1,173)	(3,701)	(2,457)	304
Benefit payments, including refunds of employee contributions	(33,791)	(32,683)	(32,171)	(31,583)	(31,134)
<b>Net change in total pension liability</b>	<b>3,808</b>	<b>(10,337)</b>	<b>(29,263)</b>	<b>(12,209)</b>	<b>(11,596)</b>
<b>Total pension liability -- beginning</b>	<b>372,670</b>	<b>376,478</b>	<b>366,141</b>	<b>336,878</b>	<b>324,669</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 376,478</b>	<b>\$ 366,141</b>	<b>\$ 336,878</b>	<b>\$ 324,669</b>	<b>\$ 313,073</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 9,183	\$ 8,645	\$ 8,645	\$ 8,645	\$ 7,507
Contributions - employee	82	146	63	55	49
Net investment income (loss)	13,375	7,799	26,803	20,982	18,537
Benefits payments, including refunds of employee contributions	(33,791)	(32,683)	(32,171)	(31,583)	(31,134)
<b>Net change in fiduciary net position</b>	<b>(11,151)</b>	<b>(16,093)</b>	<b>3,340</b>	<b>(1,901)</b>	<b>(5,041)</b>
<b>Plan fiduciary net position -- beginning</b>	<b>312,414</b>	<b>301,263</b>	<b>285,170</b>	<b>288,510</b>	<b>286,609</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 301,263</b>	<b>\$ 285,170</b>	<b>\$ 288,510</b>	<b>\$ 286,609</b>	<b>\$ 281,568</b>
<b>Net pension liability (asset) -- ending (a) - (b)</b>	<b>\$ 75,215</b>	<b>\$ 80,971</b>	<b>\$ 48,368</b>	<b>\$ 38,060</b>	<b>\$ 31,505</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	80.02%	77.89%	85.64%	88.28%	89.94%
<b>Covered payroll **</b>	<b>\$ 1,180</b>	<b>\$ 1,020</b>	<b>\$ 1,049</b>	<b>\$ 921</b>	<b>\$ 678</b>
<b>Net pension liability (asset) as a percentage of covered payroll</b>	6374.15%	7938.33%	4610.87%	4132.46%	4646.76%
<b>Measurement date</b>	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

Notes to the Required Supplementary Information

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
<b>Total pension liability</b>				
Service cost	\$ 49	\$ 18	\$ 6	\$ 5
Interest on the total pension liability	19,363	18,342	16,098	15,407
Changes of assumptions	(1,593)	2,673	218	-
Differences between expected and actual experience	(3,768)	(6,349)	5	3,355
Benefit payments, including refunds of employee contributions	(30,457)	(28,992)	(28,145)	(27,501)
<b>Net change in total pension liability</b>	<b>(16,406)</b>	<b>(14,308)</b>	<b>(11,818)</b>	<b>(8,734)</b>
<b>Total pension liability -- beginning</b>	<b>313,073</b>	<b>296,667</b>	<b>282,359</b>	<b>270,541</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 296,667</b>	<b>\$ 282,359</b>	<b>\$ 270,541</b>	<b>\$ 261,807</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,410	\$ 3,822	\$ 3,479	\$ -
Contributions - employee	25	16	9	3
Net investment income (loss)	7,591	73,150	(32,305)	23,293
Benefits payments, including refunds of employee contributions	(30,457)	(28,992)	(28,145)	(27,501)
<b>Net change in fiduciary net position</b>	<b>(18,431)</b>	<b>47,996</b>	<b>(56,962)</b>	<b>(4,205)</b>
<b>Plan fiduciary net position -- beginning</b>	<b>281,568</b>	<b>263,137</b>	<b>311,133</b>	<b>254,171</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 263,137</b>	<b>\$ 311,133</b>	<b>\$ 254,171</b>	<b>\$ 249,966</b>
<b>Net pension liability (asset)-- ending (a) - (b)</b>	<b>\$ 33,530</b>	<b>\$ (28,774)</b>	<b>\$ 16,370</b>	<b>\$ 11,841</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>88.70%</b>	<b>110.19%</b>	<b>93.95%</b>	<b>95.48%</b>
<b>Covered payroll **</b>	<b>\$ 362</b>	<b>\$ 270</b>	<b>\$ 189</b>	<b>\$ 103</b>
<b>Net pension liability (asset) as a percentage of covered payroll</b>	<b>9262.43%</b>	<b>-10657.04%</b>	<b>8661.38%</b>	<b>11496.12%</b>
<b>Measurement date</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>



**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Contributions  
 Last Ten Years\* (in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 9,183	\$ 8,645	\$ 8,330	\$ 8,267	\$ 5,268
Contributions in relation to the actuarially determined contribution	9,183	8,645	8,645	8,645	7,507
Contribution deficiency (excess)	\$ -	\$ -	\$ (315)	\$ (378)	\$ (2,239)
Covered payroll **	\$ 1,180	\$ 1,020	\$ 1,049	\$ 921	\$ 678
Contributions as a percentage of covered payroll	778%	848%	824%	939%	1107%

Notes to the Required Supplementary Information

Valuation date: 6/30/2013 6/30/2014 6/30/2015 6/30/2016 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar payments over 11 years, open period
Asset valuation method	3 year smoothed fair value
Inflation	2.50%
Salary increases	2.5% CPI plus 0.5% merit
Investment rate of return	6.00%
Retirement age	Deferred vested members covered under Section 399 are assumed to retire at age 62; those covered under Section 175 are assumed to retire at age 65.
Mortality	CalPERS 1997-2015 Mortality Tables with Scale MP-2020

\* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

\*\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for SCERS can be found in the Schedule of Investment Returns table within the separately issued SCERS Annual Financial Reports available at: <https://www.cityofsacramento.org/Finance/Accounting/Reporting>.

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Contributions

Last Ten Years\* (in thousands)

	Fiscal Year			
	2020	2021	2022	2023
Actuarially determined contributions	\$ 4,410	\$ 3,822	\$ 3,479	\$ -
Contributions in relation to the actuarially determined contribution	4,410	3,822	3,479	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 362	\$ 270	\$ 189	\$ 103
Contributions as a percentage of covered payroll	1218%	1416%	1841%	0%
<u>Notes to the Required Supplementary Information</u>				
Valuation date:	6/30/2018	6/30/2019	6/30/2020	6/30/2021

**City of Sacramento**  
**Required Supplementary Information**  
Schedule of Changes in Net OPEB Liability and Related Ratios  
Last Ten Years\* (in thousands)

	Fiscal Year					
	2018	2019	2020	2021	2022	2023
<b>Total OPEB liability</b>						
Service cost	\$ 11,872	\$ 11,052	\$ 9,931	\$ 5,809	\$ 5,919	\$ 5,259
Interest on the total OPEB liability	15,313	16,612	18,106	19,582	19,968	16,803
Changes of benefit terms	-	-	383	-	-	-
Changes of assumptions	(24,429)	(30,845)	(92,281)	(4,097)	3,978	-
Differences between expected and actual experience	-	-	(28,948)	-	(40,332)	-
Benefit payments	(12,565)	(12,903)	(14,890)	(15,764)	(15,625)	(16,048)
<b>Net change in total OPEB liability</b>	(9,809)	(16,084)	(107,699)	5,530	(26,092)	6,014
<b>Total OPEB liability -- beginning</b>	<b>425,766</b>	<b>415,957</b>	<b>399,873</b>	<b>292,174</b>	<b>297,704</b>	<b>271,612</b>
<b>Total OPEB liability -- ending (a)</b>	<b>\$ 415,957</b>	<b>\$ 399,873</b>	<b>\$ 292,174</b>	<b>\$ 297,704</b>	<b>\$ 271,612</b>	<b>\$ 277,626</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 21,605	\$ 21,072	\$ 18,406	\$ 24,598	\$ 21,687	\$ 24,675
Contributions - employee	297	308	303	310	-	-
Net investment income	2,034	2,156	2,432	1,064	15,311	(12,256)
Benefit payments	(12,565)	(12,903)	(14,890)	(15,764)	(15,625)	(16,048)
Administrative expense	(10)	(51)	(8)	(23)	(21)	(22)
<b>Net change in fiduciary net position</b>	11,361	10,582	6,243	10,185	21,352	(3,651)
<b>Plan fiduciary net position -- beginning</b>	<b>15,084</b>	<b>26,445</b>	<b>37,027</b>	<b>43,270</b>	<b>53,455</b>	<b>74,807</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 26,445</b>	<b>\$ 37,027</b>	<b>\$ 43,270</b>	<b>\$ 53,455</b>	<b>\$ 74,807</b>	<b>\$ 71,156</b>
<b>Net OPEB liability -- ending (a) - (b)</b>	<b>\$ 389,512</b>	<b>\$ 362,846</b>	<b>\$ 248,904</b>	<b>\$ 244,249</b>	<b>\$ 196,805</b>	<b>\$ 206,470</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	6.36%	9.26%	14.81%	17.96%	27.54%	25.63%
<b>Covered-employee payroll</b>	<b>\$ 237,926</b>	<b>\$ 236,885</b>	<b>\$ 245,622</b>	<b>\$ 261,187</b>	<b>\$ 249,162</b>	<b>\$ 244,497</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	163.71%	153.17%	101.34%	93.51%	78.99%	84.45%
<b>Measurement date</b>	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022

Notes to the Required Supplementary Information

\* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

**City of Sacramento**  
**Required Supplementary Information**  
 OPEB Schedule of Contributions  
 Last Ten Years\* (in thousands)

	Fiscal Year					
	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 36,393	\$ 34,454	\$ 36,155	\$ 25,548	\$ 26,879	\$ 22,407
Contributions in relation to the actuarially determined contribution	21,072	18,406	24,598	21,687	24,675	23,167
Contribution deficiency (excess)	15,321	16,048	11,557	3,861	2,204	(760)
Covered-employee payroll	\$ 236,885	\$ 245,622	\$ 261,187	\$ 249,162	\$ 244,497	\$ 242,374
Contributions as a percentage of covered-employee payroll	8.90%	7.49%	9.42%	8.70%	10.09%	9.56%

Notes to the Required Supplementary Information

Valuation date:	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
-----------------	-----------	-----------	-----------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll over a closed rolling 16 year period
Asset valuation method	Investment gains and losses spread over 5 year rolling period
Inflation	2.50%
Salary Increase	2.75%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 6.5% for 2023, decreasing to 3.75% for 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreased to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.6% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

\* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **OTHER GOVERNMENTAL FUNDS**

Other governmental funds are nonmajor funds reported in the other governmental funds column of the governmental funds financial statements and include:

**OTHER SPECIAL REVENUE FUNDS** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter, or ordinance to finance specific governmental functions. The individual funds are listed in the other special revenue funds section of the ACFR.

**OTHER DEBT SERVICE FUNDS** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The individual funds are listed in the other debt service funds section of the ACFR.

**OTHER CAPITAL PROJECTS FUNDS** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets. The individual funds are listed in the other capital projects funds section of the ACFR.

**PERMANENT FUNDS** are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The individual funds are listed in the permanent funds section of the ACFR.

**City of Sacramento**  
**Other Governmental Funds**  
**Combining Balance Sheet**

June 30, 2023  
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>					
Cash and investments held by City	\$ 187,210	\$ 2,901	\$ 237,243	\$ 6,691	\$ 434,045
Cash and investments held by fiscal agent	-	11	-	-	11
Receivables, net:					
Taxes	6,970	-	-	-	6,970
Accounts	3,935	7	16,157	-	20,099
Loans	26,227	-	-	-	26,227
Intergovernmental	28,898	11,174	23,950	-	64,022
Leases	1,070	2,935	-	-	4,005
Interest	638	25	267	28	958
Prepaid items	13	-	-	-	13
Restricted assets:					
Cash and investments held by City	191	-	10,131	-	10,322
Cash and investments held by fiscal agent	-	5,533	-	-	5,533
<b>Total assets</b>	<b>\$ 255,152</b>	<b>\$ 22,586</b>	<b>\$ 287,748</b>	<b>\$ 6,719</b>	<b>\$ 572,205</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 12,779	\$ -	\$ 13,132	\$ -	\$ 25,911
Accrued payroll	72	-	-	-	72
Due to other funds	2,198	-	1,435	-	3,633
Deposits	2,623	756	-	-	3,379
Unearned revenue	794	-	10,547	-	11,341
Advances from other funds	20,413	-	-	-	20,413
<b>Total liabilities</b>	<b>38,879</b>	<b>756</b>	<b>25,114</b>	<b>-</b>	<b>64,749</b>
Deferred inflows of resources:					
Unavailable revenue	28,139	11,174	23,484	-	62,797
Leases	1,046	2,850	-	-	3,896
<b>Total deferred inflows of resources</b>	<b>29,185</b>	<b>14,024</b>	<b>23,484</b>	<b>-</b>	<b>66,693</b>
Fund balances:					
Nonspendable:					
Prepaid items	13	-	-	-	13
Leases	24	85	-	-	109
Permanent fund principal	-	-	-	578	578
Restricted:					
Capital projects	29,156	-	253,800	-	282,956
Debt service	191	4,777	-	-	4,968
Public works programs	21,885	-	-	-	21,885
Economic development programs	72,326	-	-	-	72,326
Other programs	71,832	-	1,965	6,141	79,938
Committed:					
Capital projects	677	-	-	-	677
Debt service	-	918	-	-	918
OPEB	8	-	-	-	8
Other programs	19,952	-	-	-	19,952
Assigned:					
Debt service	-	2,026	-	-	2,026
Unassigned	(28,976)	-	(16,615)	-	(45,591)
<b>Total fund balances</b>	<b>187,088</b>	<b>7,806</b>	<b>239,150</b>	<b>6,719</b>	<b>440,763</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 255,152</b>	<b>\$ 22,586</b>	<b>\$ 287,748</b>	<b>\$ 6,719</b>	<b>\$ 572,205</b>

**City of Sacramento**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 12,819	\$ -	\$ 3,334	\$ -	\$ 16,153
Intergovernmental	64,340	629	55,692	-	120,661
Charges for services	21,941	-	23	-	21,964
Fines, forfeits and penalties	338	-	-	-	338
Interest, rents, and concessions	4,045	1,826	3,180	275	9,326
Community service fees	250	-	31,001	-	31,251
Assessment levies	59,811	-	274	-	60,085
Contributions and donations	687	-	24,652	-	25,339
Miscellaneous	22	-	846	-	868
<b>Total revenues</b>	<b>164,253</b>	<b>2,455</b>	<b>119,002</b>	<b>275</b>	<b>285,985</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	54,280	-	851	182	55,313
Police	6,635	-	-	-	6,635
Fire	2,960	-	-	-	2,960
Public works	29,978	-	9,761	-	39,739
Convention and cultural services	12,470	-	-	-	12,470
Youth, parks, and community enrichment	11,849	-	174	-	12,023
Community development	15,576	-	2,584	-	18,160
Library	9,200	-	-	-	9,200
Utilities	350	-	-	-	350
Capital outlay	7,578	-	81,133	-	88,711
<b>Debt service:</b>					
Principal	1,040	10,939	1,893	-	13,872
Interest and fiscal charges	1,019	9,448	8,581	-	19,048
<b>Total expenditures</b>	<b>152,935</b>	<b>20,387</b>	<b>104,977</b>	<b>182</b>	<b>278,481</b>
Excess (deficiency) of revenues over (under) expenditures	11,318	(17,932)	14,025	93	7,504
<b>Other financing sources (uses):</b>					
Transfers in	8,146	17,704	9,148	-	34,998
Transfers out	(5,617)	-	(1,488)	-	(7,105)
Issuance of long-term debt	-	-	11,739	-	11,739
<b>Total other financing sources (uses)</b>	<b>2,529</b>	<b>17,704</b>	<b>19,399</b>	<b>-</b>	<b>39,632</b>
Changes in fund balances	13,847	(228)	33,424	93	47,136
Fund balances, beginning of year	173,241	8,034	205,726	6,626	393,627
Fund balances, end of year	<u>\$ 187,088</u>	<u>\$ 7,806</u>	<u>\$ 239,150</u>	<u>\$ 6,719</u>	<u>\$ 440,763</u>



## OTHER SPECIAL REVENUE FUNDS

Other special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter, or ordinance to finance specific government functions. The following other special revenue funds have been classified as nonmajor funds:

**TRANSPORTATION AND DEVELOPMENT FUND** is used to account for the receipts of taxes and fees which are used to maintain and repair streets, bridges, and bikeways as well as for traffic safety and community development activities.

**CULTURE AND LEISURE FUND** is used to account for a variety of cultural arts and leisure activities. Programs in the Culture and Leisure Fund include the Sacramento Zoo, Fairytale Town, Art in Public Places, Old Sacramento Market, H Street Theatre, Golf, Marina, the Crocker Master Trust, the Winchester G. and Mary Alice Felt Endowment, Marcy Friedman Art in Public Places, and Arts and Culture.

**PARKS AND RECREATION FUND** is used to account for a variety of parks programs and recreation activities. Programs in the Parks and Recreation Fund include START, Special Program Donations, Ethel MacLeod Hart Trust, Land Park, and Quimby.

**ECONOMIC DEVELOPMENT FUND** is used to account for the receipts and disbursements of former redevelopment property tax revenues as well as the Brownfield Revolving Loan Program and the Sheraton Master Owner Participation Agreement (MOPA).

**THE OPERATING GRANTS FUND** is used to account for federal, state and other agency grants received for various specific purposes.

**CCOMWP FUND** is used to account for the revenue and expenditures associated with the City/County Office of Metropolitan Water Planning (CCOMWP). The CCOMWP was formed to develop the Water Forum Agreement with objectives to provide a reliable water supply for planned development to the year 2030 and to preserve the region's Lower American River.

**SPECIAL DISTRICTS FUND** is used to account for a variety of programs that provide infrastructure maintenance and other services for specific areas of the City where special assessments or special taxes are levied. The Special Districts Fund includes the Business Improvement Districts Program, the Landscaping and Lighting Districts Program, the Maintenance Benefit Area Program, and the Assessment District Maintenance Program.

**CAL EPA FUND** is used to account for the expenditures associated with the maintenance of the Joe Serna, Jr. California EPA Headquarters Building.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Balance Sheet**

June 30, 2023

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
<b>ASSETS</b>				
Cash and investments held by City	\$ 64,348	\$ 6,785	\$ 7,249	\$ 54,458
Receivables, net:				
Taxes	-	-	-	6,970
Accounts	226	84	32	60
Loans	-	-	-	26,227
Intergovernmental	1,273	-	81	-
Leases	-	748	322	-
Interest	181	-	3	454
Prepaid items	-	-	-	-
Restricted assets:				
Cash and investments held by City	-	191	-	-
Total assets	<u>\$ 66,028</u>	<u>\$ 7,808</u>	<u>\$ 7,687</u>	<u>\$ 88,169</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,294	\$ 34	\$ 82	\$ 843
Accrued payroll	-	15	25	-
Due to other funds	-	-	-	-
Deposits	1,875	163	-	-
Unearned revenue	725	22	-	-
Advances from other funds	-	5,413	-	15,000
Total liabilities	<u>3,894</u>	<u>5,647</u>	<u>107</u>	<u>15,843</u>
Deferred inflows of resources:				
Unavailable revenue	119	5	80	-
Leases	-	728	318	-
Total deferred inflows of resources	<u>119</u>	<u>733</u>	<u>398</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Leases	-	20	4	-
Restricted:				
Capital projects	22,268	15	3,079	-
Debt service	-	191	-	-
Public works programs	21,885	-	-	-
Economic development programs	-	-	-	72,326
Other programs	-	1,365	4,179	-
Committed:				
Capital projects	154	523	-	-
OPEB	-	8	-	-
Other programs	17,708	698	212	-
Unassigned	-	(1,392)	(292)	-
Total fund balances (deficits)	<u>62,015</u>	<u>1,428</u>	<u>7,182</u>	<u>72,326</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 66,028</u>	<u>\$ 7,808</u>	<u>\$ 7,687</u>	<u>\$ 88,169</u>

**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Balance Sheet**

June 30, 2023

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
<b>ASSETS</b>					
Cash and investments held by City	\$ 26,704	\$ -	\$ 26,350	\$ 1,316	\$ 187,210
Receivables, net:					
Taxes	-	-	-	-	6,970
Accounts	1,274	-	2,241	18	3,935
Loans	-	-	-	-	26,227
Intergovernmental	24,417	3,127	-	-	28,898
Leases	-	-	-	-	1,070
Interest	-	-	-	-	638
Prepaid items	13	-	-	-	13
Restricted assets:					
Cash and investments held by City	-	-	-	-	191
<b>Total assets</b>	<b>\$ 52,408</b>	<b>\$ 3,127</b>	<b>\$ 28,591</b>	<b>\$ 1,334</b>	<b>\$ 255,152</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 4,169	\$ 207	\$ 6,150	\$ -	\$ 12,779
Accrued payroll	-	32	-	-	72
Due to other funds	-	2,198	-	-	2,198
Deposits	585	-	-	-	2,623
Unearned revenue	-	47	-	-	794
Advances from other funds	-	-	-	-	20,413
<b>Total liabilities</b>	<b>4,754</b>	<b>2,484</b>	<b>6,150</b>	<b>-</b>	<b>38,879</b>
Deferred Inflows of resources:					
Unavailable revenue	25,159	2,776	-	-	28,139
Leases	-	-	-	-	1,046
<b>Total deferred inflows of resources</b>	<b>25,159</b>	<b>2,776</b>	<b>-</b>	<b>-</b>	<b>29,185</b>
Fund balances:					
Nonspendable:					
Prepaid items	13	-	-	-	13
Leases	-	-	-	-	24
Restricted:					
Capital projects	-	-	3,794	-	29,156
Debt service	-	-	-	-	191
Public works programs	-	-	-	-	21,885
Economic development programs	-	-	-	-	72,326
Other programs	47,641	-	18,647	-	71,832
Committed:					
Capital projects	-	-	-	-	677
OPEB	-	-	-	-	8
Other programs	-	-	-	1,334	19,952
Unassigned	(25,159)	(2,133)	-	-	(28,976)
<b>Total fund balances</b>	<b>22,495</b>	<b>(2,133)</b>	<b>22,441</b>	<b>1,334</b>	<b>187,088</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 52,408</b>	<b>\$ 3,127</b>	<b>\$ 28,591</b>	<b>\$ 1,334</b>	<b>\$ 255,152</b>

**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 12,819
Intergovernmental	16,498	-	907	-
Charges for services	16,596	2,158	-	-
Fines, forfeits and penalties	286	-	-	52
Interest, rents, and concessions	675	1,206	286	1,088
Community service fees	88	-	162	-
Assessment levies	5	-	-	-
Contributions and donations	-	45	432	-
Miscellaneous	-	-	2	20
Total revenues	<u>34,148</u>	<u>3,409</u>	<u>1,789</u>	<u>13,979</u>
Expenditures:				
Current:				
General government	-	-	-	2,484
Police	-	-	-	-
Fire	-	-	-	-
Public works	13,286	-	-	-
Convention and cultural services	-	1,604	-	-
Youth, parks, and community enrichment	-	-	1,886	-
Community development	14,607	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Capital outlay	1,867	300	1,417	114
Debt service:				
Principal	-	493	-	-
Interest and fiscal charges	-	1,017	-	-
Total expenditures	<u>29,760</u>	<u>3,414</u>	<u>3,303</u>	<u>2,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,388</u>	<u>(5)</u>	<u>(1,514)</u>	<u>11,381</u>
Other financing sources (uses):				
Transfers in	-	730	419	6,500
Transfers out	(961)	-	(17)	(1,100)
Total other financing sources (uses)	<u>(961)</u>	<u>730</u>	<u>402</u>	<u>5,400</u>
Changes in fund balances	3,427	725	(1,112)	16,781
Fund balances, beginning of year	<u>58,588</u>	<u>703</u>	<u>8,294</u>	<u>55,545</u>
Fund balances (deficits), end of year	<u>\$ 62,015</u>	<u>\$ 1,428</u>	<u>\$ 7,182</u>	<u>\$ 72,326</u>

**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 12,819
Intergovernmental	43,738	2,974	-	223	64,340
Charges for services	3,187	-	-	-	21,941
Fines, forfeits and penalties	-	-	-	-	338
Interest, rents, and concessions	379	(45)	435	21	4,045
Community service fees	-	-	-	-	250
Assessment levies	-	-	59,806	-	59,811
Contributions and donations	210	-	-	-	687
Miscellaneous	-	-	-	-	22
Total revenues	<u>47,514</u>	<u>2,929</u>	<u>60,241</u>	<u>244</u>	<u>164,253</u>
Expenditures:					
Current:					
General government	34,059	5,583	12,154	-	54,280
Police	6,635	-	-	-	6,635
Fire	2,960	-	-	-	2,960
Public works	-	-	16,692	-	29,978
Convention and cultural services	3,341	-	7,525	-	12,470
Youth, parks, and community enrichment	1,885	-	8,078	-	11,849
Community development	762	-	207	-	15,576
Library	-	-	9,200	-	9,200
Utilities	-	-	350	-	350
Capital outlay	2,784	-	1,096	-	7,578
Debt service:					
Principal	493	54	-	-	1,040
Interest and fiscal charges	1	1	-	-	1,019
Total expenditures	<u>52,920</u>	<u>5,638</u>	<u>55,302</u>	<u>-</u>	<u>152,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,406)</u>	<u>(2,709)</u>	<u>4,939</u>	<u>244</u>	<u>11,318</u>
Other financing sources (uses):					
Transfers in	-	497	-	-	8,146
Transfers out	(379)	-	(3,160)	-	(5,617)
Total other financing sources (uses)	<u>(379)</u>	<u>497</u>	<u>(3,160)</u>	<u>-</u>	<u>2,529</u>
Changes in fund balances	(5,785)	(2,212)	1,779	244	13,847
Fund balances, beginning of year	<u>28,280</u>	<u>79</u>	<u>20,662</u>	<u>1,090</u>	<u>173,241</u>
Fund balances (deficits), end of year	<u>\$ 22,495</u>	<u>\$ (2,133)</u>	<u>\$ 22,441</u>	<u>\$ 1,334</u>	<u>\$ 187,088</u>

# City of Sacramento

## Transportation and Development Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 15,638	\$ 15,638	\$ 16,498	\$ 860
Charges for services	3,817	6,135	5,167	(968)
Fines, forfeits and penalties	350	350	285	(65)
Interest, rents, and concessions	40	40	470	430
<b>Total revenues</b>	<b>19,845</b>	<b>22,163</b>	<b>22,420</b>	<b>257</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	17,066	17,066	13,286	3,780
Community development	2,266	4,705	2,907	1,798
Capital outlay	2,838	2,720	1,645	1,075
<b>Total expenditures</b>	<b>22,170</b>	<b>24,491</b>	<b>17,838</b>	<b>6,653</b>
Excess (deficiency) of revenues over (under) expenditures	(2,325)	(2,328)	4,582	6,910
<b>Other financing uses:</b>				
Transfers out	-	-	(774)	(774)
Changes in fund balance for budgeted activities	(2,325)	(2,328)	3,808	6,136
Fund balance, beginning of year for budgeted activities	49,939	49,939	49,939	-
Fund balance, end of year for budgeted activities	<u>\$ 47,614</u>	<u>\$ 47,611</u>	53,747	<u>\$ 6,136</u>
Change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted			(381)	
Fund balance, beginning of year for non-budgeted activities			<u>8,649</u>	
Fund balance, end of year			<u>\$ 62,015</u>	

# City of Sacramento

## Culture and Leisure Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,701	\$ 1,701	\$ 2,158	\$ 457
Interest, rents and concessions	1,003	1,003	1,206	203
Contributions and donations	45	45	45	-
Total revenues	2,749	2,749	3,409	660
Expenditures:				
Current:				
Convention and cultural services	1,503	1,503	1,604	(101)
Capital outlay	726	775	300	475
Debt service:				
Principal	1,051	1,051	493	558
Interest and fiscal charges	1,004	1,004	1,017	(13)
Total expenditures	4,284	4,333	3,414	919
Deficiency of revenues under expenditures	(1,535)	(1,584)	(5)	1,579
Other financing sources:				
Transfers in	719	719	730	11
Changes in fund balance	(816)	(865)	725	1,590
Fund balance, beginning of year	703	703	703	-
Fund balance (deficit), end of year	\$ (113)	\$ (162)	\$ 1,428	\$ 1,590



# City of Sacramento

## Parks and Recreation Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 658	\$ 754	\$ 907	\$ 153
Interest, rents and concessions	23	23	78	55
Community service fees	-	-	59	59
Miscellaneous	-	-	2	2
<b>Total revenues</b>	<b>681</b>	<b>777</b>	<b>1,046</b>	<b>269</b>
Expenditures:				
Current:				
Youth, parks, and community enrichment	1,312	1,477	1,392	85
Capital outlay	-	-	122	(122)
<b>Total expenditures</b>	<b>1,312</b>	<b>1,477</b>	<b>1,514</b>	<b>(37)</b>
Deficiency of revenues under expenditures	(631)	(700)	(468)	232
Other financing sources:				
Transfers in	-	419	419	-
Changes in fund balance for budgeted activities	(631)	(281)	(49)	232
Fund deficit, beginning of year for budgeted activities	(27)	(27)	(27)	-
<b>Fund deficit, end of year for budgeted activities</b>	<b>\$ (658)</b>	<b>\$ (308)</b>	<b>(76)</b>	<b>\$ 232</b>
Change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			(1,063)	
Fund balance, beginning of year for non-budgeted activities			8,321	
<b>Fund balance, end of year</b>			<b>\$ 7,182</b>	

**City of Sacramento**  
**CCOMWP Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**- Budget and Actual**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,147	\$ 1,147	\$ 2,974	\$ 1,827
Interest, rents and concessions	-	-	(45)	(45)
Total revenues	<u>1,147</u>	<u>1,147</u>	<u>2,929</u>	<u>1,782</u>
Expenditures:				
Current:				
General government	1,913	2,232	5,583	(3,351)
Debt service:				
Principal	-	-	54	(54)
Interest and fiscal charges	-	-	1	(1)
Total expenditures	<u>1,913</u>	<u>2,232</u>	<u>5,638</u>	<u>(3,406)</u>
Deficiency of revenues under expenditures	(766)	(1,085)	(2,709)	(1,624)
Other financing sources:				
Transfers in	<u>497</u>	<u>497</u>	<u>497</u>	<u>-</u>
Changes in fund balance	(269)	(588)	(2,212)	(1,624)
Fund balance, beginning of year	<u>79</u>	<u>79</u>	<u>79</u>	<u>-</u>
Fund deficit, end of year	<u>\$ (190)</u>	<u>\$ (509)</u>	<u>\$ (2,133)</u>	<u>\$ (1,624)</u>

# City of Sacramento

## Special Districts Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2023

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 435	\$ 435
Assessment levies	54,584	54,584	59,806	5,222
<b>Total revenues</b>	<b>54,584</b>	<b>54,584</b>	<b>60,241</b>	<b>5,657</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,313	11,313	12,154	(841)
Public works	18,527	17,968	16,692	1,276
Convention and cultural services	3,635	3,635	7,525	(3,890)
Youth, parks, and community enrichment	8,305	8,305	8,078	227
Community development	348	250	207	43
Library	9,271	9,271	9,200	71
Utilities	756	756	350	406
Capital outlay	4,799	4,850	1,096	3,754
<b>Total expenditures</b>	<b>56,954</b>	<b>56,348</b>	<b>55,302</b>	<b>1,046</b>
Excess (deficiency) of revenues over (under) expenditures	(2,370)	(1,764)	4,939	6,703
<b>Other financing uses:</b>				
Transfers out	(2,741)	(3,183)	(3,160)	23
Changes in fund balance	(5,111)	(4,947)	1,779	6,726
Fund balance, beginning of year	20,662	20,662	20,662	-
<b>Fund balance, end of year</b>	<b>\$ 15,551</b>	<b>\$ 15,715</b>	<b>\$ 22,441</b>	<b>\$ 6,726</b>

**City of Sacramento**  
**Cal EPA Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**- Budget and Actual**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 113	\$ 113	\$ 223	\$ 110
Interest, rents, and concessions	-	-	21	21
Total revenues	113	113	244	131
Fund balance, beginning of year	1,090	1,090	1,090	-
Fund balance, end of year	<u>\$ 1,203</u>	<u>\$ 1,203</u>	<u>\$ 1,334</u>	<u>\$ 131</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## OTHER DEBT SERVICE FUNDS

Other debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The following debt service funds have been classified as nonmajor funds:

**2006 SERIES B REVENUE BOND FUND** is used to account for debt service activities related to financing an arts rehearsal facility and other public capital improvements and redevelopment projects.

**2006 SERIES E REVENUE BOND FUND** is used to account for refunding debt service related to refinancing all the 2001 Capital Improvement Revenue Bonds and a portion of the 2002 and 2003 Capital Improvement Revenue Bonds.

**2015 REFUNDING REVENUE BOND FUND** is used to account for debt service activities related to the refunding of the outstanding 2002 Capital Improvement Revenue Bonds, 2003 Capital Improvement Revenue Bonds, 2005 Refunding Revenue Bonds, and the 2006 Capital Improvement Revenue Bonds Series A and C.

**2016 SPFA LEASE FINANCING (H STREET THEATER COMPLEX) FUND** is used to account for debt service activities related to the refunding of the Sacramento Regional Arts Facilities 2002 Series Certificates of Participation (COPs).

**OTHER CITY DEBT FUND** is used to account for debt service activities related to the financing of other programs of the City.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Balance Sheet**

June 30, 2023

(in thousands)

	<b>2006 Series B Revenue Bond Fund</b>	<b>2006 Series E Revenue Bond Fund</b>	<b>2015 Refunding Revenue Bond Fund</b>
<b><u>ASSETS</u></b>			
Assets:			
Cash and investments held by City	\$ 881	\$ -	\$ 2,019
Cash and investments held by fiscal agent	-	5	6
Receivables, net:			
Accounts	7	-	-
Intergovernmental	9,381	1,793	-
Leases	2,935	-	-
Interest	25	-	-
Restricted assets:			
Cash and investments held by fiscal agent	3,882	-	-
Total assets	<u>\$ 17,111</u>	<u>\$ 1,798</u>	<u>\$ 2,025</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred inflows of resources:			
Unavailable revenue	9,381	1,793	-
Leases	2,850	-	-
Total deferred inflows of resources	<u>12,231</u>	<u>1,793</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Leases	85	-	-
Restricted:			
Debt service	3,882	-	-
Committed:			
Debt service	913	5	-
Assigned:			
Debt service	-	-	2,025
Total fund balances	<u>4,880</u>	<u>5</u>	<u>2,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,111</u>	<u>\$ 1,798</u>	<u>\$ 2,025</u>



**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Balance Sheet**

June 30, 2023

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
<b><u>ASSETS</u></b>			
Assets:			
Cash and investments held by City	\$ -	\$ 1	\$ 2,901
Cash and investments held by fiscal agent	-	-	11
Receivables, net:			
Accounts	-	-	7
Intergovernmental	-	-	11,174
Leases	-	-	2,935
Interest	-	-	25
Restricted assets:			
Cash and investments held by fiscal agent	1,651	-	5,533
Total assets	<u>\$ 1,651</u>	<u>\$ 1</u>	<u>\$ 22,586</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Deposits	\$ 756	\$ -	\$ 756
Deferred inflows of resources:			
Unavailable revenue	-	-	11,174
Leases	-	-	2,850
Total deferred inflows of resources	-	-	14,024
Fund balances:			
Nonspendable:			
Leases	-	-	85
Restricted:			
Debt service	895	-	4,777
Committed:			
Debt service	-	-	918
Assigned:			
Debt service	-	1	2,026
Total fund balances	895	1	7,806
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,651</u>	<u>\$ 1</u>	<u>\$ 22,586</u>

**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	<b>2006 Series B Revenue Bond Fund</b>	<b>2006 Series E Revenue Bond Fund</b>	<b>2015 Refunding Revenue Bond Fund</b>
Revenues:			
Intergovernmental	\$ 475	\$ 154	\$ -
Interest, rents, and concessions	828	108	54
Total revenues	<u>1,303</u>	<u>262</u>	<u>54</u>
Expenditures:			
Debt service:			
Principal	1,670	5,029	3,735
Interest and fiscal charges	2,271	3,863	3,146
Total expenditures	<u>3,941</u>	<u>8,892</u>	<u>6,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,638)</u>	<u>(8,630)</u>	<u>(6,827)</u>
Other financing sources:			
Transfers in	<u>2,203</u>	<u>8,634</u>	<u>6,867</u>
Changes in fund balances	(435)	4	40
Fund balances, beginning of year	<u>5,315</u>	<u>1</u>	<u>1,985</u>
Fund balances, end of year	<u>\$ 4,880</u>	<u>\$ 5</u>	<u>\$ 2,025</u>

**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023

(in thousands)

	<b>2016 SPFA Lease Financing Fund</b>	<b>Other City Debt Fund</b>	<b>Total Other Debt Service Funds</b>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 629
Interest, rents, and concessions	836	-	1,826
Total revenues	836	-	2,455
Expenditures:			
Debt service:			
Principal	505	-	10,939
Interest and fiscal charges	168	-	9,448
Total expenditures	673	-	20,387
Excess (deficiency) of revenues over (under) expenditures	163	-	(17,932)
Other financing sources:			
Transfers in	-	-	17,704
Changes in fund balances	163	-	(228)
Fund balances, beginning of year	732	1	8,034
Fund balances, end of year	\$ 895	\$ 1	\$ 7,806

**THIS PAGE INTENTIONALLY LEFT BLANK**

## OTHER CAPITAL PROJECTS FUNDS

Other capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets. The following capital projects funds have been classified as nonmajor funds:

**GENERAL FUND CAPITAL PROJECTS FUND** is used to account for the proceeds of bond issues and associated capital projects.

**TRANSPORTATION AND DEVELOPMENT FUND** is used to account for the receipts of taxes and fees which are used to construct transportation-related capital projects.

**CROCKER ART MUSEUM EXPANSION FUND** is used to account for contributions from the Crocker Art Museum Association (CAMA) and related expenditures for the museum expansion project.

**CAPITAL GRANTS FUND** is used to account for capital improvement program projects that are funded by parties outside of the City including state and federal governments.

**FINANCING PLANS FUND** is used to account for the construction of public infrastructure funded by developer impact fees authorized under financing plans.

**SPECIAL DISTRICTS FUND** is used to account for the proceeds of special assessment bond issues which are used in the construction of street lighting, curbs, gutters, sidewalks, and drainage infrastructure.

**ECONOMIC DEVELOPMENT FUND** is used to account for the excess proceeds of Redevelopment Agency (RDA) pre-2011 non-housing bond issues and associated capital projects.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Balance Sheet**

June 30, 2023  
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
<b>ASSETS</b>				
Cash and investments held by City	\$ -	\$ 102,355	\$ -	\$ -
Receivables, net:				
Accounts	-	778	-	1,863
Intergovernmental	-	4,161	-	19,789
Interest	-	128	-	-
Restricted assets:				
Cash and investments held by City	30	-	155	32
Total assets	<u>\$ 30</u>	<u>\$ 107,422</u>	<u>\$ 155</u>	<u>\$ 21,684</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,710	\$ -	\$ 8,873
Due to other funds	-	-	-	1,435
Unearned revenue	-	65	-	10,137
Total liabilities	<u>-</u>	<u>1,775</u>	<u>-</u>	<u>20,445</u>
Deferred inflows of resources:				
Unavailable revenue	-	706	-	16,615
Fund balances:				
Restricted:				
Capital projects	30	104,941	155	1,239
Other programs	-	-	-	-
Unassigned	-	-	-	(16,615)
Total fund balances (deficit)	<u>30</u>	<u>104,941</u>	<u>155</u>	<u>(15,376)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30</u>	<u>\$ 107,422</u>	<u>\$ 155</u>	<u>\$ 21,684</u>

**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Balance Sheet**

June 30, 2023  
(in thousands)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
<b>ASSETS</b>				
Cash and investments held by City	\$ 110,659	\$ 24,229	\$ -	\$ 237,243
Receivables, net:				
Accounts	13,516	-	-	16,157
Intergovernmental	-	-	-	23,950
Interest	139	-	-	267
Restricted assets:				
Cash and investments held by City	-	-	9,914	10,131
Total assets	<u>\$ 124,314</u>	<u>\$ 24,229</u>	<u>\$ 9,914</u>	<u>\$ 287,748</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,549	\$ -	\$ -	\$ 13,132
Due to other funds	-	-	-	1,435
Unearned revenue	345	-	-	10,547
Total liabilities	<u>2,894</u>	<u>-</u>	<u>-</u>	<u>25,114</u>
Deferred inflows of resources:				
Unavailable revenue	<u>6,163</u>	<u>-</u>	<u>-</u>	<u>23,484</u>
Fund balances:				
Restricted:				
Capital projects	113,292	24,229	9,914	253,800
Other programs	1,965	-	-	1,965
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,615)</u>
Total fund balances (deficit)	<u>115,257</u>	<u>24,229</u>	<u>9,914</u>	<u>239,150</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 124,314</u>	<u>\$ 24,229</u>	<u>\$ 9,914</u>	<u>\$ 287,748</u>



**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
Revenues:				
Taxes	\$ -	\$ 3,334	\$ -	\$ -
Intergovernmental	-	29,837	-	25,855
Charges for services	-	23	-	-
Interest, rents, and concessions	-	1,421	3	63
Community service fees	-	3,575	-	-
Assessment levies	-	-	-	-
Contributions and donations	-	-	-	1,559
Miscellaneous	-	-	-	-
	<u>-</u>	<u>38,190</u>	<u>3</u>	<u>27,477</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	200
Public works	-	9,666	-	-
Youth, parks, and community enrichment	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	18,043	-	38,705
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>27,709</u>	<u>-</u>	<u>38,905</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>10,481</u>	<u>3</u>	<u>(11,428)</u>
Other financing sources (uses):				
Transfers in	-	25	-	-
Transfers out	-	-	-	(59)
Issuance of long-term debt	-	-	-	-
	<u>-</u>	<u>25</u>	<u>-</u>	<u>(59)</u>
Total other financing sources (uses)				
Changes in fund balances	-	10,506	3	(11,487)
Fund balances (deficit) , beginning of year	<u>30</u>	<u>94,435</u>	<u>152</u>	<u>(3,889)</u>
Fund balances (deficit) , end of year	<u>\$ 30</u>	<u>\$ 104,941</u>	<u>\$ 155</u>	<u>\$ (15,376)</u>

**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 3,334
Intergovernmental	-	-	-	55,692
Charges for services	-	-	-	23
Interest, rents, and concessions	1,076	437	180	3,180
Community service fees	27,426	-	-	31,001
Assessment levies	89	185	-	274
Contributions and donations	-	23,093	-	24,652
Miscellaneous	846	-	-	846
	<u>29,437</u>	<u>23,715</u>	<u>180</u>	<u>119,002</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	651	851
Public works	95	-	-	9,761
Youth, parks, and community enrichment	174	-	-	174
Community development	2,545	39	-	2,584
Capital outlay	10,381	13,949	55	81,133
Debt service:				
Principal	1,893	-	-	1,893
Interest and fiscal charges	8,581	-	-	8,581
	<u>23,669</u>	<u>13,988</u>	<u>706</u>	<u>104,977</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>5,768</u>	<u>9,727</u>	<u>(526)</u>	<u>14,025</u>
Other financing sources (uses):				
Transfers in	9,123	-	-	9,148
Transfers out	(1,429)	-	-	(1,488)
Issuance of long-term debt	11,739	-	-	11,739
	<u>19,433</u>	<u>-</u>	<u>-</u>	<u>19,399</u>
Total other financing sources (uses)				
Changes in fund balances	25,201	9,727	(526)	33,424
Fund balances (deficit) , beginning of year	<u>90,056</u>	<u>14,502</u>	<u>10,440</u>	<u>205,726</u>
Fund balances (deficit) , end of year	<u>\$ 115,257</u>	<u>\$ 24,229</u>	<u>\$ 9,914</u>	<u>\$ 239,150</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## PERMANENT FUNDS

Permanent funds are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The resources must be spent as provided in legal trust agreements and related state laws. The following permanent funds have been classified as nonmajor funds:

**ANN LAND FUND** is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

**BERTHA HENSCHER FUND** is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

**GEORGE CLARK SCHOLARSHIP FUND** is used to account for an endowment established by George Clark, Mayor of Sacramento in 1900. The investment income is available to provide college scholarships for Sacramento high school seniors.

**ALICE MILLER FUND** is used to account for gifts to the City. The investment income is available to care for a specific area of the Old City Cemetery.

**City of Sacramento**  
**Permanent Funds**  
**Combining Balance Sheet**

June 30, 2023  
(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>	<u>Alice Miller Fund</u>	<u>Total Permanent Funds</u>
<b><u>ASSETS</u></b>					
Cash and investments held by City	\$ 1,180	\$ 3,541	\$ 1,922	\$ 48	\$ 6,691
Receivables, net:					
Interest	7	20	1	-	28
Total assets	<u>\$ 1,187</u>	<u>\$ 3,561</u>	<u>\$ 1,923</u>	<u>\$ 48</u>	<u>\$ 6,719</u>
<b><u>FUND BALANCES</u></b>					
Fund balances:					
Nonspendable:					
Permanent fund principal	272	278	25	3	578
Restricted:					
Other programs	915	3,283	1,898	45	6,141
Total fund balances	<u>\$ 1,187</u>	<u>\$ 3,561</u>	<u>\$ 1,923</u>	<u>\$ 48</u>	<u>\$ 6,719</u>

**City of Sacramento**  
**Permanent Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>	<u>Alice Miller Fund</u>	<u>Total Permanent Funds</u>
Revenues:					
Interest, rents, and concessions	\$ 35	\$ 104	\$ 135	\$ 1	\$ 275
Expenditures:					
Current:					
General government	41	121	20	-	182
Changes in fund balances	(6)	(17)	115	1	93
Fund balances, beginning of year	1,193	3,578	1,808	47	6,626
Fund balances, end of year	<u>\$ 1,187</u>	<u>\$ 3,561</u>	<u>\$ 1,923</u>	<u>\$ 48</u>	<u>\$ 6,719</u>

## OTHER ENTERPRISE FUNDS

Enterprise funds are used to account for self-supporting City programs that provide services on a user-fee basis to the general public. The following enterprise funds have been classified as nonmajor funds:

**PARKING FUND** is used to account for the operation and maintenance of the City's off-street parking facilities throughout the City.

**4<sup>th</sup> R CHILD DEVELOPMENT FUND** is used to account for a program that provides school age childcare services at various locations throughout the City.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Net Position**

June 30, 2023

(in thousands)

	<b>Parking Fund</b>	<b>4th R Child Development Fund</b>	<b>Total Other Enterprise Funds</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments held by City	\$ 21,173	\$ 1,714	\$ 22,887
Receivables, net:			
Accounts	707	60	767
Leases	351	-	351
Interest	78	-	78
Prepaid items	20	-	20
Intangible asset, current portion	-	8	8
Total current assets	<u>22,329</u>	<u>1,782</u>	<u>24,111</u>
Noncurrent assets:			
Leases receivable	7,664	-	7,664
Intangible assets	-	96	96
Capital assets:			
Land	5,825	-	5,825
Buildings and improvements	61,896	1,642	63,538
Machinery and equipment	6,235	-	6,235
Construction in progress	7,997	-	7,997
Software	32	-	32
Leased land	1,978	-	1,978
IT subscriptions	767	-	767
Less: accumulated depreciation/amortization	<u>(45,570)</u>	<u>(1,454)</u>	<u>(47,024)</u>
Total noncurrent assets	<u>46,824</u>	<u>284</u>	<u>47,108</u>
Total assets	<u>69,153</u>	<u>2,066</u>	<u>71,219</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pensions	2,007	1,548	3,555
OPEB	284	73	357
Total deferred outflows of resources	<u>2,291</u>	<u>1,621</u>	<u>3,912</u>

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Net Position**

June 30, 2023  
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	2,718	32	2,750
Accrued payroll	113	180	293
Accrued compensated absences	14	15	29
Interest payable	39	-	39
Deposits	72	-	72
Unearned revenue	262	174	436
Accrued claims and judgments	6	3	9
Lease liabilities	111	-	111
IT subscription liabilities	49	-	49
Revenue and other bonds payable, net	1,241	-	1,241
<b>Total current liabilities</b>	<b>4,625</b>	<b>404</b>	<b>5,029</b>
Noncurrent liabilities:			
Accrued compensated absences	439	344	783
Net OPEB liability	1,461	-	1,461
Lease liabilities	1,651	-	1,651
IT subscription liabilities	668	-	668
Revenue and other bonds payable, net	8,567	-	8,567
Net pension liability	6,753	6,115	12,868
<b>Total noncurrent liabilities</b>	<b>19,539</b>	<b>6,459</b>	<b>25,998</b>
<b>Total liabilities</b>	<b>24,164</b>	<b>6,863</b>	<b>31,027</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Gain on debt refundings	146	-	146
Pensions	33	27	60
OPEB	583	136	719
Leases	7,404	-	7,404
<b>Total deferred inflows of resources</b>	<b>8,166</b>	<b>163</b>	<b>8,329</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	26,539	188	26,727
Unrestricted	12,575	(3,527)	9,048
<b>Total net position (deficit)</b>	<b>\$ 39,114</b>	<b>\$ (3,339)</b>	<b>\$ 35,775</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
Operating revenues:			
Charges for services:			
User fees and charges	\$ 15,883	\$ 5,578	\$ 21,461
Rents and concessions	1,040	7	1,047
Miscellaneous	55	7	62
Total operating revenues	<u>16,978</u>	<u>5,592</u>	<u>22,570</u>
Operating expenses:			
Employee services	3,865	5,471	9,336
Services and supplies	6,768	799	7,567
Depreciation/amortization	1,545	69	1,614
Total operating expenses	<u>12,178</u>	<u>6,339</u>	<u>18,517</u>
Operating income (loss)	<u>4,800</u>	<u>(747)</u>	<u>4,053</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	588	20	608
Revenue from other agencies	-	273	273
Interest expense	(298)	-	(298)
Total nonoperating revenues (expenses)	<u>290</u>	<u>293</u>	<u>583</u>
Income (loss) before transfers	5,090	(454)	4,636
Transfers in	5,934	-	5,934
Transfers out	(10,550)	-	(10,550)
Changes in net position	474	(454)	20
Total net position (deficit), beginning of year	<u>38,640</u>	<u>(2,885)</u>	<u>35,755</u>
Total net position (deficit), end of year	<u>\$ 39,114</u>	<u>\$ (3,339)</u>	<u>\$ 35,775</u>

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 15,872	\$ 5,729	\$ 21,601
Payments to suppliers	(6,059)	(798)	(6,857)
Payments to employees	(3,909)	(5,434)	(9,343)
Claims and judgments paid	(3)	(3)	(6)
Net cash provided by (used for) operating activities	5,901	(506)	5,395
Cash flows from noncapital financing activities:			
Transfers in from other funds	5,934	-	5,934
Transfers out to other funds	(1,750)	-	(1,750)
Intergovernmental revenue received	-	273	273
Net cash provided by noncapital financing activities	4,184	273	4,457
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,237)	-	(2,237)
Principal payments on capital debt	(1,040)	-	(1,040)
Interest payments on capital debt	(440)	-	(440)
Principal payments on lease liabilities	(108)	-	(108)
Interest payments on lease liabilities	(26)	-	(26)
Principal payments on IT subscription liabilities	(50)	-	(50)
Interest payments on IT subscription liabilities	(7)	-	(7)
Transfers out to other funds	(8,800)	-	(8,800)
Receipts from leases	244	-	244
Collection of interest from leases	89	-	89
Net cash used for capital and related financing activities	(12,375)	-	(12,375)
Cash flows from investing activities:			
Collection of interest and investment revenue	503	20	523
Net decrease in cash and cash equivalents	(1,787)	(213)	(2,000)
Cash and cash equivalents, beginning of year	22,960	1,927	24,887
Cash and cash equivalents, end of year	\$ 21,173	\$ 1,714	\$ 22,887

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 4,800	\$ (747)	\$ 4,053
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,545	61	1,606
Amortization of intangible assets	-	8	8
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(159)	106	(53)
Prepaid items	(8)	-	(8)
Accounts payable	717	1	718
Accrued payroll	19	(43)	(24)
Accrued compensated absences	(21)	(14)	(35)
Accrued claims and judgments	(3)	(3)	(6)
Deposits	(430)	-	(430)
Unearned revenue	43	31	74
Net pension liability and related deferred outflows/inflows of resources	285	185	470
Net OPEB liability and related deferred outflows/inflows of resources	(327)	(91)	(418)
Deferred inflows related to leases	(560)	-	(560)
Net cash provided by (used for) operating activities	<u>\$ 5,901</u>	<u>\$ (506)</u>	<u>\$ 5,395</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 151	\$ -	\$ 151
Amortization of bond gain on refunding	24	-	24
Capital asset acquisitions on accounts payable	188	-	188

**THIS PAGE INTENTIONALLY LEFT BLANK**

**WATER FUND**



**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
<b>ASSETS</b>					
Current assets:					
Cash and investments held by City	\$ -	\$ 198,644	\$ -	\$ -	\$ -
Cash and investments held by fiscal agent	-	9	-	87	-
Receivables, net:					
Accounts	455	20,878	-	-	-
Intergovernmental	-	-	628	-	-
Leases	-	60	-	-	-
Interest	-	1,149	-	-	-
Due from other funds	-	1,515	-	-	-
Inventories	-	1,204	-	-	-
Prepaid items	-	202	-	-	-
	<u>455</u>	<u>223,661</u>	<u>628</u>	<u>87</u>	<u>-</u>
Total current assets					
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	49,617	16,574	-	-	-
Cash and investments held by fiscal agent	-	639	-	2,860	-
Leases receivable	-	780	-	-	-
Capital assets:					
Land	1,729	1,170	-	-	-
Buildings and improvements	820	54,626	559	94,403	-
Machinery and equipment	680	25,584	641	77,425	8,627
Transmission and distribution systems	3,429	646,172	3,355	99,848	54,381
Construction in progress	21,458	28,478	2,669	5,774	5
Software	-	3,491	-	-	-
Easement	-	134	-	-	-
Leased equipment	-	184	-	-	-
IT subscriptions	-	722	-	-	-
Less: accumulated depreciation/amortization	(646)	(356,206)	(1,703)	(26,490)	(5,803)
	<u>77,087</u>	<u>422,348</u>	<u>5,521</u>	<u>253,820</u>	<u>57,210</u>
Total noncurrent assets					
Total assets					
	<u>77,542</u>	<u>646,009</u>	<u>6,149</u>	<u>253,907</u>	<u>57,210</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on refunding of debt	-	3,277	-	-	-
Pensions	-	18,265	-	-	-
OPEB	-	1,377	-	-	-
	<u>-</u>	<u>22,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources					

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 198,644
Cash and investments held by fiscal agent	-	2	-	98
Receivables, net:				
Accounts	-	-	-	21,333
Intergovernmental	-	-	-	628
Leases	-	-	-	60
Interest	-	-	-	1,149
Due from other funds	-	-	(1,515)	-
Inventories	-	-	-	1,204
Prepaid items	-	-	-	202
	<u>-</u>	<u>2</u>	<u>(1,515)</u>	<u>223,318</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	-	-	-	66,191
Cash and investments held by fiscal agent	-	-	-	3,499
Leases receivable	-	-	-	780
Capital assets:				
Land	-	-	-	2,899
Buildings and improvements	17,752	-	-	168,160
Machinery and equipment	3,307	-	-	116,264
Transmission and distribution systems	118,015	-	-	925,200
Construction in progress	-	-	-	58,384
Software	-	-	-	3,491
Easement	-	-	-	134
Leased equipment	-	-	-	184
IT subscriptions	-	-	-	722
Less: accumulated depreciation/amortization	(8,747)	-	-	(399,595)
	<u>130,327</u>	<u>-</u>	<u>-</u>	<u>946,313</u>
Total noncurrent assets	<u>130,327</u>	<u>-</u>	<u>-</u>	<u>946,313</u>
Total assets	<u>130,327</u>	<u>2</u>	<u>(1,515)</u>	<u>1,169,631</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding of debt	-	3,764	-	7,041
Pensions	-	-	-	18,265
OPEB	-	-	-	1,377
	<u>-</u>	<u>3,764</u>	<u>-</u>	<u>26,683</u>
Total deferred outflows of resources	<u>-</u>	<u>3,764</u>	<u>-</u>	<u>26,683</u>

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	38	3,925	54	-	-
Due to other funds	-	-	565	-	-
Accrued payroll	-	1,228	-	-	-
Accrued compensated absences	-	291	-	-	-
Interest payable	-	422	-	176	797
Deposits	-	5	-	-	-
Unearned revenue	-	1,579	9	-	-
Accrued claims and judgments	-	54	-	-	-
IT subscription liabilities	-	296	-	-	-
Revenue and other bonds payable, net	-	7,374	-	6,083	1,339
Notes payable	-	507	-	-	-
Total current liabilities	38	15,681	628	6,259	2,136
Noncurrent liabilities:					
Accrued compensated absences	-	3,658	-	-	-
Water fee credits	12	84	-	-	-
Net OPEB liability	-	10,764	-	-	-
IT subscription liabilities	-	127	-	-	-
Revenue and other bonds payable, net	-	84,727	-	5,709	55,136
Notes payable	-	4,862	-	-	-
Net pension liability	-	52,893	-	-	-
Total noncurrent liabilities	12	157,115	-	5,709	55,136
Total liabilities	50	172,796	628	11,968	57,272
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions	-	242	-	-	-
OPEB	-	3,871	-	-	-
Leases	-	795	-	-	-
Total deferred inflows of resources	-	4,908	-	-	-
<b>NET POSITION</b>					
Net investment in capital assets	27,432	311,504	5,521	244,016	735
Restricted for:					
Capital projects	50,060	-	-	-	-
Unrestricted	-	179,720	-	(2,077)	(797)
Total net position (deficit)	\$ 77,492	\$ 491,224	\$ 5,521	\$ 241,939	\$ (62)

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	-	-	4,017
Due to other funds	950	-	(1,515)	-
Accrued payroll	-	-	-	1,228
Accrued compensated absences	-	-	-	291
Interest payable	-	1,638	-	3,033
Deposits	-	-	-	5
Unearned revenue	-	-	-	1,588
Accrued claims and judgments	-	-	-	54
IT subscription liabilities	-	-	-	296
Revenue and other bonds payable, net	-	2,080	-	16,876
Notes payable	2,995	-	-	3,502
	<u>3,945</u>	<u>3,718</u>	<u>(1,515)</u>	<u>30,890</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	3,658
Water fee credits	-	-	-	96
Net OPEB liability	-	-	-	10,764
IT subscription liabilities	-	-	-	127
Revenue and other bonds payable, net	-	179,355	-	324,927
Notes payable	126,604	-	-	131,466
Net pension liability	-	-	-	52,893
	<u>126,604</u>	<u>179,355</u>	<u>-</u>	<u>523,931</u>
Total noncurrent liabilities				
Total liabilities	<u>130,549</u>	<u>183,073</u>	<u>(1,515)</u>	<u>554,821</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	-	-	-	242
OPEB	-	-	-	3,871
Leases	-	-	-	795
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,908</u>
Total deferred inflows of resources				
<b>NET POSITION</b>				
Net investment in capital assets	728	(177,671)	-	412,265
Restricted for:				
Capital projects	-	-	-	50,060
Unrestricted	(950)	(1,636)	-	174,260
	<u>(950)</u>	<u>(1,636)</u>	<u>-</u>	<u>174,260</u>
Total net position (deficit)	<u>\$ (222)</u>	<u>\$ (179,307)</u>	<u>\$ -</u>	<u>\$ 636,585</u>

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
Operating revenues:					
Charges for services:					
User fees and charges	\$ -	\$ 135,304	\$ -	\$ -	\$ -
Rent and concessions	-	59	-	-	-
Miscellaneous	-	36	-	-	-
Total operating revenues	<u>-</u>	<u>135,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Employee services	-	43,243	-	-	-
Services and supplies	-	29,160	317	-	-
Depreciation/amortization	168	18,210	205	7,680	1,117
Claims and judgments	-	20	-	-	-
Total operating expenses	<u>168</u>	<u>90,633</u>	<u>522</u>	<u>7,680</u>	<u>1,117</u>
Operating income (loss)	<u>(168)</u>	<u>44,766</u>	<u>(522)</u>	<u>(7,680)</u>	<u>(1,117)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue (loss)	836	1,074	-	94	1
Revenue from other agencies	-	62	453	-	-
Interest expense	-	(4,495)	-	197	(2,071)
Amortization of bond prepaid insurance	-	(23)	-	-	-
Total nonoperating revenues (expenses)	<u>836</u>	<u>(3,382)</u>	<u>453</u>	<u>291</u>	<u>(2,070)</u>
Income (loss) before capital contributions and transfers	668	41,384	(69)	(7,389)	(3,187)
Capital contributions	3,989	4,241	-	-	-
Transfers in	1,118	83	-	5,726	3,376
Transfers out	-	(38,813)	-	-	-
Changes in net position	5,775	6,895	(69)	(1,663)	189
Total net position (deficit), beginning of year	<u>71,717</u>	<u>484,329</u>	<u>5,590</u>	<u>243,602</u>	<u>(251)</u>
Total net position (deficit), end of year	<u>\$ 77,492</u>	<u>\$ 491,224</u>	<u>\$ 5,521</u>	<u>\$ 241,939</u>	<u>\$ (62)</u>

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ -	\$ -	\$ 135,304
Rent and concessions	-	-	-	59
Miscellaneous	-	-	-	36
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,399</u>
Operating expenses:				
Employee services	-	-	-	43,243
Services and supplies	-	-	-	29,477
Depreciation/amortization	3,101	-	-	30,481
Claims and judgments	-	-	-	20
Total operating expenses	<u>3,101</u>	<u>-</u>	<u>-</u>	<u>103,221</u>
Operating income (loss)	<u>(3,101)</u>	<u>-</u>	<u>-</u>	<u>32,178</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	-	3	-	2,008
Revenue from other agencies	-	-	-	515
Interest expense	(2,277)	(5,117)	-	(13,763)
Amortization of bond prepaid insurance	-	-	-	(23)
Total nonoperating revenues (expenses)	<u>(2,277)</u>	<u>(5,114)</u>	<u>-</u>	<u>(11,263)</u>
Income (loss) before capital contributions and transfers	(5,378)	(5,114)	-	20,915
Capital contributions	-	-	-	8,230
Transfers in	8,194	6,980	(24,276)	1,201
Transfers out	-	-	24,276	(14,537)
Changes in net position	2,816	1,866	-	15,809
Total net position (deficit), beginning of year	<u>(3,038)</u>	<u>(181,173)</u>	<u>-</u>	<u>620,776</u>
Total net position (deficit), end of year	<u>\$ (222)</u>	<u>\$ (179,307)</u>	<u>\$ -</u>	<u>\$ 636,585</u>

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
Cash flows from operating activities:					
Receipts from customers and users	\$ -	\$ 133,304	\$ -	\$ -	\$ -
Payments to suppliers	-	(29,129)	(270)	-	-
Payments to employees	-	(42,009)	-	-	-
Claims and judgments paid	-	(43)	-	-	-
Net cash provided by (used for) operating activities	-	62,123	(270)	-	-
Cash flows from noncapital financing activities:					
Interfund cash flow loans	-	(1,515)	565	-	-
Transfers in from other funds	1,118	83	-	-	-
Transfers out to other funds	-	(14,005)	-	-	-
Interfund loan repayments	-	1,279	(387)	-	-
Intergovernmental revenue received	-	62	276	-	-
Net cash provided by (used for) noncapital financing activities	1,118	(14,096)	454	-	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,825)	(7,737)	(184)	-	-
Proceeds from issuance of debt	-	-	-	-	-
Principal payments on capital debt	-	(6,906)	-	(5,065)	(960)
Interest payments on capital debt	-	(4,823)	-	(656)	(2,417)
Principal payments on IT subscription liabilities	-	(299)	-	-	-
Transfers in from other funds	-	-	-	5,726	3,376
Transfers out to other funds	-	(24,808)	-	-	-
Capital contributions received	3,524	-	-	-	-
Receipts from leases	-	48	-	-	-
Collection of interest from leases	-	11	-	-	-
Net cash provided by (used for) capital and related financing activities	1,699	(44,514)	(184)	5	(1)
Cash flows from investing activities:					
Collection of interest and investment revenue	836	666	-	94	1
Net increase in cash and cash equivalents	3,653	4,179	-	99	-
Cash and cash equivalents, beginning of year	45,964	211,687	-	2,848	-
Cash and cash equivalents, end of year	\$ 49,617	\$ 215,866	\$ -	\$ 2,947	\$ -
Reconciliation of cash and cash equivalents to the Schedule of Net Position:					
Cash and investments held by City	\$ -	\$ 198,644	\$ -	\$ -	\$ -
Cash and investments held by fiscal agent	-	9	-	87	-
Restricted cash and investments held by City	49,617	16,574	-	-	-
Restricted cash and investments held by fiscal agent	-	639	-	2,860	-
Total cash and cash equivalents, end of year	\$ 49,617	\$ 215,866	\$ -	\$ 2,947	\$ -



**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 133,304
Payments to suppliers	-	-	-	(29,399)
Payments to employees	-	-	-	(42,009)
Claims and judgments paid	-	-	-	(43)
Net cash provided by (used for) operating activities	-	-	-	61,853
Cash flows from noncapital financing activities:				
Interfund cash flow loans	950	-	-	-
Transfers in from other funds	-	-	-	1,201
Transfers out to other funds	-	-	-	(14,005)
Interfund loan repayments	(892)	-	-	-
Intergovernmental revenue received	-	-	-	338
Net cash provided by (used for) noncapital financing activities	58	-	-	(12,466)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(166)	-	-	(9,912)
Proceeds from issuance of debt	107	-	-	107
Principal payments on capital debt	(5,916)	(2,050)	-	(20,897)
Interest payments on capital debt	(2,277)	(4,931)	-	(15,104)
Principal payments on IT subscription liabilities	-	-	-	(299)
Transfers in from other funds	8,194	6,980	(24,276)	-
Transfers out to other funds	-	-	24,276	(532)
Capital contributions received	-	-	-	3,524
Receipts from leases	-	-	-	48
Collection of interest from leases	-	-	-	11
Net cash provided by (used for) capital and related financing activities	(58)	(1)	-	(43,054)
Cash flows from investing activities:				
Collection of interest and investment revenue	-	3	-	1,600
Net increase in cash and cash equivalents	-	2	-	7,933
Cash and cash equivalents, beginning of year	-	-	-	260,499
Cash and cash equivalents, end of year	\$ -	\$ 2	\$ -	\$ 268,432
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 198,644
Cash and investments held by fiscal agent	-	2	-	98
Restricted cash and investments held by City	-	-	-	66,191
Restricted cash and investments held by fiscal agent	-	-	-	3,499
Total cash and cash equivalents, end of year	\$ -	\$ 2	\$ -	\$ 268,432

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (168)	\$ 44,766	\$ (522)	\$ (7,680)	\$ (1,117)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	168	17,766	205	7,680	1,117
Amortization of intangible assets	-	444	-	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
Accounts receivable, net	-	(1,650)	-	-	-
Inventories	-	(41)	-	-	-
Prepaid items	-	(6)	-	-	-
Accounts payable	-	78	47	-	-
Accrued payroll	-	306	-	-	-
Accrued compensated absences	-	95	-	-	-
Accrued claims and judgments	-	(23)	-	-	-
Unearned revenue	-	(290)	-	-	-
Water fee credits	-	(96)	-	-	-
Net pension liability and related deferred outflows/inflows of resources	-	2,430	-	-	-
Net OPEB liability and related deferred outflows/inflows of resources	-	(1,597)	-	-	-
Deferred inflows related to leases	-	(59)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 62,123</u>	<u>\$ (270)</u>	<u>\$ -</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ -	\$ 4,241	\$ -	\$ -	\$ -
Amortization of bond premium and discount	-	624	-	768	329
Amortization of bond loss on refunding	-	(328)	-	-	-
Amortization of bond prepaid insurance	-	(23)	-	-	-
Capital asset acquisitions on accounts payable	38	485	-	-	-

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (3,101)	\$ -	\$ -	\$ 32,178
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	3,101	-	-	30,037
Amortization of intangible assets	-	-	-	444
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	-	-	(1,650)
Inventories	-	-	-	(41)
Prepaid items	-	-	-	(6)
Accounts payable	-	-	-	125
Accrued payroll	-	-	-	306
Accrued compensated absences	-	-	-	95
Accrued claims and judgments	-	-	-	(23)
Unearned revenue	-	-	-	(290)
Water fee credits	-	-	-	(96)
Net pension liability and related deferred outflows/inflows of resources	-	-	-	2,430
Net OPEB liability and related deferred outflows/inflows of resources	-	-	-	(1,597)
Deferred inflows related to leases	-	-	-	(59)
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,853</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 4,241
Amortization of bond premium and discount	-	-	-	1,721
Amortization of bond loss on refunding	-	(196)	-	(524)
Amortization of bond prepaid insurance	-	-	-	(23)
Capital asset acquisitions on accounts payable	-	-	-	523

**THIS PAGE INTENTIONALLY LEFT BLANK**

**WASTEWATER FUND**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**

June 30, 2023  
(in thousands)

	<u>Development Impact Fee Fund</u>	<u>User Fee Fund</u>	<u>Grant Projects Fund</u>	<u>2013 Wastewater Revenue Bonds Fund</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments held by City	\$ -	\$ 58,007	\$ -	\$ -
Cash and investments held by fiscal agent	-	-	-	11
Receivables, net:				
Accounts	177	11,776	-	-
Intergovernmental	-	-	1,010	-
Interest	-	294	-	-
Due from other funds	-	787	-	-
Inventories	-	70	-	-
	<u>177</u>	<u>70,934</u>	<u>1,010</u>	<u>11</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	8,504	1,174	-	-
Cash and investments held by fiscal agent	-	-	-	413
Capital assets:				
Land	-	1,138	-	-
Buildings and improvements	-	42,057	-	12,041
Machinery and equipment	-	5,302	148	301
Transmission and distribution systems	23,686	171,951	10,954	21,135
Construction in progress	-	2,875	21	141
Software	-	604	-	97
IT subscriptions	-	188	-	-
Less: accumulated depreciation/amortization	(613)	(96,424)	(419)	(3,876)
	<u>31,577</u>	<u>128,865</u>	<u>10,704</u>	<u>30,252</u>
Total noncurrent assets				
Total assets	<u>31,754</u>	<u>199,799</u>	<u>11,714</u>	<u>30,263</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Loss on refunding of debt	-	-	-	-
Pensions	-	4,800	-	-
OPEB	-	461	-	-
	<u>-</u>	<u>5,261</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources				

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**

June 30, 2023  
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 58,007
Cash and investments held by fiscal agent	-	-	-	11
Receivables, net:				
Accounts	-	-	-	11,953
Intergovernmental	-	-	-	1,010
Interest	-	-	-	294
Due from other funds	-	-	(787)	-
Inventories	-	-	-	70
	<u>-</u>	<u>-</u>	<u>(787)</u>	<u>71,345</u>
Total current assets	-	-	(787)	71,345
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	542	-	-	10,220
Cash and investments held by fiscal agent	-	-	-	413
Capital assets:				
Land	-	-	-	1,138
Buildings and improvements	4,433	-	-	58,531
Machinery and equipment	140	-	-	5,891
Transmission and distribution systems	19,625	-	-	247,351
Construction in progress	4,094	-	-	7,131
Software	2,746	-	-	3,447
IT subscriptions	-	-	-	188
Less: accumulated depreciation/amortization	(1,833)	-	-	(103,165)
	<u>29,747</u>	<u>-</u>	<u>-</u>	<u>231,145</u>
Total noncurrent assets	29,747	-	-	231,145
Total assets	<u>29,747</u>	<u>-</u>	<u>(787)</u>	<u>302,490</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Loss on refunding of debt	-	2,221	-	2,221
Pensions	-	-	-	4,800
OPEB	-	-	-	461
	<u>-</u>	<u>-</u>	<u>-</u>	<u>461</u>
Total deferred outflows of resources	-	2,221	-	7,482



**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**

June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	2,351	12,789	223	-
Due to other funds	-	-	787	-
Accrued payroll	-	356	-	-
Accrued compensated absences	-	79	-	-
Interest payable	-	-	-	13
Accrued claims and judgments	-	88	-	-
IT subscription liabilities	-	75	-	-
Revenue and other bonds payable, net	-	-	-	813
Total current liabilities	2,351	13,387	1,010	826
Noncurrent liabilities:				
Accrued compensated absences	-	1,136	-	-
Wastewater fee credits	8,450	-	-	-
Net OPEB liability	-	4,046	-	-
IT subscription liabilities	-	38	-	-
Revenue and other bonds payable, net	-	-	-	-
Net pension liability	-	16,513	-	-
Total noncurrent liabilities	8,450	21,733	-	-
Total liabilities	10,801	35,120	1,010	826
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Pensions	-	81	-	-
OPEB	-	1,184	-	-
Total deferred inflows of resources	-	1,265	-	-
<b><u>NET POSITION</u></b>				
Net investment in capital assets	12,272	127,154	10,481	30,043
Restricted for:				
Capital projects	8,681	-	-	-
Other programs	-	-	223	-
Unrestricted	-	41,521	-	(606)
Total net position (deficit)	\$ 20,953	\$ 168,675	\$ 10,704	\$ 29,437

(continued)

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**

June 30, 2023  
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	33	-	-	15,396
Due to other funds	-	-	(787)	-
Accrued payroll	-	-	-	356
Accrued compensated absences	-	-	-	79
Interest payable	404	196	-	613
Accrued claims and judgments	-	-	-	88
IT subscription liabilities	-	-	-	75
Revenue and other bonds payable, net	1,221	340	-	2,374
Total current liabilities	1,658	536	(787)	18,981
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	1,136
Wastewater fee credits	-	-	-	8,450
Net OPEB liability	-	-	-	4,046
IT subscription liabilities	-	-	-	38
Revenue and other bonds payable, net	27,805	26,430	-	54,235
Net pension liability	-	-	-	16,513
Total noncurrent liabilities	27,805	26,430	-	84,418
Total liabilities	29,463	26,966	(787)	103,399
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Pensions	-	-	-	81
OPEB	-	-	-	1,184
Total deferred inflows of resources	-	-	-	1,265
<b><u>NET POSITION</u></b>				
Net investment in capital assets	688	(24,549)	-	156,089
Restricted for:				
Capital projects	-	-	-	8,681
Other programs	-	-	-	223
Unrestricted	(404)	(196)	-	40,315
Total net position (deficit)	\$ 284	\$ (24,745)	\$ -	\$ 205,308

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ 43,072	\$ -	\$ -
Charge to other agencies for contract services	-	1,737	-	-
Total operating revenues	-	44,809	-	-
Operating expenses:				
Employee services	-	13,148	-	-
Services and supplies	-	15,399	(62)	-
Depreciation/amortization	225	3,990	100	510
Total operating expenses	225	32,537	38	510
Operating income (loss)	(225)	12,272	(38)	(510)
Nonoperating revenues (expenses):				
Interest and investment revenue	94	58	-	12
Interest expense	-	-	-	(3)
Loss on disposition of capital assets	-	-	-	(223)
Total nonoperating revenues (expenses)	94	58	-	(214)
Income (loss) before capital contributions and transfers	(131)	12,330	(38)	(724)
Capital contributions	1,840	648	4,109	-
Transfers in	2,233	164	-	825
Transfers out	-	(8,630)	-	-
Changes in net position	3,942	4,512	4,071	101
Total net position (deficit), beginning of year	17,011	164,163	6,633	29,336
Total net position (deficit), end of year	\$ 20,953	\$ 168,675	\$ 10,704	\$ 29,437

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ -	\$ -	\$ 43,072
Charge to other agencies for contract services	-	-	-	1,737
Total operating revenues	-	-	-	44,809
Operating expenses:				
Employee services	-	-	-	13,148
Services and supplies	-	-	-	15,337
Depreciation/amortization	475	-	-	5,300
Total operating expenses	475	-	-	33,785
Operating income (loss)	(475)	-	-	11,024
Nonoperating revenues (expenses):				
Interest and investment revenue	24	-	-	188
Interest expense	(923)	(704)	-	(1,630)
Loss on disposition of capital assets	-	-	-	(223)
Total nonoperating revenues (expenses)	(899)	(704)	-	(1,665)
Income (loss) before capital contributions and transfers	(1,374)	(704)	-	9,359
Capital contributions	-	-	-	6,597
Transfers in	2,114	924	(3,863)	2,397
Transfers out	-	-	3,863	(4,767)
Changes in net position	740	220	-	13,586
Total net position (deficit), beginning of year	(456)	(24,965)	-	191,722
Total net position (deficit), end of year	\$ 284	\$ (24,745)	\$ -	\$ 205,308

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 43,313	\$ -	\$ -
Payments to suppliers	-	(15,688)	62	-
Payments to employees	-	(12,671)	-	-
Claims and judgments paid	-	(74)	-	-
Net cash provided by operating activities	-	14,880	62	-
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	(787)	787	-
Transfers in from other funds	2,233	164	-	-
Transfers out to other funds	-	(4,721)	-	-
Interfund loan repayments	-	434	(434)	-
Net cash provided by (used for) noncapital financing activities	2,233	(4,910)	353	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(84)	(1,927)	(3,948)	-
Principal payments on capital debt	-	-	-	(765)
Interest payments on capital debt	-	-	-	(59)
Principal payments on IT subscription liabilities	-	(75)	-	-
Transfers in from other funds	-	-	-	825
Transfers out to other funds	-	(3,909)	-	-
Capital contributions received	2,431	-	3,533	-
Cash reimbursement for fee credits	(1,509)	-	-	-
Net cash provided by (used for) capital and related financing activities	838	(5,911)	(415)	1
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	94	(53)	-	12
Net increase (decrease) in cash and cash equivalents	3,165	4,006	-	13
Cash and cash equivalents, beginning of year	5,339	55,175	-	411
Cash and cash equivalents, end of year	<u>\$ 8,504</u>	<u>\$ 59,181</u>	<u>\$ -</u>	<u>\$ 424</u>
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ 58,007	\$ -	\$ -
Cash and investments held by fiscal agent	-	-	-	11
Restricted cash and investments held by City	8,504	1,174	-	-
Restricted cash and investments held by fiscal agent	-	-	-	413
Total cash and cash equivalents, end of year	<u>\$ 8,504</u>	<u>\$ 59,181</u>	<u>\$ -</u>	<u>\$ 424</u>

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 43,313
Payments to suppliers	-	-	-	(15,626)
Payments to employees	-	-	-	(12,671)
Claims and judgments paid	-	-	-	(74)
Net cash provided by operating activities	-	-	-	14,942
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	-	-	-
Transfers in from other funds	-	-	-	2,397
Transfers out to other funds	-	-	-	(4,721)
Interfund loan repayments	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	(2,324)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,094)	-	-	(8,053)
Principal payments on capital debt	(880)	(335)	-	(1,980)
Interest payments on capital debt	(1,234)	(589)	-	(1,882)
Principal payments on IT subscription liabilities	-	-	-	(75)
Transfers in from other funds	2,114	924	(3,863)	-
Transfers out to other funds	-	-	3,863	(46)
Capital contributions received	-	-	-	5,964
Cash reimbursement for fee credits	-	-	-	(1,509)
Net cash provided by (used for) capital and related financing activities	(2,094)	-	-	(7,581)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	24	-	-	77
Net increase (decrease) in cash and cash equivalents	(2,070)	-	-	5,114
Cash and cash equivalents, beginning of year	2,612	-	-	63,537
Cash and cash equivalents, end of year	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,651</u>
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 58,007
Cash and investments held by fiscal agent	-	-	-	11
Restricted cash and investments held by City	542	-	-	10,220
Restricted cash and investments held by fiscal agent	-	-	-	413
Total cash and cash equivalents, end of year	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,651</u>

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (225)	\$ 12,272	\$ (38)	\$ (510)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization expense	225	3,912	100	500
Amortization of intangible assets	-	78	-	10
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	(1,496)	-	-
Inventories	-	(33)	-	-
Accounts payable	-	(256)	-	-
Accrued payroll	-	157	-	-
Accrued compensated absences	-	183	-	-
Accrued claims and judgments	-	(74)	-	-
Net pension liability and related deferred outflows/inflows of resources	-	681	-	-
Net OPEB liability and related deferred outflows/inflows of resources	-	(544)	-	-
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 14,880</u>	<u>\$ 62</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ 648	\$ -	\$ -
Amortization of bond premium and discount	-	-	-	43
Amortization of bond loss on refunding	-	-	-	-
Capital asset acquisitions on accounts payable	29	424	223	-
Loss on disposition of capital assets	-	-	-	223
Fee credit reimbursement accounts payable	2,322	-	-	-

(continued)

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2023  
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (475)	\$ -	\$ -	\$ 11,024
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization expense	292	-	-	5,029
Amortization of intangible assets	183	-	-	271
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	-	-	(1,496)
Inventories	-	-	-	(33)
Accounts payable	-	-	-	(256)
Accrued payroll	-	-	-	157
Accrued compensated absences	-	-	-	183
Accrued claims and judgments	-	-	-	(74)
Net pension liability and related deferred outflows/inflows of resources	-	-	-	681
Net OPEB liability and related deferred outflows/inflows of resources	-	-	-	(544)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,942</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 648
Amortization of bond premium and discount	296	-	-	339
Amortization of bond loss on refunding	-	(116)	-	(116)
Capital asset acquisitions on accounts payable	33	-	-	709
Loss on disposition of capital assets	-	-	-	223
Fee credit reimbursement accounts payable	-	-	-	2,322



**THIS PAGE INTENTIONALLY LEFT BLANK**

**COMMUNITY CENTER FUND**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Community Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund	2019 STID Assessment Revenue Bonds Fund	Total Community Center Fund
<b>ASSETS</b>					
Current assets:					
Cash and investments held by City	\$ 30,266	\$ -	\$ -	\$ -	\$ 30,266
Receivables, net:					
Taxes	3,567	-	-	-	3,567
Accounts	4,391	-	-	-	4,391
Interest	159	-	-	14	173
Prepaid items	8	-	-	-	8
Total current assets	<u>38,391</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>38,405</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	-	5,289	684	12	5,985
Cash and investments held by fiscal agent	1,992	2,587	662	1,882	7,123
Capital assets:					
Land	20,071	-	-	-	20,071
Buildings and improvements	113,040	-	-	-	113,040
Machinery and equipment	4,913	-	-	-	4,913
Construction in progress	6,900	293,573	19,399	49,653	369,525
Software	46	-	-	-	46
IT subscriptions	76	-	-	-	76
Less: accumulated depreciation/amortization	(73,938)	-	-	-	(73,938)
Total noncurrent assets	<u>73,100</u>	<u>301,449</u>	<u>20,745</u>	<u>51,547</u>	<u>446,841</u>
Total assets	<u>111,491</u>	<u>301,449</u>	<u>20,745</u>	<u>51,561</u>	<u>485,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions	3,538	-	-	-	3,538
OPEB	371	-	-	-	371
Total deferred outflows of resources	<u>3,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,909</u>

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Net Position**  
June 30, 2023  
(in thousands)

	Community Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund	2019 STID Assessment Revenue Bonds Fund	Total Community Center Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	5,386	274	-	-	5,660
Due to other funds	250	-	-	-	250
Accrued payroll	182	-	-	-	182
Accrued compensated absences	38	-	-	-	38
Interest payable	-	1,080	27	148	1,255
Unearned revenue	1,257	-	-	-	1,257
Accrued claims and judgments	4	-	-	-	4
IT subscription liabilities	25	-	-	-	25
Revenue and other bonds payable, net	-	2,425	4,370	1,119	7,914
Total current liabilities	7,142	3,779	4,397	1,267	16,585
Noncurrent liabilities:					
Accrued compensated absences	503	-	-	-	503
Advances from other funds	4,620	-	-	-	4,620
Net OPEB liability	237	-	-	-	237
IT subscription liabilities	25	-	-	-	25
Revenue and other bonds payable, net	-	284,084	4,025	50,988	339,097
Net pension liability	10,604	-	-	-	10,604
Total noncurrent liabilities	15,989	284,084	4,025	50,988	355,086
Total liabilities	23,131	287,863	8,422	52,255	371,671
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pensions	60	-	-	-	60
OPEB	412	-	-	-	412
Total deferred inflows of resources	472	-	-	-	472
<b>NET POSITION</b>					
Net investment in capital assets	72,554	16,951	12,521	330	102,356
Unrestricted	19,243	(3,365)	(198)	(1,024)	14,656
Total net position (deficit)	\$ 91,797	\$ 13,586	\$ 12,323	\$ (694)	\$ 117,012

)

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Community Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ 2,659	\$ -	\$ -
Rents and concessions	11,230	-	-
Total operating revenues	<u>13,889</u>	<u>-</u>	<u>-</u>
Operating expenses:			
Employee services	6,753	-	-
Services and supplies	10,709	1	-
Depreciation/amortization	1,321	-	-
Claims and judgments	7	-	-
Total operating expenses	<u>18,790</u>	<u>1</u>	<u>-</u>
Operating loss	<u>(4,901)</u>	<u>(1)</u>	<u>-</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	1,015	343	24
Transient occupancy taxes	31,294	-	-
Interest expense	(89)	(11,912)	(461)
Total nonoperating revenues (expenses)	<u>32,220</u>	<u>(11,569)</u>	<u>(437)</u>
Income (loss) before transfers	27,319	(11,570)	(437)
Transfers in	-	14,245	4,570
Transfers out	(28,640)	-	-
Changes in net position	(1,321)	2,675	4,133
Total net position (deficit), beginning of year	<u>93,118</u>	<u>10,911</u>	<u>8,190</u>
Total net position (deficit), end of year	<u>\$ 91,797</u>	<u>\$ 13,586</u>	<u>\$ 12,323</u>

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(In thousands)

	<b>2019 STID Assessment Revenue Bonds Fund</b>	<b>Eliminations</b>	<b>Total Community Center Fund</b>
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ -	\$ 2,659
Rents and concessions	-	-	11,230
Total operating revenues	-	-	13,889
Operating expenses:			
Employee services	-	-	6,753
Services and supplies	-	-	10,710
Depreciation/amortization	-	-	1,321
Claims and judgments	-	-	7
Total operating expenses	-	-	18,791
Operating loss	-	-	(4,902)
Nonoperating revenues (expenses):			
Interest and investment revenue	98	-	1,480
Transient occupancy taxes	-	-	31,294
Interest expense	(1,663)	-	(14,125)
Total nonoperating revenues (expenses)	(1,565)	-	18,649
Income (loss) before transfers	(1,565)	-	13,747
Transfers in	2,718	(18,815)	2,718
Transfers out	-	18,815	(9,825)
Changes in net position	1,153	-	6,640
Total net position (deficit), beginning of year	(1,847)	-	110,372
Total net position (deficit), end of year	\$ (694)	\$ -	\$ 117,012

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Community Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 10,355	\$ -	\$ -
Payments to suppliers	(9,051)	(1)	-
Payments to employees	(6,951)	-	-
Claims and judgments paid	(8)	-	-
Net cash used for operating activities	(5,655)	(1)	-
Cash flows from noncapital financing activities:			
Transient occupancy taxes	30,725	-	-
Transfers out to other funds	(9,825)	-	-
Interfund loan repayments	(250)	-	-
Net cash provided by noncapital financing activities	20,650	-	-
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(188)	(4,171)	(1,667)
Principal payments on capital debt	-	(1,265)	(4,215)
Interest payments on capital debt	-	(13,018)	(474)
Principal payments on IT subscription liabilities	(26)	-	-
Transfers in from other funds	-	14,245	4,570
Transfers out to other funds	(18,815)	-	-
Net cash used for capital and related financing activities	(19,029)	(4,209)	(1,786)
Cash flows from investing activities:			
Collection of interest and investment revenue	982	343	24
Net decrease in cash and cash equivalents	(3,052)	(3,867)	(1,762)
Cash and cash equivalents, beginning of year	35,310	11,743	3,108
Cash and cash equivalents, end of year	\$ 32,258	\$ 7,876	\$ 1,346
Reconciliation of cash and cash equivalents to the Schedule of Net Position:			
Cash and investments held by City	\$ 30,266	\$ -	\$ -
Restricted cash and investments held by City	-	5,289	684
Restricted cash and investments held by fiscal agent	1,992	2,587	662
Total cash and cash equivalents, end of year	\$ 32,258	\$ 7,876	\$ 1,346



**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	2019 STID Assessment Revenue Bonds Fund	Eliminations	Total Community Center Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ -	\$ 10,355
Payments to suppliers	-	-	(9,052)
Payments to employees	-	-	(6,951)
Claims and judgments paid	-	-	(8)
Net cash used for operating activities	-	-	(5,656)
Cash flows from noncapital financing activities:			
Transient occupancy taxes	-	-	30,725
Transfers out to other funds	-	-	(9,825)
Interfund loan repayments	-	-	(250)
Net cash provided by noncapital financing activities	-	-	20,650
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(899)	-	(6,925)
Principal payments on capital debt	(915)	-	(6,395)
Interest payments on capital debt	(1,826)	-	(15,318)
Principal payments on IT subscription liabilities	-	-	(26)
Transfers in from other funds	2,718	(18,815)	2,718
Transfers out to other funds	-	18,815	-
Net cash used for capital and related financing activities	(922)	-	(25,946)
Cash flows from investing activities:			
Collection of interest and investment revenue	83	-	1,432
Net decrease in cash and cash equivalents	(839)	-	(9,520)
Cash and cash equivalents, beginning of year	2,733	-	52,894
Cash and cash equivalents, end of year	\$ 1,894	\$ -	\$ 43,374
Reconciliation of cash and cash equivalents to the Schedule of Net Position:			
Cash and investments held by City	\$ -	\$ -	\$ 30,266
Restricted cash and investments held by City	12	-	5,985
Restricted cash and investments held by fiscal agent	1,882	-	7,123
Total cash and cash equivalents, end of year	\$ 1,894	\$ -	\$ 43,374

(continued)

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	Community Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (4,901)	\$ (1)	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation/amortization expense	1,321	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(3,972)	-	-
Prepaid items	(7)	-	-
Accounts payable	1,665	-	-
Accrued payroll	(12)	-	-
Accrued compensated absences	(61)	-	-
Accrued claims and judgments	(1)	-	-
Unearned revenue	438	-	-
Net pension liability and related deferred outflows/inflows of resources	321	-	-
Net OPEB liability and related deferred outflows/inflows of resources	(446)	-	-
Net cash used for operating activities	<u>\$ (5,655)</u>	<u>\$ (1)</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ -	\$ 1,100	\$ -
Capital asset acquisitions on accounts payable	496	274	-

(continued)

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<b>2019 STID Assessment Revenue Bonds Fund</b>	<b>Eliminations</b>	<b>Total Community Center Fund</b>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ -	\$ -	\$ (4,902)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation/amortization expense	-	-	1,321
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	-	(3,972)
Prepaid items	-	-	(7)
Accounts payable	-	-	1,665
Accrued payroll	-	-	(12)
Accrued compensated absences	-	-	(61)
Accrued claims and judgments	-	-	(1)
Unearned revenue	-	-	438
Net pension liability and related deferred outflows/inflows of resources	-	-	321
Net OPEB liability and related deferred outflows/inflows of resources	-	-	(446)
Net cash used for operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,656)</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 159	\$ -	\$ 1,259
Capital asset acquisitions on accounts payable	-	-	770

**THIS PAGE INTENTIONALLY LEFT BLANK**

## INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments on a cost reimbursement basis. The following are internal service funds:

**FLEET MANAGEMENT FUND** is used to account for the operation, maintenance and replacement of the City's fleet of vehicles that serve the transportation and operating needs of all City departments and divisions.

**RISK MANAGEMENT FUND** is used to account for the City's self-funded general and automobile insurance program and workers' compensation insurance program.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Net Position**

June 30, 2023

(in thousands)

	<b>Fleet Management Fund</b>	<b>Risk Management Fund</b>	<b>Total Internal Service Funds</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments held by City	\$ 38,257	\$ 105,170	\$ 143,427
Cash and investments held by fiscal agent	-	696	696
Receivables, net:			
Accounts	25	4,995	5,020
Interest	164	352	516
Due from other funds	-	3,883	3,883
Prepaid items	6,365	1	6,366
	<u>44,811</u>	<u>115,097</u>	<u>159,908</u>
Total current assets			
Noncurrent assets:			
Advances to other funds	-	26,595	26,595
Capital assets:			
Buildings and improvements	7,454	-	7,454
Machinery and equipment	543	-	543
Vehicles	213,142	-	213,142
Construction in progress	495	-	495
Software	256	-	256
Leased building	-	35	35
IT subscriptions	-	165	165
Less: accumulated depreciation/amortization	(125,661)	(55)	(125,716)
	<u>96,229</u>	<u>26,740</u>	<u>122,969</u>
Total noncurrent assets			
Total assets			
	<u>141,040</u>	<u>141,837</u>	<u>282,877</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pensions	3,135	2,133	5,268
OPEB	387	113	500
Total deferred outflows of resources			
	<u>3,522</u>	<u>2,246</u>	<u>5,768</u>

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Net Position**

June 30, 2023

(in thousands)

	<b>Fleet Management Fund</b>	<b>Risk Management Fund</b>	<b>Total Internal Service Funds</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	5,831	748	6,579
Accrued payroll	199	148	347
Accrued compensated absences	45	35	80
Unearned revenue	-	203	203
Accrued claims and judgments	57	35,636	35,693
Lease liabilities	-	8	8
IT subscription liabilities	-	54	54
	<u>6,132</u>	<u>36,832</u>	<u>42,964</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	580	550	1,130
Net OPEB liability	4,421	456	4,877
Accrued claims and judgments	-	99,152	99,152
IT subscription liabilities	-	55	55
Net pension liability	11,756	7,044	18,800
	<u>16,757</u>	<u>107,257</u>	<u>124,014</u>
Total noncurrent liabilities			
Total liabilities			
	<u>22,889</u>	<u>144,089</u>	<u>166,978</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pensions	54	19	73
OPEB	1,311	236	1,547
Total deferred inflows of resources			
	<u>1,365</u>	<u>255</u>	<u>1,620</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	93,191	28	93,219
Unrestricted	27,117	(289)	26,828
Total net position (deficit)			
	<u>\$ 120,308</u>	<u>\$ (261)</u>	<u>\$ 120,047</u>



**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<b>Fleet Management Fund</b>	<b>Risk Management Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:			
Charges for services:			
User fees and charges	\$ 75,440	\$ 55,357	\$ 130,797
Miscellaneous	117	-	117
Total operating revenues	<u>75,557</u>	<u>55,357</u>	<u>130,914</u>
Operating expenses:			
Employee services	7,692	5,302	12,994
Services and supplies	27,739	7,647	35,386
Depreciation/amortization	16,342	41	16,383
Insurance premiums	-	14,416	14,416
Claims and judgments	15	45,723	45,738
Total operating expenses	<u>51,788</u>	<u>73,129</u>	<u>124,917</u>
Operating income (loss)	<u>23,769</u>	<u>(17,772)</u>	<u>5,997</u>
Nonoperating revenues (expenses):			
Interest and investment revenue (loss)	(2,074)	2,974	900
Revenue from other agencies	-	21	21
Insurance and other claim recoveries	-	737	737
Interest expense	(9)	(1)	(10)
Gain on disposition of capital assets	205	-	205
Total nonoperating revenues (expenses)	<u>(1,878)</u>	<u>3,731</u>	<u>1,853</u>
Income (loss) before transfers	21,891	(14,041)	7,850
Transfers in	422	-	422
Transfers out	(1,007)	-	(1,007)
Changes in net position	21,306	(14,041)	7,265
Total net position, beginning of year	<u>99,002</u>	<u>13,780</u>	<u>112,782</u>
Total net position (deficit), end of year	<u>\$ 120,308</u>	<u>\$ (261)</u>	<u>\$ 120,047</u>

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<b>Fleet Management Fund</b>	<b>Risk Management Fund</b>	<b>Total Internal Service Funds</b>
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 75,562	\$ 132,306	\$ 207,868
Payments to suppliers	(27,883)	(98,622)	(126,505)
Payments to employees	(7,881)	(5,105)	(12,986)
Claims and judgments paid	(36)	(21,875)	(21,911)
Net cash provided by operating activities	<u>39,762</u>	<u>6,704</u>	<u>46,466</u>
Cash flows from noncapital financing activities:			
Transfers out to other funds	(961)	-	(961)
Collections on interfund loans	-	2,687	2,687
Loans made to other funds	-	(18,633)	(18,633)
Intergovernmental revenue received	-	21	21
Net cash used for noncapital financing activities	<u>(961)</u>	<u>(15,925)</u>	<u>(16,886)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(20,868)	-	(20,868)
Proceeds from sale of capital assets	881	-	881
Principal payments on capital debt	(411)	-	(411)
Interest payments on capital debt	(11)	-	(11)
Principal payments on lease liabilities	-	(14)	(14)
Principal payments on IT subscription liabilities	-	(56)	(56)
Transfers in from other funds	422	-	422
Transfers out to other funds	(46)	-	(46)
Net cash used for capital and related financing activities	<u>(20,033)</u>	<u>(70)</u>	<u>(20,103)</u>
Cash flows from investing activities:			
Collection (loss) of interest and investment revenue	(2,238)	2,920	682
Net increase (decrease) in cash and cash equivalents	16,530	(6,371)	10,159
Cash and cash equivalents, beginning of year	21,727	112,237	133,964
Cash and cash equivalents, end of year	<u>\$ 38,257</u>	<u>\$ 105,866</u>	<u>\$ 144,123</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 38,257	\$ 105,170	\$ 143,427
Cash and investments held by fiscal agent	-	696	696
Total cash and cash equivalents, end of year	<u>\$ 38,257</u>	<u>\$ 105,866</u>	<u>\$ 144,123</u>

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 23,769	\$ (17,772)	\$ 5,997
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	16,325	41	16,366
Amortization of intangible assets	17	-	17
Nonoperating claims and judgments	-	876	876
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	5	-	5
Prepaid items	1	221	222
Accounts payable	(145)	194	49
Accrued payroll	(34)	52	18
Accrued compensated absences	(159)	64	(95)
Accrued claims and judgments	(21)	22,972	22,951
Unearned revenue	-	(25)	(25)
Net pension liability and related deferred outflows/inflows of resources	457	220	677
Net OPEB liability and related deferred outflows/inflows of resources	(453)	(139)	(592)
Net cash provided by operating activities	<u>\$ 39,762</u>	<u>\$ 6,704</u>	<u>\$ 46,466</u>
Noncash investing, capital and financing activities:			
Increase in prepaid items for capital assets	\$ 1,671	\$ -	\$ 1,671
Capital asset acquisitions on accounts payable	3,038	-	3,038

**THIS PAGE INTENTIONALLY LEFT BLANK**

## OTHER CUSTODIAL FUNDS

Custodial funds account for assets held by the City as a custodian for individuals, private organizations, and other governments. The following custodial funds have been classified as other custodial funds:

**INDIVIDUAL INVESTMENT ACCOUNTS FUND** is used to account for assets and liabilities, held for entities external to the City, which are not invested in the City Sponsored Investment Pool.

**ASSESSMENT DISTRICTS & COMMUNITY FACILITIES DISTRICTS FUND** is used to account for special tax assessments, debt service payments, and the payment of other costs related to bonds issued under the Improvement Bond Act of 1915 and Mello-Roos districts within the City.

**City of Sacramento**  
**Other Custodial Funds**  
**Combining Statement of Fiduciary Net Position**

June 30, 2023  
(in thousands)

	<b>Individual Investment Accounts</b>	<b>Assessment Districts &amp; Community Facilities Districts</b>	<b>Total Other Custodial Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments held by City	\$ 137,059	\$ 15,023	\$ 152,082
Cash and investments held by fiscal agent	-	4,995	4,995
Receivables, net:			
Interest	536	36	572
Special assessments	-	681	681
Restricted assets:			
Cash and investments held by City	-	5,251	5,251
Cash and investments held by fiscal agent	-	23,394	23,394
Total assets	<u>137,595</u>	<u>49,380</u>	<u>186,975</u>
<b><u>LIABILITIES</u></b>			
Due to bondholders	<u>-</u>	<u>49,380</u>	<u>49,380</u>
<b><u>NET POSITION</u></b>			
Held for external pool participants	<u>\$ 137,595</u>	<u>\$ -</u>	<u>\$ 137,595</u>

**City of Sacramento**  
**Other Custodial Funds**  
**Combining Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2023  
(in thousands)

	<b>Individual Investment Accounts</b>	<b>Assessment Districts &amp; Community Facilities Districts</b>	<b>Total Other Custodial Funds</b>
Additions:			
Deposits	\$ 3,591	\$ -	\$ 3,591
Special assessments	-	18,443	18,443
Capital contributions	-	7,032	7,032
Investment income:			
From investment activities:			
Net depreciation in fair value of investments	(1,180)	-	(1,180)
Interest	2,874	630	3,504
Total investment income	1,694	630	2,324
Total additions	5,285	26,105	31,390
Deductions:			
Withdrawals	9,779	-	9,779
Paid to bondholders	-	24,120	24,120
Administrative expenses	-	1,985	1,985
Total deductions	9,779	26,105	35,884
Changes in net position	(4,494)	-	(4,494)
Net position, beginning of year	142,089	-	142,089
Net position, end of year	<u>\$ 137,595</u>	<u>\$ -</u>	<u>\$ 137,595</u>



# Statistical Section

## Statistical Section

This part of the City'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 City's overall financial health.

### **Financial Trends Information**

These schedules contain trend information to help the reader understand how the City's financial performance and condition have changed over time.

### **Revenue Capacity Information**

These schedules contain trend information to help the reader understand the City's most significant local revenue source, property taxes.

### **Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Successor Agency Information**

These schedules present revenue and debt capacity information related to the Successor Agency for the former Redevelopment Agency of the City of Sacramento. These schedules contain trend information to help the reader understand the Successor Agency's primary revenue source, property tax distributions from the county redevelopment property tax trust fund, and affordability of the Successor Agency's current level of outstanding debt.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**City of Sacramento**  
**Net Position by Component** <sup>(1) (2) (3)</sup>  
**Last Ten Fiscal Years**

(accrual basis accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 1,393,447	\$ 1,445,139	\$ 1,497,796	\$ 1,296,493	\$ 1,335,576
Restricted for:					
Capital projects	116,271	116,910	80,054	119,131	136,831
Debt service	652	665	1,203	872	606
Public works programs	16,462	19,027	20,521	18,866	24,750
Economic development programs	22,493	17,280	16,888	16,251	44,920
Ambulance services	-	1,085	1,085	-	-
Other programs	22,315	26,735	28,381	23,645	26,786
Trust and endowments:					
Expendable	7,928	7,789	8,008	8,545	8,656
Nonexpendable	878	878	878	878	878
Unrestricted	30,170	(591,896)	(581,697)	(443,845)	(667,254)
Total governmental activities net position	<u>\$ 1,610,616</u>	<u>\$ 1,043,612</u>	<u>\$ 1,073,117</u>	<u>\$ 1,040,836</u>	<u>\$ 911,749</u>
Business-type activities					
Net investment in capital assets	\$ 733,980	\$ 748,312	\$ 785,353	\$ 807,004	\$ 869,183
Restricted for:					
Capital projects	33,255	33,914	40,772	39,155	38,473
Debt service	-	-	-	-	-
Other programs	1,215	1,730	2,203	2,607	2,633
Unrestricted	177,814	107,305	123,842	150,049	124,001
Total business-type activities net position	<u>\$ 946,264</u>	<u>\$ 891,261</u>	<u>\$ 952,170</u>	<u>\$ 998,815</u>	<u>\$ 1,034,290</u>
Primary government					
Net investment in capital assets	\$ 2,127,427	\$ 2,193,451	\$ 2,283,149	\$ 2,103,497	\$ 2,204,759
Restricted for:					
Capital projects	149,526	150,824	120,826	158,286	175,304
Debt service	652	665	1,203	872	606
Public works programs	16,462	19,027	20,521	18,866	24,750
Economic development programs	22,493	17,280	16,888	16,251	44,920
Ambulance services	-	1,085	1,085	-	-
Other programs	23,530	28,465	30,584	26,252	29,419
Trust and endowments:					
Expendable	7,928	7,789	8,008	8,545	8,656
Nonexpendable	878	878	878	878	878
Unrestricted	207,984	(484,591)	(457,855)	(293,796)	(543,253)
Total primary government net position	<u>\$ 2,556,880</u>	<u>\$ 1,934,873</u>	<u>\$ 2,025,287</u>	<u>\$ 2,039,651</u>	<u>\$ 1,946,039</u>

Notes: (1) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

(2) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

(3) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

**City of Sacramento**  
**Net Position by Component** <sup>(1) (2) (3)</sup>  
**Last Ten Fiscal Years**

(accrual basis accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 1,267,837	\$ 1,318,817	\$ 1,360,966	\$ 1,370,530	\$ 1,346,924
Restricted for:					
Capital projects	166,705	191,919	214,188	223,243	260,988
Debt service	686	537	401	907	1,086
Public works programs	27,792	29,972	29,598	35,497	39,396
Economic development programs	48,878	46,954	49,537	55,545	72,326
Ambulance services	-	-	-	-	-
Other programs	39,380	60,466	61,142	67,600	71,766
Trust and endowments:					
Expendable	9,197	8,547	9,934	10,249	10,331
Nonexpendable	878	878	878	578	586
Unrestricted	(606,222)	(612,827)	(596,900)	(407,418)	(414,118)
Total governmental activities net position	<u>\$ 955,131</u>	<u>\$ 1,045,263</u>	<u>\$ 1,129,744</u>	<u>\$ 1,356,731</u>	<u>\$ 1,389,285</u>
Business-type activities					
Net investment in capital assets	\$ 925,128	\$ 1,166,785	\$ 1,167,408	\$ 937,751	\$ 952,381
Restricted for:					
Capital projects	40,411	47,256	43,253	45,942	58,741
Debt service	-	401	-	-	-
Other programs	2,963	2,929	2,200	2,594	22,020
Unrestricted	138,742	(44,579)	1,279	268,651	271,835
Total business-type activities net position	<u>\$ 1,107,244</u>	<u>\$ 1,172,792</u>	<u>\$ 1,214,140</u>	<u>\$ 1,254,938</u>	<u>\$ 1,304,977</u>
Primary government					
Net investment in capital assets	\$ 2,192,965	\$ 2,485,602	\$ 2,528,374	\$ 2,308,281	\$ 2,299,305
Restricted for:					
Capital projects	207,116	239,175	257,441	269,185	319,729
Debt service	686	938	401	907	1,086
Public works programs	27,792	29,972	29,598	35,497	39,396
Economic development programs	48,878	46,954	49,537	55,545	72,326
Ambulance services	-	-	-	-	-
Other programs	42,343	63,395	63,342	70,194	93,786
Trust and endowments:					
Expendable	9,197	8,547	9,934	10,249	10,331
Nonexpendable	878	878	878	578	586
Unrestricted	(467,480)	(657,406)	(595,621)	(138,767)	(142,283)
Total primary government net position	<u>\$ 2,062,375</u>	<u>\$ 2,218,055</u>	<u>\$ 2,343,884</u>	<u>\$ 2,611,669</u>	<u>\$ 2,694,262</u>

Notes: (1) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

(2) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

(3) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
<i>Governmental activities</i>					
General government	\$ 41,190	\$ 52,474	\$ 59,037	\$ 59,033	\$ 100,625
Police	157,248	166,797	164,750	176,955	199,746
Fire	125,461	127,561	137,859	146,693	160,216
Public works	103,632	103,088	121,184	106,328	122,340
General services <sup>(2)</sup>	13,807	15,619	-	-	-
Economic development <sup>(3)</sup>	17,080	11,075	13,049	13,397	-
Convention and cultural services	17,916	19,441	24,139	20,380	21,066
Youth, parks, and community enrichment	52,336	56,573	53,911	50,156	55,518
Community development	26,484	30,221	36,251	41,726	50,879
Community response <sup>(4)</sup>	-	-	-	-	-
Library	13,720	15,629	16,294	16,122	17,376
Interest on long-term debt	22,178	29,046	30,404	27,626	23,144
Total governmental activities expenses	<u>591,052</u>	<u>627,524</u>	<u>656,878</u>	<u>658,416</u>	<u>750,910</u>
<i>Business-type activities</i>					
Water	66,627	69,428	73,150	80,176	87,745
Wastewater	25,673	25,432	25,348	29,075	28,251
Storm drainage	36,664	41,830	40,971	40,479	41,199
Solid waste	49,014	47,149	47,703	51,693	56,698
Community center	17,204	17,690	17,277	16,607	17,795
Parking	15,238	13,704	14,451	11,955	13,475
Child development	6,297	6,151	5,519	5,743	6,589
Total business-type activities expenses	<u>216,717</u>	<u>221,384</u>	<u>224,419</u>	<u>235,728</u>	<u>251,752</u>
Total primary government expenses	<u>\$ 807,769</u>	<u>\$ 848,908</u>	<u>\$ 881,297</u>	<u>\$ 894,144</u>	<u>\$ 1,002,662</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(3) The Economic Development function was reallocated to the General Government function in FY18.

(4) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Expenses</b>					
<i>Governmental activities</i>					
General government	\$ 116,282	\$ 152,791	\$ 259,529	\$ 228,155	\$ 208,630
Police	203,303	233,686	233,883	214,867	257,552
Fire	169,819	179,626	191,814	165,526	200,767
Public works	132,958	125,025	115,565	116,113	137,292
General services <sup>(2)</sup>	-	-	-	-	-
Economic development <sup>(3)</sup>	-	-	-	-	-
Convention and cultural services	30,907	20,615	18,398	21,421	29,053
Youth, parks, and community enrichment	61,225	66,885	57,345	67,602	80,719
Community development	60,466	74,398	71,473	64,151	67,398
Community response <sup>(4)</sup>	-	-	-	10,703	20,314
Library	18,687	19,822	22,173	23,304	24,416
Interest on long-term debt	23,454	24,341	20,635	18,800	26,259
<b>Total governmental activities expenses</b>	<b>817,101</b>	<b>897,189</b>	<b>990,815</b>	<b>930,642</b>	<b>1,052,400</b>
<i>Business-type activities</i>					
Water	99,029	104,542	102,538	101,546	117,007
Wastewater	33,059	32,461	32,436	30,828	35,415
Storm drainage	40,186	44,786	40,942	41,238	48,231
Solid waste	57,408	59,176	64,060	63,228	77,838
Community center	27,058	31,298	25,257	29,456	32,916
Parking	14,354	13,997	11,454	10,675	12,476
Child development	6,766	5,594	3,422	5,626	6,339
<b>Total business-type activities expenses</b>	<b>277,860</b>	<b>291,854</b>	<b>280,109</b>	<b>282,597</b>	<b>330,222</b>
<b>Total primary government expenses</b>	<b>\$ 1,094,961</b>	<b>\$ 1,189,043</b>	<b>\$ 1,270,924</b>	<b>\$ 1,213,239</b>	<b>\$ 1,382,622</b>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(3) The Economic Development function was reallocated to the General Government function in FY18.

(4) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Program Revenues</b>					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 7,270	\$ 6,436	\$ 7,103	\$ 6,573	\$ 19,438
Police	10,804	11,583	11,022	13,068	12,586
Fire	26,155	32,264	31,204	30,897	42,898
Public works	30,337	32,840	37,179	42,897	50,159
General services <sup>(2)</sup>	1,756	1,251	-	-	-
Economic development <sup>(3)</sup>	8,205	7,659	7,889	9,140	-
Convention and cultural services	9,311	9,303	10,085	10,860	12,456
Youth, parks, and community enrichment	13,359	15,004	13,792	12,954	13,065
Community development	17,141	25,069	27,025	32,428	36,019
Library	59	29	-	-	-
Total charge for services	124,397	141,438	145,299	158,817	186,621
Operating grants and contributions	47,430	52,306	35,442	36,938	41,811
Capital grants and contributions	89,539	115,354	122,528	86,856	101,476
Total governmental activities program revenues	261,366	309,098	303,269	282,611	329,908
<i>Business-type activities</i>					
Charge for services					
Water	94,382	100,523	98,533	108,867	119,379
Wastewater	28,493	32,223	31,532	34,311	37,596
Storm drainage	38,049	37,646	40,166	40,124	39,512
Solid waste	58,561	59,095	60,253	61,548	63,556
Community center	7,718	8,748	8,782	9,488	9,848
Parking	18,643	16,595	17,646	18,374	19,003
Child development	5,632	5,553	6,073	5,713	6,419
Total charge for services	251,478	260,383	262,985	278,425	295,313
Operating grants and contributions	1,963	2,142	3,435	3,967	2,179
Capital grants and contributions	4,403	7,292	7,433	6,229	23,726
Total business-type activities program revenues	257,844	269,817	273,853	288,621	321,218
Total primary government program revenues	<u>\$ 519,210</u>	<u>\$ 578,915</u>	<u>\$ 577,122</u>	<u>\$ 571,232</u>	<u>\$ 651,126</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ 261,366	\$ (318,426)	\$ (353,609)	\$ (375,805)	\$ (421,002)
Business-type activities	208,830	48,433	49,434	52,893	69,466
Total primary government net expenses	<u>\$ 470,196</u>	<u>\$ (269,993)</u>	<u>\$ (304,175)</u>	<u>\$ (322,912)</u>	<u>\$ (351,536)</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(3) The Economic Development function was reallocated to the General Government function in FY18.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Program Revenues</b>					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 22,908	\$ 26,527	\$ 28,247	\$ 30,628	\$ 27,839
Police	14,550	13,490	10,468	12,626	12,438
Fire	42,866	44,851	46,867	54,968	49,582
Public works	52,901	50,216	43,245	55,885	57,100
General services <sup>(2)</sup>	-	-	-	-	-
Economic development <sup>(3)</sup>	-	-	-	-	-
Convention and cultural services	12,622	10,385	8,823	10,901	12,831
Youth, parks, and community enrichment	13,365	12,429	8,952	12,470	13,319
Community development	38,218	38,646	34,287	35,516	35,562
Library	-	-	-	-	-
Total charge for services	<u>197,430</u>	<u>196,544</u>	<u>180,889</u>	<u>212,994</u>	<u>208,671</u>
Operating grants and contributions	55,535	75,897	185,641	234,294	80,189
Capital grants and contributions	98,903	160,395	141,760	110,961	135,186
Total governmental activities program revenues	<u>351,868</u>	<u>432,836</u>	<u>508,290</u>	<u>558,249</u>	<u>424,046</u>
<i>Business-type activities</i>					
Charge for services					
Water	127,868	142,041	144,070	136,613	135,399
Wastewater	42,275	44,562	43,829	44,327	44,809
Storm drainage	39,969	40,871	40,848	41,901	61,120
Solid waste	63,664	67,086	73,465	76,221	87,753
Community center	8,726	2,458	196	10,140	13,889
Parking	19,735	17,140	10,403	13,977	16,978
Child development	6,547	5,328	552	4,356	5,592
Total charge for services	<u>308,784</u>	<u>319,486</u>	<u>313,363</u>	<u>327,535</u>	<u>365,540</u>
Operating grants and contributions	3,300	1,693	501	1,864	1,185
Capital grants and contributions	20,457	32,726	18,445	17,162	18,069
Total business-type activities program revenues	<u>332,541</u>	<u>353,905</u>	<u>332,309</u>	<u>346,561</u>	<u>384,794</u>
Total primary government program revenues	<u>\$ 684,409</u>	<u>\$ 786,741</u>	<u>\$ 840,599</u>	<u>\$ 904,810</u>	<u>\$ 808,840</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (465,233)	\$ (464,353)	\$ (482,525)	\$ (372,393)	\$ (628,354)
Business-type activities	54,681	62,051	52,200	63,964	54,572
Total primary government net expenses	<u>\$ (410,552)</u>	<u>\$ (402,302)</u>	<u>\$ (430,325)</u>	<u>\$ (308,429)</u>	<u>\$ (573,782)</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(3) The Economic Development function was reallocated to the General Government function in FY18.



**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 122,477	\$ 129,714	\$ 138,354	\$ 146,697	\$ 156,710
Utility user taxes	59,613	59,947	61,404	62,997	62,989
Other taxes	61,584	66,205	70,761	77,608	83,981
Sales taxes shared state revenue	56,575	58,476	67,983	81,296	82,987
In-lieu sales tax	16,823	16,632	14,387	-	-
Investment earnings (loss)	10,136	8,769	11,328	9,178	5,593
Miscellaneous	8,853	11,060	12,954	14,221	17,328
Contributions to permanent fund	1	1	-	-	-
Gain (loss) on disposition of capital assets	4,567	5,340	-	(79,916)	-
Special items	(2,500)	-	(8,830)	-	-
Transfers	28,571	32,148	14,773	31,443	34,525
<b>Total governmental activities</b>	<b>366,700</b>	<b>388,292</b>	<b>383,114</b>	<b>343,524</b>	<b>444,113</b>
<i>Business-type activities</i>					
Taxes:					
Other taxes	17,943	20,108	21,800	23,866	26,839
Investment earnings (loss)	3,294	1,567	4,428	1,292	1,013
Miscellaneous	3	5	20	20	37
Gain (loss) on disposition of capital assets	-	-	-	17	424
Special items	18,527	4,554	-	-	-
Transfers	(28,571)	(32,148)	(14,773)	(31,443)	(34,525)
<b>Total business-type activities</b>	<b>11,196</b>	<b>(5,914)</b>	<b>11,475</b>	<b>(6,248)</b>	<b>(6,212)</b>
<b>Total primary government</b>	<b>\$ 377,896</b>	<b>\$ 382,378</b>	<b>\$ 394,589</b>	<b>\$ 337,276</b>	<b>\$ 437,901</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 366,700	\$ 69,866	\$ 29,505	\$ (32,281)	\$ 23,111
Business-type activities	11,196	42,519	60,909	47,180	63,254
<b>Total primary government</b>	<b>\$ 377,896</b>	<b>\$ 112,385</b>	<b>\$ 90,414</b>	<b>\$ 14,899</b>	<b>\$ 86,365</b>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 170,439	\$ 184,142	\$ 198,380	\$ 211,331	\$ 228,337
Utility user taxes	60,128	60,039	62,164	65,461	69,529
Other taxes	105,997	148,998	171,808	193,912	182,459
Sales taxes shared state revenue	93,770	90,970	99,325	115,260	115,343
In-lieu sales tax	-	-	-	-	-
Investment earnings (loss)	20,923	19,646	4,618	(27,883)	11,711
Miscellaneous	14,834	15,743	12,064	15,304	13,377
Contributions to permanent fund	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	-	-	-	-
Special items	7,000	-	-	-	-
Transfers	35,524	34,947	18,647	25,995	40,152
<b>Total governmental activities</b>	<b>508,615</b>	<b>554,485</b>	<b>567,006</b>	<b>599,380</b>	<b>660,908</b>
<i>Business-type activities</i>					
Taxes:					
Other taxes	29,477	21,504	15,545	26,843	31,294
Investment earnings (loss)	20,020	16,940	5	(24,014)	4,399
Miscellaneous	-	-	-	-	-
Gain (loss) on disposition of capital assets	1,747	-	27	-	(74)
Special items	2,553	-	-	-	-
Transfers	(35,524)	(34,947)	(18,647)	(25,995)	(40,152)
<b>Total business-type activities</b>	<b>18,273</b>	<b>3,497</b>	<b>(3,070)</b>	<b>(23,166)</b>	<b>(4,533)</b>
<b>Total primary government</b>	<b>\$ 526,888</b>	<b>\$ 557,982</b>	<b>\$ 563,936</b>	<b>\$ 576,214</b>	<b>\$ 656,375</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 43,382	\$ 90,132	\$ 84,481	\$ 226,987	\$ 32,554
Business-type activities	72,954	65,548	49,130	40,798	50,039
<b>Total primary government</b>	<b>\$ 116,336</b>	<b>\$ 155,680</b>	<b>\$ 133,611</b>	<b>\$ 267,785</b>	<b>\$ 82,593</b>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

**City of Sacramento**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable:					
Prepaid items	\$ 66	\$ 7	\$ 2	\$ 12	\$ 45
Leases	-	-	-	-	-
Due from other funds	-	-	-	3,800	3,800
Noncurrent assets	-	4	-	-	-
Restricted:					
Capital projects	3,401	2,562	1,860	-	-
Ambulance service	-	1,085	1,085	-	-
Other programs	21	7	17	17	-
Committed:					
Economic uncertainty	33,714	38,967	46,950	49,644	52,700
Capital projects	21,728	32,987	37,526	49,265	37,583
Community center theater renovation	8,500	8,500	8,500	-	-
Housing trust fund	-	-	-	-	-
B Street Theater project	-	2,500	-	-	-
Fire programs	-	4,420	5,720	1,386	6,189
Pension	-	-	-	-	5,000
OPEB	-	6,717	6,752	5,324	2,619
Set-aside for FY24 Budget	-	-	-	-	-
SCXEA labor for FY2020	-	-	-	-	-
Homeless programs	1,000	750	250	-	-
Gas tax	-	-	-	2,087	2,087
Other programs	12,909	8,860	13,953	19,280	37,325
Assigned:					
Unrealized investment gains	173	50	732	-	-
Unassigned	17,395	16,028	26,649	24,739	25,021
<b>Total general fund</b>	<b>\$ 98,907</b>	<b>\$ 123,444</b>	<b>\$ 149,996</b>	<b>\$ 155,554</b>	<b>\$ 172,369</b>
<b>All Other Governmental Funds</b>					
Nonspendable:					
Prepaid items	\$ 24	\$ 24	\$ -	\$ -	\$ -
Leases	-	-	-	-	-
Noncurrent assets	451	369	283	193	98
Permanent fund principal	878	878	878	878	878
Restricted:					
Capital projects	126,262	124,790	138,562	149,664	159,439
Debt service	17,548	20,218	51,691	58,904	28,539
Public works programs	11,830	-	14,522	13,152	18,857
Ambulance service	-	13,842	-	-	-
Economic development programs	22,484	17,271	16,887	41,548	44,920
Other programs	29,924	27,029	27,793	28,818	35,025
Committed:					
Economic uncertainty	-	-	-	-	-
Capital projects	4,024	3,355	7,017	9,359	18,245
Grant retention	4,049	500	-	-	-
Debt service	6,583	5,660	8,733	19,110	21,543
Housing trust fund	-	-	-	-	-
B Street Theater project	-	16,391	21,360	-	-
Economic development programs	5,125	-	-	-	-
OPEB	-	-	-	-	-
Set-aside for FY24 Budget	-	-	-	-	-
Other programs	25,486	50,001	51,024	56,715	40,683
Assigned:					
Debt service	973	717	2,547	2,406	2,008
Unrealized investment gains	47	15	40	-	-
Other programs	4,047	2,344	60	-	360
Unassigned	(22,121)	(26,554)	(19,657)	(18,037)	(22,656)
<b>Total all other governmental funds</b>	<b>\$ 237,614</b>	<b>\$ 256,850</b>	<b>\$ 321,740</b>	<b>\$ 362,710</b>	<b>\$ 347,939</b>

Source: City of Sacramento Annual Comprehensive Financial Reports

**City of Sacramento**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>General Fund</b>					
Nonspendable:					
Prepaid items	\$ -	\$ 1,279	\$ 1,084	\$ 1,767	\$ 756
Leases	-	-	-	1,032	1,743
Due from other funds	-	-	-	-	-
Noncurrent assets	-	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	-	-	-
Committed:					
Economic uncertainty	55,200	55,200	58,499	61,310	72,534
Capital projects	39,995	57,689	57,417	50,410	58,540
Community center theater renovation	-	-	-	-	-
Housing trust fund	-	-	-	1,000	1,000
B Street Theater project	-	-	-	-	-
Fire programs	9,568	5,635	7,438	8,426	14,999
Pension	13,500	-	-	-	-
OPEB	6,644	4,264	6,828	5,727	6,072
Set-aside for FY24 Budget	-	-	5,500	20,891	26,500
SCXEA labor for FY2020	4,256	-	-	-	-
Homeless programs	-	-	-	-	-
Gas tax	2,087	-	-	-	-
Other programs	46,052	49,405	72,809	133,367	131,163
Assigned:					
Unrealized investment gains	381	1,960	103	-	-
Unassigned	32,923	50,007	30,315	44,080	11,172
<b>Total general fund</b>	<b>\$ 210,606</b>	<b>\$ 225,439</b>	<b>\$ 239,993</b>	<b>\$ 328,010</b>	<b>\$ 324,479</b>
<b>All Other Governmental Funds</b>					
Nonspendable:					
Prepaid items	\$ -	\$ 5,715	\$ 8,783	\$ 10,267	\$ 29
Leases	-	-	-	40	109
Noncurrent assets	-	-	-	-	-
Permanent fund principal	878	878	578	578	578
Restricted:					
Capital projects	183,772	208,205	230,323	241,218	282,956
Debt service	28,119	27,884	22,722	21,629	22,919
Public works programs	22,071	23,618	21,141	21,293	21,885
Ambulance service	-	-	-	-	-
Economic development programs	48,878	46,954	49,537	55,545	72,326
Other programs	48,003	63,026	60,517	65,955	79,938
Committed:					
Economic uncertainty	-	-	449	1,046	1,773
Capital projects	14,407	15,369	23,523	19,180	23,874
Grant retention	-	-	-	-	-
Debt service	17,291	11,401	12,157	11,802	9,987
Housing trust fund	-	-	15,000	904	600
B Street Theater project	-	-	-	-	-
Economic development programs	-	-	-	-	-
OPEB	-	-	-	290	465
Set-aside for FY24 Budget	-	-	-	1,971	4,000
Other programs	48,473	62,167	55,672	86,392	76,262
Assigned:					
Debt service	2,700	2,968	2,270	2,017	2,056
Unrealized investment gains	51	675	51	-	-
Other programs	18	170	63	-	-
Unassigned	(18,503)	(33,465)	(32,460)	(29,423)	(45,591)
<b>Total all other governmental funds</b>	<b>\$ 396,158</b>	<b>\$ 435,565</b>	<b>\$ 470,326</b>	<b>\$ 510,704</b>	<b>\$ 554,166</b>

Source: City of Sacramento Annual Comprehensive Financial Reports

**City of Sacramento**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$ 320,832	\$ 334,649	\$ 365,482	\$ 382,155	\$ 406,011
Intergovernmental	105,172	111,017	128,190	73,082	80,415
Charges for services	71,889	86,061	89,765	105,446	121,368
Fines, forfeits and penalties	11,221	11,403	12,720	11,429	12,643
Interest, rents, and concessions	14,417	12,681	15,221	14,220	10,794
Community service fees	4,693	7,869	16,460	29,740	30,654
Assessment levies	38,668	41,884	43,475	44,339	47,048
Contributions and donations	43,018	45,177	35,820	33,637	14,253
Miscellaneous	570	501	2,761	383	731
<b>Total revenues</b>	<b>610,480</b>	<b>651,242</b>	<b>709,894</b>	<b>694,431</b>	<b>723,917</b>
<b>Expenditures</b>					
General government	26,170	28,491	34,197	41,413	72,772
Police	138,653	149,448	152,245	159,572	169,273
Fire	107,538	110,585	119,814	127,970	136,161
Public works	34,706	35,502	42,194	45,457	49,841
General services <sup>(1)</sup>	9,564	10,058	-	-	-
Convention and cultural services	10,481	10,978	11,738	12,838	14,372
Economic development <sup>(2)</sup>	12,418	10,797	9,871	13,270	-
Youth, parks, and community enrichment <sup>(3)</sup>	35,632	38,894	37,801	38,707	38,615
Community development	23,902	26,819	34,110	40,499	45,787
Community response <sup>(4)</sup>	-	-	-	-	-
Library	12,482	14,496	14,771	14,903	16,421
Utilities	607	522	701	1,583	2,034
Citywide and community support	36,965	37,216	47,961	48,435	46,576
Capital outlay	106,840	128,805	337,817	82,465	90,397
Debt service					
Principal	26,218	23,699	16,481	28,677	48,445
Interest and fiscal charges	22,772	33,493	24,822	28,555	24,529
Bond issuance costs	-	-	5,483	49	1,415
Subtotal - debt service	<u>48,990</u>	<u>57,192</u>	<u>84,838</u>	<u>57,281</u>	<u>74,389</u>
<b>Total Expenditures</b>	<b>604,948</b>	<b>659,803</b>	<b>928,058</b>	<b>684,393</b>	<b>756,638</b>
Excess (deficiency) of revenues over (under) expenditures	<u>5,532</u>	<u>(8,561)</u>	<u>(218,164)</u>	<u>10,038</u>	<u>(32,721)</u>
<b>Other financing sources (uses)</b>					
Transfers in	63,584	69,117	306,810	66,386	70,558
Transfers out	(34,527)	(33,267)	(270,358)	(31,871)	(35,801)
Issuance of long-term debt	6,050	3,984	401,943	1,976	8
Premium on long-term debt	-	-	13,972	-	-
Proceeds from sale of property	4,902	12,500	-	-	-
Payments to refunded bond escrow	-	-	(133,931)	-	-
<b>Total other financing sources (uses)</b>	<b>40,009</b>	<b>52,334</b>	<b>318,436</b>	<b>36,491</b>	<b>34,765</b>
<b>Special items</b>	<b>-</b>	<b>-</b>	<b>(8,830)</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balances</b>	<b>\$ 45,541</b>	<b>\$ 43,773</b>	<b>\$ 91,442</b>	<b>\$ 46,529</b>	<b>\$ 2,044</b>
Debt services as a percentage of noncapital expenditures	9.49%	10.46%	12.71%	9.27%	10.61%

Note: (1) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(2) The Economic Development function was reallocated to the General Government function in FY18.

(3) The Department of Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.

(4) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Revenues</b>					
Taxes	\$ 434,759	\$ 489,569	\$ 533,811	\$ 587,137	\$ 597,288
Intergovernmental	97,658	114,274	237,428	292,186	144,284
Charges for services	131,609	131,135	120,468	133,686	139,033
Fines, forfeits and penalties	16,397	13,309	7,630	10,264	9,450
Interest, rents, and concessions	24,907	20,718	10,101	(17,897)	17,562
Community service fees	30,651	29,072	27,217	25,076	31,251
Assessment levies	52,476	50,080	52,000	56,515	60,583
Contributions and donations	49,053	36,603	52,877	11,636	25,340
Miscellaneous	718	974	1,250	12,543	1,317
<b>Total revenues</b>	<b>838,228</b>	<b>885,734</b>	<b>1,042,782</b>	<b>1,111,146</b>	<b>1,026,108</b>
<b>Expenditures</b>					
General government	85,272	117,640	222,591	170,394	143,461
Police	182,538	203,980	211,307	223,613	235,276
Fire	144,043	159,771	168,103	180,143	192,220
Public works	51,289	47,350	51,040	53,547	60,666
General services <sup>(1)</sup>	-	-	-	-	-
Convention and cultural services	15,117	13,459	12,415	14,554	21,636
Economic development <sup>(2)</sup>	-	-	-	-	-
Youth, parks, and community enrichment <sup>(3)</sup>	40,866	45,791	41,878	49,652	55,084
Community development	54,342	67,128	68,404	64,395	61,028
Community response <sup>(4)</sup>	-	-	-	10,446	19,680
Library	17,732	18,867	21,218	22,349	23,472
Utilities	2,495	3,555	3,882	4,137	4,862
Citywide and community support	42,827	50,691	51,632	58,583	58,755
Capital outlay	79,175	103,790	130,426	156,249	120,518
Debt service					
Principal	56,284	21,308	26,228	33,864	22,154
Interest and fiscal charges	24,818	24,501	21,661	19,784	27,227
Bond issuance costs	116	1	-	-	-
Subtotal - debt service	81,218	45,810	47,889	53,648	49,381
<b>Total Expenditures</b>	<b>796,914</b>	<b>877,832</b>	<b>1,030,785</b>	<b>1,061,710</b>	<b>1,046,039</b>
Excess (deficiency) of revenues over (under) expenditures	41,314	7,902	11,997	49,436	(19,931)
<b>Other financing sources (uses)</b>					
Transfers in	69,931	74,660	106,614	86,090	91,695
Transfers out	(33,114)	(37,657)	(80,551)	(59,045)	(49,889)
Issuance of long-term debt	1,325	5,452	11,255	51,914	18,056
Premium on long-term debt	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>38,142</b>	<b>42,455</b>	<b>37,318</b>	<b>78,959</b>	<b>59,862</b>
<b>Special items</b>	<b>7,000</b>	<b>3,883</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balances</b>	<b>\$ 86,456</b>	<b>\$ 54,240</b>	<b>\$ 49,315</b>	<b>\$ 128,395</b>	<b>\$ 39,931</b>
Debt services as a percentage of noncapital expenditures	10.56%	5.70%	5.10%	5.49%	4.95%

Note: (1) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(2) The Economic Development function was reallocated to the General Government function in FY18.

(3) The Department of Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.

(4) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Tax Revenues by Source, Governmental Funds <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

<b>Fiscal Year</b>	<b>Property <sup>(2)</sup></b>	<b>Sales &amp; Use <sup>(3)</sup></b>	<b>Utility Users</b>	<b>Others</b>	<b>Total</b>
2014	\$ 140,690	\$ 99,615	\$ 59,613	\$ 20,914	\$ 320,832
2015	147,415	102,596	59,948	24,690	334,649
2016	164,719	110,212	61,404	29,147	365,482
2017	159,566	125,560	62,997	34,032	382,155
2018	170,701	131,371	62,989	40,950	406,011
2019	173,307	157,816	60,128	43,508	434,759
2020	187,768	194,868	60,039	46,894	489,569
2021	199,440	216,170	62,164	56,037	533,811
2022	212,016	248,515	65,461	61,145	587,137
2023	229,039	245,828	69,529	52,892	597,288

Notes: (1) In lieu sales tax is reported as property tax.

(2) Includes residual property tax from redevelopment agency dissolution.

(3) Includes Measure U local sales and use tax.

---

Sources: (A)Source: City of Sacramento Annual Comprehensive Financial Reports  
(B) Finance Department, City of Sacramento

**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>(3)</sup>
	Real Property	Personal Property	Public Utility <sup>(2)</sup>	Total			
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	448,778	40,897,785	1.00
2017	42,300,010	1,623,203	9,193	43,932,406	446,690	43,485,716	1.00
2018	45,389,674	1,692,375	8,974	47,091,023	445,647	46,645,376	1.00
2019	48,919,753	1,868,599	8,701	50,797,053	444,652	50,352,401	1.00
2020	53,124,698	1,869,844	9,185	55,003,727	444,470	54,559,257	1.00
2021	56,812,389	1,993,337	9,069	58,814,795	444,432	58,370,363	1.00
2022	60,043,995	1,951,987	9,069	62,005,051	444,556	61,560,495	1.00
2023	64,677,204	2,136,640	8,950	66,822,794	439,794	66,383,000	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 be easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

(2) 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.

(3) This 1% is shared by all taxing agencies for which the subject property resides within.



**City of Sacramento**  
**Direct and Overlapping Property Tax Rates <sup>(1)</sup>**  
**Per \$100 of Assessed Value**  
**Last Ten Fiscal Years**

<b>Fiscal Year End June 30</b>	<b>Basic County, City, and School Levy <sup>(2)</sup></b>	<b>County of Sacramento</b>	<b>Schools</b>	<b>Special Districts</b>	<b>Total</b>
2014	1.0000	—	0.1406	—	1.1406
2015	1.0000	—	0.1325	—	1.1325
2016	1.0000	—	0.1426	—	1.1426
2017	1.0000	—	0.1418	—	1.1418
2018	1.0000	—	0.1365	—	1.1365
2019	1.0000	—	0.1295	—	1.1295
2020	1.0000	—	0.1371	—	1.1371
2021	1.0000	—	0.1394	—	1.1394
2022	1.0000	—	0.1167	—	1.1167
2023	1.0000	—	0.1506	—	1.1506

Notes : (1) Data is stated at full value as required under Article XIII-A of the Constitution of the State of California.

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

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

(in thousands)

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 326,921	1	0.49 %	-	-	-
SRI Eleven 621 Capitol Mall LLC	257,026	2	0.39	-	-	-
Oakmont Properties LLC	213,975	3	0.32	-	-	-
Hancock SREIT Sacramento LLC	204,825	4	0.31	-	-	-
M/H Realty Partners VI LP	199,168	5	0.30	-	-	-
Natomas Development Partners LLC	176,526	6	0.27	-	-	-
Kaiser Foundation Health Plan INC.	170,787	7	0.26	-	-	-
Prime US-Park Tower LLC	170,596	8	0.26	-	-	-
HP Hood LLC	167,643	9	0.25	\$ 84,287	7	0.23 %
BRE Depot Park LLC	163,880	10	0.25	-	-	-
Hines VAF II Sacramento	-	-	-	442,978	1	1.20
CIM Sacramento LLC	-	-	-	230,772	2	0.62
Arden Fair Associates	-	-	-	137,159	3	0.37
Verizon Wireless	-	-	-	132,738	4	0.36
621 Capitol Mall LLC	-	-	-	124,810	5	0.34
300 Capitol Association NF LP	-	-	-	109,000	6	0.30
Target Corp	-	-	-	81,423	8	0.22
500 Capitol Mall LLC	-	-	-	79,119	9	0.21
Capitol Regency LLC	-	-	-	74,784	10	0.20
	<u>2,051,347</u>		<u>3.10</u>	<u>1,497,070</u>		<u>4.05</u>
All other taxpayers	<u>64,331,653</u>		<u>96.90</u>	<u>35,427,185</u>		<u>95.95</u>
Total	<u>\$ 66,383,000</u>		<u>100.00 %</u>	<u>\$ 36,924,255</u>		<u>100.00 %</u>

Source: County of Sacramento, Office of Auditor/Controller

**City of Sacramento**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

(in thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collection in Subsequent Year <sup>(4)</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 140,273 <sup>(2) (3)</sup>	\$ 139,651	99.56%	\$ 622	\$ 140,273	100.00%
2015	147,483 <sup>(2) (3)</sup>	146,374	99.25%	1,109	147,483	100.00%
2016	155,024 <sup>(2) (3)</sup>	153,563	99.06%	1,461	155,024	100.00%
2017	149,456 <sup>(2) (3)</sup>	147,960	99.00%	1,496	149,456	100.00%
2018	158,378 <sup>(2) (3)</sup>	156,689	98.93%	1,689	158,378	100.00%
2019	170,117 <sup>(2) (3)</sup>	168,637	99.13%	1,480	170,117	100.00%
2020	185,127 <sup>(2) (3)</sup>	183,365	99.05%	1,762	185,127	100.00%
2021	196,743 <sup>(2) (3)</sup>	194,957	99.09%	1,786	196,743	100.00%
2022	209,259 <sup>(2) (3)</sup>	207,443	99.13%	1,816	209,259	100.00%
2023	225,814 <sup>(2) (3)</sup>	223,901	99.15%	1,913	225,814	100.00%

- Notes: (1) Property taxes in 2014 and subsequent years till 2016 include in lieu sales tax revenue from prior year. Program began in 2007 and ceased in 2017.  
(2) Total actual tax levy amount is not available from Sacramento County; amount provided is an estimate.  
(3) Includes residual property taxes resulting from the redevelopment agency dissolution.  
(4) Receipts from County's August distribution covering remaining levies not collected as of June 30 each year.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

(in thousands, except Population and Per Capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government
	Revenue Bonds	Notes Payable	Leases and IT Subscriptions <sup>(8)(9)</sup>	Revenue Bonds	Notes Payable	Leases and IT Subscriptions <sup>(8)(9)</sup>	
2014 <sup>(1)</sup>	\$ 419,477	\$ 16,053	\$ 13,562	\$ 540,117	\$ 33,288	\$ 6,098	\$ 1,028,595
2015	398,544	15,680	10,456	519,869	29,844	4,075	978,468
2016 <sup>(2)</sup>	627,351	15,290	7,294	493,406	26,340	8,654	1,178,335
2017 <sup>(3)</sup>	606,097	14,883	4,455	533,751	22,748	5,574	1,187,508
2018	564,929	14,459	2,299	510,016	22,919	3,685	1,118,307
2019 <sup>(4)</sup>	513,186	14,014	1,011	831,547	33,185	2,340	1,395,283
2020 <sup>(5)</sup>	494,320	16,915	325	858,891	56,713	973	1,428,137
2021 <sup>(6)</sup>	475,282	16,909	199	822,397	124,073 <sup>(7)</sup>	-	1,314,787
2022	459,996	16,702	1,643	794,212	143,211 <sup>(7)</sup>	2,012	1,274,565
2023	443,396	16,385	11,425	765,573	136,812 <sup>(7)</sup>	3,332	1,240,111

Notes:

- (1) In 2014, Marina fund notes payable and leases were reclassified to governmental activities.
- (2) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- (3) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
- (4) In 2019, \$284 million of revenue bonds were issued for the renovation of the City's Convention Center, Community Center Theater, and Memorial Auditorium. In 2019, \$25 million of revenue bonds were issued for improvements to the City's wastewater system.
- (5) In 2020, \$50 million of revenue bonds were issued for the purpose of financing an additional Ballroom in the Sacramento Convention Center and other capital-improvement projects. In 2020, \$188 million of refunding bonds were issued.
- (6) In 2021, \$28 million of refunding bonds were issued.
- (7) Notes payable includes State Revolving Fund (SRF) Loan of \$173 million related to the AWMP Program Z14010000. Funding is currently scheduled to be fully spent by June 30,2022. Several new construction contracts were awarded in FY21/FY22, and the City continues to draw on the SRF during the year to fund these projects. In FY23, the City submitted one additional requisition to the CA State Water Resources Control Board for reimbursement of eligible costs.
- (8) In 2022, GASB Statement No. 87 was implemented and the term Leases replaced the term Capital Leases.
- (9) In 2023, GASB 96 was implemented related to IT subscriptions.
- NA Personal income data for the City was not available.

**City of Sacramento**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

(in thousands, except Population and Per Capita)

---

<b>Fiscal Year</b>	<b>Percentage of Personal Income</b>	<b>Population</b>	<b>Per Capita</b>
2014 <sup>(1)</sup>	NA	475,122	\$ 2,165
2015	NA	480,105	2,038
2016 <sup>(2)</sup>	NA	485,683	2,426
2017 <sup>(3)</sup>	NA	493,025	2,409
2018	NA	501,344	2,231
2019 <sup>(4)</sup>	NA	508,172	2,746
2020 <sup>(5)</sup>	NA	510,931	2,795
2021 <sup>(6)</sup>	NA	515,673	2,550
2022	NA	518,037	2,460
2023	NA	518,161	2,393

Notes:

- (1) In 2014, Marina fund notes payable and leases were reclassified to governmental activities.
  - (2) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
  - (3) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
  - (4) In 2019, \$284 million of revenue bonds were issued for the renovation of the City's Convention Center, Community Center Theater, and Memorial Auditorium. In 2019, \$25 million of revenue bonds were issued for improvements to the City's wastewater system.
  - (5) In 2020, \$50 million of revenue bonds were issued for the purpose of financing an additional Ballroom in the Sacramento Convention Center and other capital-improvement projects. In 2020, \$188 million of refunding bonds were issued.
  - (6) In 2021, \$28 million of refunding bonds were issued.
  - (7) Notes payable includes State Revolving Fund (SRF) Loan of \$173 million related to the AWMP Program Z14010000. Funding is currently scheduled to be fully spent by June 30,2022. Several new construction contracts were awarded in FY21/FY22, and the City continues to draw on the SRF during the year to fund these projects. In FY23, the City submitted one additional requisition to the CA State Water Resources Control Board for reimbursement of eligible costs.
  - (8) In 2022, GASB Statement No. 87 was implemented and the term Leases replaced the term Capital Leases.
  - (9) In 2023, GASB 96 was implemented related to IT subscriptions.
- NA Personal income data for the City was not available.

**City of Sacramento**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

(in thousands, except Population and Per Capita)

<b>Fiscal Year</b>	<b>Total Gross General Obligation Bonds</b>	<b>Amounts Restricted for Principal Repayments</b>	<b>Total Net General Obligation Bonds</b>	<b>Actual Taxable Value of Property</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Net Bonded Debt Per Capita</b>
2014	\$ -	\$ -	\$ -	\$ 36,924,255	0.00%	475,122	\$ -
2015	-	-	-	39,067,503	0.00%	480,105	-
2016	-	-	-	40,897,785	0.00%	485,683	-
2017	-	-	-	43,485,716	0.00%	493,025	-
2018	-	-	-	46,645,376	0.00%	501,344	-
2019	-	-	-	50,352,401	0.00%	508,172	-
2020	-	-	-	54,559,257	0.00%	510,931	-
2021	-	-	-	58,370,363	0.00%	515,673	-
2022	-	-	-	61,560,495	0.00%	518,037	-
2023	-	-	-	66,383,000	0.00%	518,161	-

Source: City of Sacramento Annual Comprehensive Financial Reports and the County of Sacramento.

**City of Sacramento**  
**Direct and Overlapping Governmental Activities Debt <sup>(1)</sup>**  
**As of June 30, 2023**  
(in thousands)

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Los Rios Community College District	\$ 448,500	26.887 %	\$ 120,588
Elk Grove Unified School District	431,600	11.359	49,026
Natomas Unified School District	394,680	83.037	327,730
Sacramento Unified School District	683,828	85.095	581,903
San Juan Unified School District	680,488	2.808	19,108
Twin Rivers Unified School District:			
Twin Rivers Unified School District (former Elementary School District bonds)	87,270	51.096	44,592
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	290,599	50.342	146,293
Robla School District	89,717	53.691	48,170
City of Sacramento Community Facilities Districts	229,260	100.000	229,260
Elk Grove Unified School District Community Facilities District No. 1	171,651	11.359	19,498
California Statewide Community Development Authority Assessment Districts	29,032	100.000	29,032
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	306,140	85.335	261,245
Sacramento Area Flood Control Agency Natomas Local Assessment District	30,225	82.936	25,067
Subtotal - Overlapping Tax and Assessment Debt			1,901,512
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	116,786	32.322	37,748
Sacramento County Pension Obligation Bonds	540,587	32.322	174,729
Sacramento County Board of Education General Fund Obligations	2,150	32.322	695
Elk Grove Unified School District General Fund Obligations	10,872	11.359	1,235
Sacramento Unified School District General Fund Obligations	52,060	85.095	44,300
Arcade Creek Recreation and Park District General Fund Obligations	151	1.033	2
Fulton-El Camino Recreation and Park District General Fund Obligations	964	18.363	177
Subtotal - Direct and Overlapping General Fund Debt			258,886
Total Overlapping Debt			2,160,398
City of Sacramento Direct Debt <sup>(2)</sup>			471,206
Total Direct and Overlapping Debt			\$ 2,631,604

Note: (1) Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City of Sacramento. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: (2) City of Sacramento Direct Debt includes bonds, notes payable, lease liabilities and IT subscription liabilities.



**City of Sacramento**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**  
(in thousands)

Fiscal Year	Debt Limit		Debt Applicable to Limit			Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
	Net Assessed Value	Debt Limit - 15% of Assessed Value	General Obligation Bonds	Amount set aside for repayment of general obligation debt	Total net debt applicable to limit		
2014	\$ 36,924,255	\$ 5,538,638	\$ -	\$ -	\$ -	\$ 5,538,638	0.00%
2015	39,067,503	5,860,125	-	-	-	5,860,125	0.00%
2016	40,897,785	6,134,668	-	-	-	6,134,668	0.00%
2017	43,485,716	6,522,857	-	-	-	6,522,857	0.00%
2018	46,645,376	6,996,806	-	-	-	6,996,806	0.00%
2019	50,352,401	7,552,860	-	-	-	7,552,860	0.00%
2020	54,559,257	8,183,889	-	-	-	8,183,889	0.00%
2021	58,370,363	8,755,554	-	-	-	8,755,554	0.00%
2022	61,560,495	9,234,074	-	-	-	9,234,074	0.00%
2023	66,383,000	9,957,450	-	-	-	9,957,450	0.00%

Sources: (A) City of Sacramento Annual Comprehensive Financial Reports.  
(B) County of Sacramento, Office of Auditor/Controller.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(in thousands)

<b>Water Revenue</b>						
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses <sup>(1)</sup></b>	<b>Net Revenue</b>	<b>Debt Service Requirements <sup>(2)</sup></b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 94,382	\$ 43,215	\$ 51,167	\$ 396	\$ 9,974	4.93
2015	100,523	45,292	55,231	3,946	10,704	3.77
2016	98,533	47,728	50,805	4,061	10,594	3.47
2017	108,867	56,223	52,644	4,206	10,448	3.59
2018	119,379	50,565	68,814	4,397	12,111	4.17
2019	127,868	61,359	66,509	5,383	12,809	3.66
2020	142,041	67,841	74,200	5,644	12,835	4.02
2021	144,070	66,021	78,049	8,811	9,254	4.32
2022	136,613	60,017	76,596	11,161	10,667	3.51
2023	135,399	72,740	62,659	14,486	10,425	2.52

<b>Wastewater Revenue</b>						
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses <sup>(1)</sup></b>	<b>Net Revenue</b>	<b>Debt Service Requirements <sup>(3)</sup></b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 28,493	\$ 21,322	\$ 7,171	\$ 720	\$ 1,091	3.96
2015	32,223	21,091	11,132	736	1,527	4.92
2016	31,532	21,149	10,383	1,313	1,501	3.69
2017	34,311	24,987	9,324	1,351	1,464	3.31
2018	37,596	23,010	14,586	1,394	1,422	5.18
2019	42,275	27,371	14,904	1,396	1,379	5.37
2020	44,562	25,988	18,574	1,443	2,490	4.72
2021	43,829	26,341	17,488	1,936	1,841	4.63
2022	44,327	24,234	20,093	1,900 <sup>(4)</sup>	1,965	5.20
2023	44,809	28,485	16,324	1,980	1,882	4.23

Notes: (1) Total operating expenses is exclusive of depreciation and amortization expense.

(2) Debt service requirements include California Department of Public Health Notes Payable, Drinking Water State Revolving Fund Notes Payable, Water Revenue Bonds, Series 2013 and 2017, and Water Revenue Refunding Bonds, Series 2020.

(3) Debt service requirements include Wastewater Revenue Bonds, Series 2013 and 2019, and Wastewater Revenue Refunding Bonds, Series 2020.

(4) Wastewater portion of State Water Resources Control Board Notes Payable was paid off in FY21.

Source: City of Sacramento's internal financial documents.

**City of Sacramento**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(in thousands)

<b>Storm Drainage Revenue</b>							
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses <sup>(1)</sup></b>	<b>Net Revenue</b>	<b>Debt Service Requirements <sup>(2)</sup></b>		<b>Coverage</b>	
				<b>Principal</b>	<b>Interest</b>		
2014	\$ 38,049	\$ 24,479	\$ 13,570	\$ 2,230	\$ 511	4.95	
2015	37,646	29,581	8,065	2,283	458	2.94	
2016	40,166	28,897	11,269	2,336	404	4.11	
2017	40,124	29,207	10,917	2,391	349	3.98	
2018	39,512	30,483	9,029	2,448	292	3.30	
2019	39,969	29,021	10,948	2,381	234	4.19	
2020	40,871	31,521	9,350	2,437	178	3.58	
2021	40,848	29,732	11,116	2,237	119	4.72	
2022	41,901	29,955	11,946	92 <sup>(6)</sup>	69	74.20	
2023	61,120	37,131	23,989	95	66	149.00	

<b>Transient Occupancy Tax (TOT) Revenue</b>							
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses <sup>(5)</sup></b>	<b>Net Revenue</b>	<b>Debt Service Requirements <sup>(3)</sup></b>		<b>Coverage</b>	
				<b>Principal</b>	<b>Interest</b>		
2019	\$ 29,477	\$ -	\$ 29,477	\$ -	\$ 8,103	3.64	
2020	21,504	-	21,504	-	13,891	1.55	
2021	15,545	-	15,545	5,080	13,891	0.82	
2022	26,843	-	26,843	5,270	13,698	1.42	
2023	31,294	-	31,294	5,480	13,492	1.65	

<b>Sacramento Tourism Infrastructure District (STID) Assessment Revenue</b>							
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses <sup>(5)</sup></b>	<b>Net Revenue</b>	<b>Debt Service Requirements <sup>(4)</sup></b>		<b>Coverage</b>	
				<b>Principal</b>	<b>Interest</b>		
2020	\$ 1,883	\$ -	\$ 1,883	\$ -	\$ 1,469	1.28	
2021	1,899	-	1,899	845	1,895	0.69	
2022	3,292	-	3,292	880	1,861	1.20	
2023	3,619	-	3,619	915	1,826	1.32	

- Notes:
- (1) Total operating expenses is exclusive of depreciation and amortization expense.
  - (2) Debt service requirements include California Infrastructure and Economic Development Bank Notes Payable.
  - (3) Debt service requirements include 2018 TOT Revenue Bonds, Series A, B, and C. Therefore, only five years are shown.
  - (4) Debt service requirements include 2019 STID Assessment Revenue Bonds. Therefore, only four years are shown.
  - (5) Due to the classification of TOT and STID revenues as nonoperating revenues, no operating expenses reported above.
  - (6) Storm Drainage portion of State Water Resources Control Board Notes Payable was paid off in FY21.

Source: City of Sacramento's internal financial documents.

**City of Sacramento**  
**Demographic and Economic Statistics for Sacramento County**  
**Last Ten Years**

<b>Year</b>	<b>Population (A)</b>	<b>Personal Income (in millions of dollars) (B)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment (C)</b>	<b>Unemployment Rate (D)</b>
2014	1,454,406	N/A	N/A	N/A	N/A	240,216	7.1 %
2015	1,470,912	\$ 64,638	\$ 43,944	34	N/A	241,022	5.8
2016	1,495,297	69,590	46,539	33	N/A	242,725	5.8
2017	1,514,770	72,894	48,122	34	N/A	244,394	5.4
2018	1,529,501	76,776	50,197	34	N/A	245,906	4.2
2019	1,546,174	81,242	52,544	34	N/A	246,663	3.9
2020	1,555,365	85,959	55,266	34	N/A	249,540	12.5
2021	1,561,014	91,018	58,307	35	N/A	246,069	7.3
2022	1,576,618	97,481	61,829	35	N/A	243,002	3.6
2023	1,572,453	96,797	61,558	35	N/A	247,646	4.4

Sources: (A) California Department of Finance - Population estimates as of January 1st of each year:

<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/>

(B) US Bureau of Economic Analysis, report on Local Area Personal Income as of March 31 each year: <https://www.bea.gov/>

(C) California Department of Education, report on Sacramento County as of June 30 each year: <http://dq.cde.ca.gov/dataquest/>

(D) California Employment Development Department, Report 400 C - Monthly Labor Force Data for California Counties:  
<http://www.labormarketinfo.edd.ca.gov/> (as of June each year)

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

Employer (A)	2023			2014		
	Employees (A) <sup>(1)</sup>	Rank	Percentage of Total Employment (B) <sup>(2)</sup>	Employees (A) <sup>(1)</sup>	Rank	Percentage of Total Employment (B)
State of California	107,876	1	15.34%	72,220	1	11.44%
UC Davis Health System	16,075	2	2.29%	9,905	4	1.57%
Sacramento County	13,252	3	1.88%	10,700	2	1.70%
Kaiser Permanente	10,934	4	1.56%	5,421	8	0.86%
U.S. Government	10,507	5	1.49%	9,906	3	1.57%
Sutter Health	9,350	6	1.33%	7,352	5	1.16%
Dignity Health	7,353	7	1.05%	6,212	6	0.98%
Intel Corporation	5,000	8	0.71%	6,000	7	0.95%
San Juan Unified School District	4,801	9	0.68%	-	-	-
Los Rios Community College District	3,049	10	0.43%	-	-	-
Elk Grove Unified School District	-	-	-	5,410	9	0.86%
Sacramento City Unified School District	-	-	-	4,200	10	0.67%

Notes:

(1) Ranked by number of employees in full-time equivalents.

(2) Percentage of total employment is calculated based on Sacramento County's total employment force of 703,100 per Employment Development Department website) in July 2023.

Sources: (A) Sacramento Business Journal, June 3, 2022. List of largest employers in Sacramento County.  
(B) Employment Development Department, State of California.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property** <sup>(1) (2)</sup>  
**Last Ten Fiscal Years**  
(in thousands)

PROJECT AREA	Fiscal Year				
	2014	2015	2016	2017	2018
Merged Downtown					
Secured	\$ 2,300,993	\$ 2,344,213	\$ 2,461,341	\$ 2,682,975	\$ 3,294,112
Unsecured	132,581	138,662	124,172	110,587	131,439
Utility	770	770	748	748	748
Total	<u>\$ 2,434,344</u>	<u>\$ 2,483,645</u>	<u>\$ 2,586,261</u>	<u>\$ 2,794,310</u>	<u>\$ 3,426,299</u>
Del Paso Heights					
Secured	\$ 289,856	\$ 311,285	\$ 317,886	\$ 338,354	\$ 380,389
Unsecured	12,659	14,464	13,621	15,440	14,149
Utility	1	1	1	1	1
Total	<u>\$ 302,516</u>	<u>\$ 325,750</u>	<u>\$ 331,508</u>	<u>\$ 353,795</u>	<u>\$ 394,539</u>
Alkali Flat					
Secured	\$ 112,883	\$ 120,103	\$ 123,251	\$ 136,555	\$ 158,376
Unsecured	3,224	3,504	2,963	2,996	2,920
Utility	-	-	-	-	-
Total	<u>\$ 116,107</u>	<u>\$ 123,607</u>	<u>\$ 126,214</u>	<u>\$ 139,551</u>	<u>\$ 161,296</u>
Oak Park					
Secured	\$ 466,006	\$ 476,624	\$ 501,132	\$ 567,966	\$ 610,203
Unsecured	9,763	9,483	24,938	27,750	28,003
Utility	-	-	-	-	-
Total	<u>\$ 475,769</u>	<u>\$ 486,107</u>	<u>\$ 526,070</u>	<u>\$ 595,716</u>	<u>\$ 638,206</u>
River District (formerly Richards Blvd)					
Secured	\$ 375,825	\$ 403,452	\$ 393,540	\$ 404,183	\$ 413,627
Unsecured	29,486	35,352	37,314	34,732	36,120
Utility	4,779	4,779	2,591	2,591	2,591
Total	<u>\$ 410,090</u>	<u>\$ 443,583</u>	<u>\$ 433,445</u>	<u>\$ 441,506</u>	<u>\$ 452,338</u>
North Sacramento					
Secured	\$ 498,272	\$ 509,637	\$ 523,526	\$ 555,437	\$ 556,306
Unsecured	36,413	40,115	36,778	36,563	36,555
Utility	-	-	-	-	-
Total	<u>\$ 534,685</u>	<u>\$ 549,752</u>	<u>\$ 560,304</u>	<u>\$ 592,000</u>	<u>\$ 592,861</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property <sup>(1) (2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

PROJECT AREA	Fiscal Year				
	2019	2020	2021	2022	2023
Merged Downtown					
Secured	\$ 3,572,623	\$ 3,854,509	\$ 3,927,521	\$ 3,928,629	\$ 4,113,421
Unsecured	147,725	169,620	169,037	170,979	174,954
Utility	696	7	7	7	7
Total	<u>\$ 3,721,044</u>	<u>\$ 4,024,136</u>	<u>\$ 4,096,565</u>	<u>\$ 4,099,615</u>	<u>\$ 4,288,382</u>
Del Paso Heights					
Secured	\$ 414,850	\$ 469,286	\$ 510,477	\$ 547,780	\$ 598,130
Unsecured	21,771	23,390	28,109	28,417	28,240
Utility	1	-	-	-	-
Total	<u>\$ 436,622</u>	<u>\$ 492,676</u>	<u>\$ 538,586</u>	<u>\$ 576,197</u>	<u>\$ 626,370</u>
Alkali Flat					
Secured	\$ 198,843	\$ 228,034	\$ 250,906	\$ 256,211	\$ 277,676
Unsecured	3,485	3,582	3,794	2,387	2,569
Utility	-	-	-	-	-
Total	<u>\$ 202,328</u>	<u>\$ 231,616</u>	<u>\$ 254,700</u>	<u>\$ 258,598</u>	<u>\$ 280,245</u>
Oak Park					
Secured	\$ 686,458	\$ 787,243	\$ 831,901	\$ 892,936	\$ 986,212
Unsecured	31,947	23,271	25,615	30,460	30,361
Utility	-	-	-	-	-
Total	<u>\$ 718,405</u>	<u>\$ 810,514</u>	<u>\$ 857,516</u>	<u>\$ 923,396</u>	<u>\$ 1,016,573</u>
River District (formerly Richards Blvd)					
Secured	\$ 444,699	\$ 474,858	\$ 535,733	\$ 570,395	\$ 634,675
Unsecured	37,676	35,370	35,657	38,301	37,076
Utility	2,464	2,752	2,705	2,705	2,705
Total	<u>\$ 484,839</u>	<u>\$ 512,980</u>	<u>\$ 574,095</u>	<u>\$ 611,401</u>	<u>\$ 674,456</u>
North Sacramento					
Secured	\$ 605,147	\$ 681,316	\$ 743,818	\$ 824,135	\$ 866,736
Unsecured	43,011	50,625	57,168	57,816	81,916
Utility	-	719	719	719	719
Total	<u>\$ 648,158</u>	<u>\$ 732,660</u>	<u>\$ 801,705</u>	<u>\$ 882,670</u>	<u>\$ 949,371</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.



**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property <sup>(1) (2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

PROJECT AREA	Fiscal Year				
	2014	2015	2016	2017	2018
Franklin Boulevard					
Secured	\$ 556,190	\$ 482,823	\$ 474,370	\$ 497,711	\$ 544,375
Unsecured	37,903	32,000	31,565	35,431	34,068
Utility	-	-	-	-	-
Total	<u>\$ 594,093</u>	<u>\$ 514,823</u>	<u>\$ 505,935</u>	<u>\$ 533,142</u>	<u>\$ 578,443</u>
Stockton Boulevard					
Secured	\$ 345,330	\$ 364,463	\$ 384,262	\$ 403,482	\$ 442,555
Unsecured	17,293	17,731	16,742	15,941	15,798
Utility	-	-	-	-	-
Total	<u>\$ 362,623</u>	<u>\$ 382,194</u>	<u>\$ 401,004</u>	<u>\$ 419,423</u>	<u>\$ 458,353</u>
Army Depot					
Secured	\$ 826,125	\$ 864,133	\$ 928,249	\$ 979,664	\$ 1,052,144
Unsecured	149,382	139,964	110,209	106,652	111,552
Utility	943	943	1,072	1,072	1,072
Total	<u>\$ 976,450</u>	<u>\$ 1,005,040</u>	<u>\$ 1,039,530</u>	<u>\$ 1,087,388</u>	<u>\$ 1,164,768</u>
65th Street					
Secured	\$ 228,785	\$ 231,632	\$ 243,684	\$ 276,299	\$ 350,567
Unsecured	14,536	17,543	14,033	15,339	17,768
Utility	-	-	-	-	-
Total	<u>\$ 243,321</u>	<u>\$ 249,175</u>	<u>\$ 257,717</u>	<u>\$ 291,638</u>	<u>\$ 368,335</u>
Railyards					
Secured	\$ 80,200	\$ 75,245	\$ 68,288	\$ 62,600	\$ 66,406
Unsecured	4,454	5,973	10,940	7,310	7,151
Utility	-	-	-	-	-
Total	<u>\$ 84,654</u>	<u>\$ 81,218</u>	<u>\$ 79,228</u>	<u>\$ 69,910</u>	<u>\$ 73,557</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property <sup>(1) (2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

PROJECT AREA	Fiscal Year				
	2019	2020	2021	2022	2023
Franklin Boulevard					
Secured	\$ 578,295	\$ 608,313	\$ 643,432	\$ 672,091	\$ 748,607
Unsecured	33,800	36,098	38,111	40,569	49,929
Utility	-	-	-	-	-
Total	<u>\$ 612,095</u>	<u>\$ 644,411</u>	<u>\$ 681,543</u>	<u>\$ 712,660</u>	<u>\$ 798,536</u>
Stockton Boulevard					
Secured	\$ 471,634	\$ 510,666	\$ 556,549	\$ 592,937	\$ 641,363
Unsecured	18,937	19,758	23,067	23,646	25,436
Utility	-	-	-	-	-
Total	<u>\$ 490,571</u>	<u>\$ 530,424</u>	<u>\$ 579,616</u>	<u>\$ 616,583</u>	<u>\$ 666,799</u>
Army Depot					
Secured	\$ 1,130,114	\$ 1,302,802	\$ 1,391,639	\$ 1,475,193	\$ 1,615,593
Unsecured	115,208	132,775	138,567	150,127	211,999
Utility	1,072	1,037	1,037	1,037	1,037
Total	<u>\$ 1,246,394</u>	<u>\$ 1,436,614</u>	<u>\$ 1,531,243</u>	<u>\$ 1,626,357</u>	<u>\$ 1,828,629</u>
65th Street					
Secured	\$ 425,730	\$ 532,239	\$ 553,158	\$ 598,845	\$ 637,581
Unsecured	22,692	22,321	25,276	37,486	39,503
Utility	-	94	94	94	94
Total	<u>\$ 448,422</u>	<u>\$ 554,654</u>	<u>\$ 578,528</u>	<u>\$ 636,425</u>	<u>\$ 677,178</u>
Railyards					
Secured	\$ 67,471	\$ 71,495	\$ 104,469	\$ 109,005	\$ 126,886
Unsecured	11,438	13,940	15,667	12,508	10,710
Utility	-	-	-	-	-
Total	<u>\$ 78,909</u>	<u>\$ 85,435</u>	<u>\$ 120,136</u>	<u>\$ 121,513</u>	<u>\$ 137,596</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**Merged Downtown**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
HANCOCK SREIT SACRAMENTO LLC	\$ 204,825	\$ 102,410	\$ (102,415)	11.88%
CIM-J STREET HOTEL SACTO	158,794	79,398	(79,396)	9.21%
SHORENSTEIN PROPERTIES LLC	89,306	60,000	(29,306)	3.40%
GPT PROPERTIES TRUST	89,242	44,621	(44,621)	5.17%
KAISER FOUNDATION HEALTH PLAN INCORPORATED	76,349	38,175	(38,174)	4.43%
15TH/L INVESTORS LLC	70,604	7,060	(63,544)	7.37%
MNCVAD II OFC 770 L STATE CA LLC	47,713	23,856	(23,857)	2.77%
MNCVAD II OFC 630 K STREET CA LLC	28,949	14,474	(14,475)	1.68%
CIM-J STREET GARAGE SACTO	21,030	10,515	(10,515)	1.22%
ATRIUM HOSPIITALITY	19,529	11,697	(7,832)	0.91%
Subtotal	806,341	392,206	(414,135)	48.02%
All Other Taxpayers	56,046	23,300	(32,746)	3.80%
Total	<u>\$ 862,387</u>	<u>\$ 415,506</u>	<u>\$ (446,881)</u>	<u>51.82%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**  
**Del Paso Heights**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
4555 CARMICHAEL LLC	\$ 2,686	\$ 1,612	\$ (1,074)	18.89%
4555 CARMICHAEL LLC	2,633	1,711	(922)	16%
TESLA ENERGY OPERATIONS INC.	292	146	(146)	3%
DIRECTV LLC	74	44	(30)	1%
Subtotal	5,685	3,513	(2,172)	38.21%
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 5,685</b>	<b>\$ 3,513</b>	<b>\$ (2,172)</b>	<b>38.21%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**Alkali Flat**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
HEARST TELEVISION INC.	\$ 17,054	\$ 13,309	\$ (3,745)	19.44%
JOHN B ADAMO	2,209	1,350	(859)	4.46%
Subtotal	19,263	14,659	(4,604)	23.90%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 19,263</u>	<u>\$ 14,659</u>	<u>\$ (4,604)</u>	<u>23.90%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**Oak Park**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
DAVITA INC	\$ 6,453	\$ 645	\$ (5,808)	66.35%
ALMA SANTILLAN, TTEE	1,300	1,020	(280)	3.20%
ALMA SANTILLAN, TTEE	480	200	(280)	3.20%
SHERRIE L KELLY	170	65	(105)	1.20%
WALGREENS	123	84	(39)	0.45%
WALGREENS #4170 PPT	114	95	(19)	0.22%
WALGREEN CO	113	87	(26)	0.30%
Subtotal	8,753	2,196	(6,557)	74.91%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 8,753</u>	<u>\$ 2,196</u>	<u>\$ (6,557)</u>	<u>74.91%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**River District**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
JMDH REAL ESTATE SACRAMENTO LLC	\$ 6,100	\$ 3,000	\$ (3,100)	42.48%
JOHNATHAN HENIEMI	1,197	104	(1,093)	14.98%
Subtotal	7,297	3,104	(4,193)	57.46%
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 7,297</b>	<b>\$ 3,104</b>	<b>\$ (4,193)</b>	<b>57.46%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

---

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**North Sacramento**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
ROSEVILLE LIFE PROPERTIES	\$ 39,983	\$ 19,991	\$ (19,992)	13.36%
SEVEN UP BOTTLING COMPANY OF SAN FRANCISCO	31,576	15,788	(15,788)	10.55%
WOODLAKE CARE GROUP	28,556	17,130	(11,426)	7.64%
WOODLAKE CARE GROUP LLC	28,263	17,130	(11,133)	7.44%
RECREATIONAL EQUIPMENT INC	7,590	3,795	(3,795)	2.54%
GROCERY OUTLET AS LESSEE	4,753	2,376	(2,377)	1.59%
GROCERY OUTLET AS LESSEE	4,660	2,330	(2,330)	1.56%
CARDINAL HEALTH	2,061	1,071	(990)	0.66%
SAC X3 LLC	1,750	785	(965)	0.64%
WALGREENS	141	78	(63)	0.04%
Subtotal	149,333	80,474	(68,859)	46.02%
All Other Taxpayers	300	175	(125)	0.08%
Total	<u>\$ 149,633</u>	<u>\$ 80,649</u>	<u>\$ (68,984)</u>	<u>46.02%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.



**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**Franklin Boulevard**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
3100 52ND AVENUE LLC	\$ 17,860	\$ 12,530	\$ (5,330)	12.38%
SACRAMENTO CHILDRENS HOM	8,236	4,118	(4,118)	9.57%
MACY'S WEST STORES	5,748	1,947	(3,801)	8.83%
MACY'S WAREHOUSE	5,002	2,600	(2,402)	5.58%
MACY'S INC	3,544	2,199	(1,345)	3.13%
OREILLY AUTO PARTS	2,591	1,296	(1,295)	3.01%
JEN KITCHEN	28	5	(23)	0.05%
JEN KITCHEN	28	5	(23)	0.05%
Subtotal	43,037	24,700	(18,337)	42.61%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 43,037</u>	<u>\$ 24,700</u>	<u>\$ (18,337)</u>	<u>42.61%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**  
**Stockton Boulevard**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
H/S ENERGY LLC	\$ 2,300	\$ 200	\$ (2,100)	26.12%
FRANCIS/TERRIE CRINELLA FAMILY REV TRUST	1,829	933	(896)	11.15%
H/S ENERGY LLC	1,634	1,144	(490)	6.10%
ROSS DRESS FOR LESS #1837	652	326	(326)	4.06%
ROSS	572	286	(286)	3.56%
WELLS FARGO	333	166	(167)	2.08%
NUEVA VISTA SACRAMENTO	247	-	(247)	3.07%
DDS DISCOUNTS #5038	246	123	(123)	1.53%
ROSS	226	113	(113)	1.41%
Subtotal	8,039	3,291	(4,748)	59.06%
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 8,039</b>	<b>\$ 3,291</b>	<b>\$ (4,748)</b>	<b>59.06%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**  
**Army Depot**  
**As of June 30, 2023**  
 (in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
AXALTA COATING SYSTEM USA LLC	\$ 10,722	\$ 9,200	\$ (1,522)	13.21%
FELIX LUU	497	380	(117)	1.02%
PHILLIP L SANTOS	306	45	(261)	2.26%
Subtotal	11,525	9,625	(1,900)	16.49%
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 11,525</b>	<b>\$ 9,625</b>	<b>\$ (1,900)</b>	<b>16.49%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
 (2) Information for prior years is not readily available and is not statistically significant.  
 (3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**65th Street**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
GEM CROSSINGS LLC	\$ 96,100	\$ 48,050	\$ (48,050)	8.35%
GEM CROSSINGS LLC	94,216	47,108	(47,108)	8.19%
SSC SACRAMENTO APARTMENTS LLC	77,649	38,824	(38,825)	6.75%
SSC SACRAMENTO APARTMENTS LLC	76,126	38,063	(38,063)	6.62%
SSC SACRAMENTO APARTMENTS LLC	75,346	37,493	(37,853)	6.58%
ACADEMY ON 65TH STATE OWNER LLC	35,286	17,643	(17,643)	3.07%
ACADEMY ON 65TH STATE OWNER LLC	34,594	17,297	(17,297)	3.01%
TARGET	28,859	948	(27,911)	4.85%
TARGET	28,837	856	(27,981)	4.86%
TARGET	28,381	27,354	(1,027)	0.18%
<b>Subtotal</b>	<b>575,394</b>	<b>273,636</b>	<b>(301,758)</b>	<b>52.44%</b>
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 575,394</b>	<b>\$ 273,636</b>	<b>\$ (301,758)</b>	<b>52.44%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction** <sup>(1) (2)</sup>  
**Railyards**  
**As of June 30, 2023**  
(in thousands)

<b>Assessee</b>	<b>Taxable Value <sup>(3)</sup></b>	<b>Assessee's Value <sup>(3)</sup></b>	<b>Value Difference</b>	<b>Percentage of Total Taxable Value</b>
SIMS METAL MANAGEMENT	\$ 4,518	\$ 2,259	\$ (2,259)	19.93%
SIMS METAL	3,455	1,727	(1,728)	15.24%
SIMS METAL MGMT	3,363	1,682	(1,681)	14.83%
Subtotal	11,336	5,668	(5,668)	50.00%
All Other Taxpayers	-	-	-	-
<b>Total</b>	<b>\$ 11,336</b>	<b>\$ 5,668</b>	<b>\$ (5,668)</b>	<b>50.00%</b>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.  
(2) Information for prior years is not readily available and is not statistically significant.  
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2023.

---

Source: Sacramento County Assessor

**City of Sacramento  
 Successor Agency Trust Fund  
 Principal Property Taxpayers - Merged Downtown  
 Current Fiscal Year and Nine Years Ago**  
 (in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
City of Sacramento (Sacramento Downtown Arena LLC)	\$ 352,617	1	8.22%	\$ -	-	-
CA Sacramento Commons LLC	221,577	2	5.17%	-	-	-
Hancock SREIT Sacramento LLC	208,922	3	4.87%	-	-	-
SRI Eleven 621 Capitol Mall LLC	176,077	4	4.11%	-	-	-
Prime US-Park Tower LLC	174,019	5	4.06%	-	-	-
500 Capitol Mall LLC	154,992	6	3.61%	118,033	3	4.85%
300 Capitol Mall Investors LP	136,170	7	3.18%	-	-	-
555 Cap Partners LP	122,610	8	2.86%	-	-	-
GSA Sacramento Newco LLC	118,293	9	2.76%	-	-	-
Sacramento CA I FGF LLC	111,030	10	2.59%	-	-	-
Hines Sacramento Wells Fargo Center	-	-	-	206,544	1	8.48%
621 Capitol Mall LLC	-	-	-	125,470	2	5.15%
300 Capitol Associates NF LP	-	-	-	109,000	4	4.48%
CIM/980 9th St Sacramento LP	-	-	-	98,981	5	4.07%
CIM/J Street Hotel Sacramento LP	-	-	-	74,498	6	3.06%
Capitol Regency LLC	-	-	-	74,237	7	3.05%
1325 J Street LLC	-	-	-	68,282	8	2.80%
1415 Meridian Plaza LLC/Valley View Investors	-	-	-	65,149	9	2.68%
KW Captowers LLC	-	-	-	64,987	10	2.67%
Subtotal	1,776,307		41.42%	1,005,181		41.29%
All Other Taxpayers	2,512,075		58.58%	1,429,163		58.71%
Total	\$ 4,288,382		100.00%	\$ 2,434,344		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
 (2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Del Paso Heights**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Greater Sacramento Urban League	\$ 8,111	1	1.29%	\$ 6,112	1	2.02%
Research Properties	6,212	2	0.99%	5,272	2	1.74%
BM Ventures LLC	6,138	3	0.98%	4,700	3	1.55%
565 Display Way LLC	3,404	4	0.54%	-	-	-
John A/Leta K Nichols 1994 Rev Trust	3,271	5	0.52%	2,776	5	0.92%
US Rentals Inc.	2,918	6	0.47%	2,476	6	0.82%
Albert/Jacklin Yamin Trust	2,749	7	0.44%	-	-	-
BM Ventures II LLC	2,746	8	0.44%	-	-	-
4555 Carmichael LLC	2,740	9	0.44%	-	-	-
Ramon Canyon Associates LP	2,700	10	0.43%	-	-	-
Woodhaven Senior Residences	-	-	-	4,448	4	1.47%
Proffutt Limited Partnership	-	-	-	2,151	7	0.71%
23002 Moulton Parkway LLC	-	-	-	1,842	8	0.61%
Lundborn Sacramento Realty INVS LP	-	-	-	1,547	9	0.51%
Providence Comm'l Props LLC	-	-	-	1,453	10	0.48%
Subtotal	40,989		6.54%	32,777		10.83%
All Other Taxpayers	585,381		93.46%	269,739		89.17%
Total	\$ 626,370		100.00%	\$ 302,516		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Alkali Flat**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Efren R Cota LTD	\$ 24,207	1	8.64%	\$ -	-	-
Hearst-Argyle Stations Inc.	17,995	2	6.42%	19,015	1	16.38%
Robert Efren Cota Living Trust/Etal	14,229	3	5.08%	-	-	-
1000 G Street LLC	12,597	4	4.49%	-	-	-
520-530 9th Street LLC	4,921	5	1.76%	-	-	-
1220 E State LLC	3,186	6	1.14%	-	-	-
Dhillon Real Estate LLC	2,800	7	1.00%	-	-	-
Tristar Stockton Properties LLC	2,733	8	0.98%	-	-	-
Ng-Yu Trust	2,406	9	0.86%	-	-	-
Adamo John B/Diane G	2,253	10	0.80%	-	-	-
City Park Apartment Homes LLC	-	-	-	8,725	2	7.51%
GMA Investors LP	-	-	-	7,599	3	6.54%
CC/B Holdings Inc.	-	-	-	5,840	4	5.03%
Realty Advisors Inc.	-	-	-	5,490	5	4.73%
John Dailey Trust/Charles D. Deloney	-	-	-	1,959	6	1.69%
700 E Street Building Partner	-	-	-	1,665	7	1.43%
Tarpin Samuel D	-	-	-	1,468	8	1.26%
520 Ninth Street	-	-	-	1,450	9	1.25%
Adrian L./Michelle J. Randolph Family Trust	-	-	-	1,341	10	1.15%
Subtotal	87,327		31.16%	54,552		46.98%
All Other Taxpayers	192,918		68.84%	61,555		53.02%
Total	\$ 280,245		100.00%	\$ 116,107		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.



**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Oak Park**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Regents University CA (CY 4422Y LLC)	\$ 24,541	1	2.41%	\$ 10,561	2	2.22%
Shriners Hospitals for Crippled Children	17,392	2	1.71%	-	-	-
Rainbow Baking Co of Sac Valley (BBU INC)	13,884	3	1.37%	26,543	1	5.58%
Glenn L Evans Trust	9,999	4	0.98%	-	-	-
Great Chi Investment LLC	6,581	5	0.65%	-	-	-
Crestwood Medical Center Hospital	5,099	6	0.50%	4,339	4	0.91%
Security Public Storage	4,473	7	0.44%	3,715	5	0.78%
JJAJ Ventures LP/Ventures JJAJ	3,977	8	0.39%	-	-	-
Edmar Invs LLC	3,766	9	0.37%	3,196	6	0.67%
Broadway Triangle LLC	3,654	10	0.36%	-	-	-
US Bank National Association	-	-	-	5,324	3	1.12%
St. Hope Academy	-	-	-	1,823	7	0.38%
John C Skinner 2001 Living Trust	-	-	-	1,819	8	0.38%
SRR Trading LLC	-	-	-	1,445	9	0.30%
Corky Bob LLC	-	-	-	1,406	10	0.30%
Subtotal	93,366		9.18%	60,171		12.65%
All Other Taxpayers	923,207		90.82%	415,598		87.35%
Total	\$ 1,016,573		100.00%	\$ 475,769		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - River District**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
California Almond Growers Exchange	\$ 115,857	1	17.18%	\$ 70,011	1	17.07%
29SC T9 Phase A Property Owner LLC	45,361	2	6.73%	-		-
Grove River District LLC	40,271	3	5.97%	34,178	2	8.33%
Nome OES LLC	29,070	4	4.31%	-		-
AK Industrial II LLC	17,850	5	2.65%	-		-
Bercut-Railyard LLC	17,784	6	2.64%	-		-
Raama Investments LLC	14,680	7	2.18%	-		-
Downtown Ford Re LLC	11,000	8	1.63%	-		-
29SC BC Holding Company LLC	10,820	9	1.60%	-		-
Hoseit Management LLC	10,463	10	1.55%	-		-
Mendell Allan/ETAL	-		-	8,843	3	2.16%
Capitol Station 65 LLC	-		-	7,693	4	1.88%
Dos Rios Venture	-		-	6,313	5	1.54%
BA Hotel LLC	-		-	5,628	6	1.37%
BRE/LQ Props LLC	-		-	5,517	7	1.35%
Vida N Anello Revocable Living Trust	-		-	5,268	8	1.28%
Henderson Enterprise LP	-		-	5,227	9	1.27%
Detmer Family Limited Partnership	-		-	5,021	10	1.22%
Subtotal	313,156		46.43%	153,699		37.48%
All Other Taxpayers	361,300		53.57%	256,391		62.52%
Total	\$ 674,456		100.00%	\$ 410,090		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - North Sacramento**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Roseville Life Properties	\$ 40,782	1	4.30%	\$ -	-	-
Woodlake Care Group LLC	29,709	2	3.13%	-	-	-
Veyron/KDP US Leasing LLC	27,336	3	2.88%	-	-	-
Price Company	25,431	4	2.68%	21,576	3	4.04%
Arden Way Housing Associates LP	18,549	5	1.95%	-	-	-
Omninet Sacramento Jardinette LLC/ETAL	18,128	6	1.91%	-	-	-
Sacramento CA I MG LLC	17,748	7	1.87%	-	-	-
Sacramento Healthcare Investors LP	17,090	8	1.80%	-	-	-
HS Sacramento Self Storage LLC	15,643	9	1.65%	-	-	-
SSCA 1300 El Camino Ave LLC	9,761	10	1.03%	-	-	-
Westcore Delta LLC	-	-	-	34,839	1	6.52%
Seven Up Bottling Company	-	-	-	32,201	2	6.02%
McCuen Acoma Street Investors	-	-	-	11,862	4	2.22%
Meriliz Incorporated	-	-	-	9,133	5	1.71%
North Sacramento Land Company	-	-	-	8,156	6	1.53%
Sutter Medical Foundation	-	-	-	7,999	7	1.50%
Recreational Equipment Inc.	-	-	-	7,563	8	1.41%
Sent Expo Pointe LLC	-	-	-	7,485	9	1.40%
2006 Tcherkoyan Family Trust	-	-	-	5,845	10	1.09%
Subtotal	220,177		23.19%	146,659		27.43%
All Other Taxpayers	729,194		76.81%	388,026		72.57%
Total	\$ 949,371		100.00%	\$ 534,685		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento  
 Successor Agency Trust Fund  
 Principal Property Taxpayers - Franklin Boulevard  
 Current Fiscal Year and Nine Years Ago  
 (in thousands)**

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
6200 Franklin LLC	\$ 22,034	1	2.76%	\$ 39,898	1	6.72%
3100 52nd Avenue LLC	18,217	2	2.28%	-	-	-
ESS CA-TIVS JV CA Reit Sub Limited Partnership	12,838	3	1.61%	-	-	-
Rising South Point Owners LLC	8,678	4	1.09%	-	-	-
Hillside Apartments LLC	8,594	5	1.08%	-	-	-
Sacramento Children's Home (Garfield Beach CVS LLC)	8,401	6	1.05%	5,529	5	0.93%
Greystone Place Invs LLC	7,794	7	0.98%	-	-	-
Rosedown Associates LLC	7,003	8	0.88%	6,002	4	1.01%
ABF Freight System Inc.	6,320	9	0.79%	-	-	-
Campus Plaza Associates	5,367	10	0.67%	-	-	-
Western Village LP	-	-	-	9,576	2	1.61%
United States Cold Storage	-	-	-	9,408	3	1.58%
Extra Space Props Ninety Four Limited Partnership	-	-	-	4,299	6	0.72%
Sei/PSP Vi Joint Ventures	-	-	-	4,234	7	0.71%
Bowling Green Associates	-	-	-	4,075	8	0.69%
Con-Way Western Express Inc.	-	-	-	3,748	9	0.63%
47th Street Associates LLC	-	-	-	3,659	10	0.62%
Subtotal	105,246		13.18%	90,428		15.22%
All Other Taxpayers	693,290		86.82%	503,665		84.78%
Total	\$ 798,536		100.00%	\$ 594,093		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
 (2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Stockton Boulevard**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Stockton Plaza Partners LLC	\$ 23,952	1	3.59%	\$ 11,666	1	3.22%
Karma Apartments LLC	16,609	2	2.49%	-	-	-
EKG Investors LLC	14,900	3	2.23%	10,205	2	2.81%
Sustained Invs LLC	13,785	4	2.07%	-	-	-
ESS Ca-Tivs Jv Ca Reit Sub LP	10,924	5	1.64%	-	-	-
JMK Family Properties II LP	8,928	6	1.34%	-	-	-
NT Stockton Investors LLC	8,630	7	1.29%	6,093	5	1.68%
Monument Properties Sacramento LLC	8,434	8	1.26%	-	-	-
Sustained Invs LLC (Garfield Beach CVS LLC)	7,093	9	1.06%	-	-	-
Brittany Arms LLC	6,833	10	1.02%	4,547	9	1.25%
John M/Nancy Kehriotis Living Trust	-	-	-	7,577	3	2.09%
Little Saigon Plaza LLC	-	-	-	7,415	4	2.04%
SF 3 LLC	-	-	-	4,725	6	1.30%
Ralphs Grocery Company	-	-	-	4,687	7	1.29%
Mulleian Investments LLC	-	-	-	4,646	8	1.28%
ESS Prisa II LLC	-	-	-	4,430	10	1.22%
Subtotal	120,088		18.01%	65,991		18.20%
All Other Taxpayers	546,711		81.99%	296,632		81.80%
Total	\$ 666,799		100.00%	\$ 362,623		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Army Depot**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
SBM Realty LLC	\$ 49,179	1	2.69%	\$ -	-	-
Elder Crk Transfer/Recovery Inc (Allied Waste Indus Inc)	15,289	2	0.84%	9,158	4	0.94%
Watt Elder Creek Holdings LLC	13,510	3	0.74%	-	-	-
Pitalo John E	5,316	4	0.29%	-	-	-
BREF2 Elder Creek Road IOS LLC	5,049	5	0.28%	-	-	-
Power Inn Business Park LLC	4,989	6	0.27%	5,362	10	0.55%
Hassan/Sons Inc	4,960	7	0.27%	-	-	-
Fedex Ground Package System Inc	4,337	8	0.24%	-	-	-
PW Fund B LP	3,548	9	0.19%	-	-	-
Elder Creek 18 LLC	3,306	10	0.18%	-	-	-
R/G Hayward LLC	-	-	-	15,555	1	1.59%
Engineered Polymer Solutions Inc.	-	-	-	14,700	2	1.51%
Central Valley Industrial Core Holdings	-	-	-	11,061	3	1.13%
Air Products Manufacturing Corporation	-	-	-	8,412	5	0.86%
Conrad Ethan	-	-	-	6,584	6	0.67%
Massie & Company	-	-	-	6,100	7	0.62%
Teichert Land Co	-	-	-	5,862	8	0.60%
C/S Logistics Sacramento/Tracy LLC	-	-	-	5,800	9	0.59%
Subtotal	109,483		5.99%	88,594		9.07%
All Other Taxpayers	1,719,146		94.01%	887,856		90.93%
Total	\$ 1,828,629		100.00%	\$ 976,450		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento  
 Successor Agency Trust Fund  
 Principal Property Taxpayers - 65th Street  
 Current Fiscal Year and Nine Years Ago  
 (in thousands)**

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
ACEF-Martin Folsom LLC	\$ 106,884	1	15.78%	\$ -	-	-
Gem Crossings LLC	97,756	2	14.44%	-	-	-
NB Element DST	89,553	3	13.22%	-	-	-
SSC Sacramento Apartments LLC	79,202	4	11.70%	-	-	-
Academy on 65th State Owner LLC	35,992	5	5.31%	-	-	-
Target Corporation	31,713	6	4.68%	26,508	2	10.89%
Jackson IV LLC	18,313	7	2.70%	-	-	-
65th St Village LLC	12,627	8	1.86%	8,700	3	3.58%
CPCA 7716 Folsom Blvd LLC	11,846	9	1.75%	7,594	4	3.12%
2750 Redding Avenue CB LLC	8,701	10	1.28%	-	-	-
HRA Element LLC	-	-	-	36,214	1	14.88%
Atlas Disposal Industries LLC	-	-	-	7,548	5	3.10%
Dimension Properties LLC	-	-	-	5,841	6	2.40%
Kenneth/Susan Catchot Family 2005 Revocable Trust	-	-	-	5,034	7	2.07%
American River Self Storage LP	-	-	-	4,938	8	2.03%
2800 Pico Associates LLC	-	-	-	4,244	9	1.74%
KCMKC Properties, LP/Paul E Fong/MAE Etal	-	-	-	4,061	10	1.67%
Subtotal	492,587		72.74%	110,682		45.49%
All Other Taxpayers	184,591		27.26%	132,639		54.51%
Total	\$ 677,178		100.00%	\$ 243,321		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
 (2) Based on total adjusted 2022-23 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Railyards**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

Assessee	2023			2014		
	Taxable Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Value <sup>(2)</sup>	Taxable Value	Rank	Percentage of Total Taxable Value
Kaiser Foundation Hosps	\$ 35,784	1	26.01%	\$ -	-	-
Sacramento 695 LP	23,503	2	17.08%	-	-	-
Downtown Railyard Venture LLC	20,971	3	15.24%	-	-	-
CFT NV Developments LLC	14,167	4	10.30%	-	-	-
1238 Sutter Street LLC	8,255	5	6.00%	-	-	-
Sims Group USA Corporation	7,488	6	5.44%	-	-	-
Sutter HOJ LP	5,410	7	3.93%	8,812	3	10.41%
Sacramento Co Emp Credit Union	4,973	8	3.61%	4,300	4	5.08%
PDRA/Company LLC	4,378	9	3.18%	3,716	6	4.39%
930 G Street LLC	3,800	10	2.76%	-	-	-
IA Sacramento Development LLC	-	-	-	33,235	1	39.26%
CCAA Partners LLC/Bruce W. Bell/Etal	-	-	-	12,000	2	14.18%
REA Limited Partnership	-	-	-	3,978	5	4.70%
Strumwasser Michael J/Silvia M	-	-	-	3,072	7	3.63%
Mercy Housing CA 47	-	-	-	2,541	8	3.00%
Bowman/Bay Building Joint Venture	-	-	-	2,222	9	2.62%
PLF BLDG LLC	-	-	-	1,670	10	1.97%
Subtotal	128,729		93.56%	75,546		89.24%
All Other Taxpayers	8,867		6.44%	9,108		10.76%
Total	<u>\$ 137,596</u>		<u>100.00%</u>	<u>\$ 84,654</u>		<u>100.00%</u>

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.  
(2) Based on total adjusted 2022-23 Project Area total taxable value.



**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**RDA - All Project Areas**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage	
2014	\$ 42,684	\$ 687	\$ 3,037	\$ 38,960	\$ 24,896	1.56	\$ 5,123	\$ 30,019	1.30	(2)
2015	43,657	649	3,911	39,097	21,937	1.78	9,158	31,095	1.26	
2016	49,142	690	5,766	42,686	11,794	3.62	15,610	27,404	1.56	(3)
2017	53,765	709	1,201	51,855	11,793	4.40	14,059	25,852	2.01	
2018	67,464	823	11,550	55,091	398	138.42	24,270	24,668	2.23	(4)
2019	73,805	867	13,766	59,172	10,423	5.68	15,194	25,617	2.31	(5)
2020	84,030	955	16,751	66,324	683	97.11	15,173	15,856	4.18	(6)
2021	87,253	991	17,657	68,605	18,133	3.78	29,731	47,864	1.43	(7)
2022	92,562	1,023	19,122	72,417	18,133	3.99	6,172	24,305	2.98	(8)
2023	102,291	959	21,721	79,611	17,233	4.62	6,323	23,556	3.38	(9)

**Merged Downtown**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage	
2014	\$ 23,042	\$ 372	\$ 580	\$ 22,090	\$ 16,245	1.36	\$ 4,188	\$ 20,433	1.08	(1)
2015	23,121	350	1,071	21,700	16,242	1.34	4,980	21,222	1.02	
2016	27,081	372	2,415	24,294	11,395	2.13	146	11,541	2.11	(3)
2017	27,978	376	485	27,117	11,395	2.38	146	11,541	2.35	
2018	37,146	451	5,665	31,030	-	-	146	146	212.53	(4)
2019	38,341	459	6,191	31,691	10,025	3.16	43	10,068	3.15	
2020	41,309	481	6,997	33,831	-	-	43	43	786.77	
2021	41,241	478	6,975	33,788	16,965	1.99	43	17,008	1.99	
2022	41,212	468	6,965	33,779	16,965	1.99	-	16,965	1.99	
2023	43,394	418	7,526	35,450	15,815	2.24	-	15,815	2.24	

**Del Paso Heights**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage	
2014	\$ 2,853	\$ 44	\$ 245	\$ 2,564	\$ 1,618	1.58	\$ 230	\$ 1,848	1.39	
2015	3,149	44	337	2,768	1,618	1.71	231	1,849	1.50	
2016	3,190	45	384	2,761	-	-	14	14	197.21	(3)
2017	3,524	45	100	3,379	-	-	14	14	241.36	
2018	3,978	50	638	3,290	-	-	14	14	235.00	
2019	4,406	52	785	3,569	-	-	14	14	254.93	
2020	5,032	57	977	3,998	285	14.03	14	299	13.37	
2021	5,491	61	1,125	4,305	770	5.59	14	784	5.49	
2022	5,831	64	1,235	4,532	770	5.89	-	770	5.89	
2023	6,339	60	1,383	4,896	1,020	4.80	-	1,020	4.80	

## Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(2) Revised to correct total tax increment received.

(3) Various subordinate debts and a majority of the senior debts were refunded in 2015.

(4) 1993 Merged Downtown TABS were paid off in 2018.

(5) Total Debt Service includes \$13,166 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas.

(6) Total Debt Service includes \$21,839 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas.

(7) Total Debt Service includes \$4,221 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas. 2015 Tax Allocation Refunding Bonds, Series B were paid off in 2021.

(8) Total Debt Service includes \$4,022 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Beginning in FY22, total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

(9) Total Debt Service includes \$4,196 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

Source: County of Sacramento, Office of Auditor/Controller

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**Alkali Flat**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 1,028	\$ 16	\$ 9	\$ 1,003	\$ 612	1.64	\$ 461	\$ 1,073	0.93
2015	1,148	16	64	1,068	613	1.74	464	1,077	0.99
2016	1,111	17	67	1,027	-	-	466	466	2.20
2017	1,347	17	26	1,304	-	-	469	469	2.78
2018	1,791	29	317	1,445	-	-	471	471	3.07
2019	2,075	24	424	1,627	-	-	472	472	3.45
2020	2,278	27	496	1,755	-	-	474	474	3.70
2021	2,568	29	603	1,936	-	-	476	476	4.07
2022	2,595	28	614	1,953	-	-	468	468	4.17
2023	2,780	26	674	2,080	-	-	470	470	4.43

**Oak Park**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 4,364	\$ 67	\$ 244	\$ 4,053	\$ 2,752	1.47	\$ 173	\$ 2,925	1.39
2015	4,522	63	385	4,074	2,755	1.48	178	2,933	1.39
2016	4,915	70	613	4,232	-	-	34	34	124.47
2017	5,843	75	176	5,592	-	-	34	34	164.47
2018	6,213	79	1,091	5,043	-	-	34	34	148.32
2019	7,160	84	1,465	5,611	-	-	34	34	165.03
2020	8,079	92	1,777	6,210	-	-	34	34	182.65
2021	8,578	95	1,961	6,522	-	-	34	34	191.82
2022	9,314	101	2,232	6,981	-	-	-	-	0.00
2023	10,375	95	2,592	7,688	-	-	-	-	0.00

**River District**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 1,025	\$ 20	\$ 259	\$ 746	\$ -	-	\$ 646	\$ 646	1.15
2015	1,542	23	280	1,239	-	-	642	642	1.93
2016	1,544	22	288	1,234	-	-	229	229	5.39
2017	1,633	22	29	1,582	-	-	229	229	6.91
2018	1,793	23	338	1,432	-	-	230	230	6.23
2019	2,203	25	428	1,750	-	-	228	228	7.68
2020	2,897	28	614	2,255	-	-	228	228	9.89
2021	3,176	34	704	2,438	-	-	228	228	10.69
2022	3,543	38	810	2,695	-	-	227	227	11.87
2023	4,428	39	1,022	3,367	-	-	226	226	14.90

## Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(2) Revised to correct total tax increment received.

(3) Various subordinate debts and a majority of the senior debts were refunded in 2015.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**North Sacramento**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 2,303	\$ 38	\$ 247	\$ 2,018	\$ 524	3.85	\$ 778	\$ 1,302	1.55
2015	2,689	37	262	2,390	530	4.51	772	1,302	1.84
2016	2,819	40	282	2,497	218	11.45	375	593	4.21
2017	2,951	41	-	2,910	218	13.35	374	592	4.92
2018	3,229	40	323	2,866	218	13.15	377	595	4.82
2019	3,824	45	388	3,391	218	15.56	375	593	5.72
2020	4,754	53	475	4,226	218	19.39	372	590	7.16
2021	5,325	60	532	4,733	218	21.71	374	592	7.99
2022	6,528	68	652	5,808	218	26.64	352	570	10.19
2023	7,218	65	710	6,443	218	29.56	347	565	11.40

**Franklin Boulevard**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 2,414	\$ 38	\$ 189	\$ 2,187	\$ -	-	\$ 99	\$ 99	22.09
2015	952	24	117	811	-	-	99	99	8.19
2016	1,640	23	116	1,501	-	-	41	41	36.61
2017	2,050	25	-	2,025	-	-	41	41	49.39
2018	2,511	30	217	2,264	-	-	41	41	55.22
2019	2,826	33	256	2,537	-	-	41	41	61.88
2020	3,101	36	285	2,780	-	-	41	41	67.80
2021	3,493	39	331	3,123	-	-	41	41	76.17
2022	3,980	42	387	3,551	-	-	-	-	0.00
2023	4,915	44	490	4,381	-	-	-	-	0.00

**Stockton Boulevard**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 1,420	\$ 24	\$ 377	\$ 1,019	\$ 180	5.66	\$ 245	\$ 425	2.40
2015	1,755	24	446	1,285	180	7.14	246	426	3.02
2016	1,933	28	526	1,379	180	7.66	149	329	4.19
2017	2,238	28	65	2,145	180	11.92	149	329	6.52
2018	2,598	33	770	1,795	180	9.97	167	347	5.17
2019	2,966	35	911	2,020	180	11.22	169	349	5.79
2020	3,418	38	1,072	2,308	180	12.82	146	326	7.08
2021	3,892	43	1,247	2,602	180	14.46	148	328	7.93
2022	4,372	47	1,423	2,902	180	16.12	251	431	6.73
2023	4,858	45	1,593	3,220	180	17.89	231	411	7.83

## Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(2) Revised to correct total tax increment received.

(3) Various subordinate debts and a majority of the senior debts were refunded in 2015.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**Army Depot**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 3,200	\$ 50	\$ 643	\$ 2,507	\$ -	-	\$ 735	\$ 735	3.41
2015	3,556	50	699	2,807	-	-	739	739	3.80
2016	3,944	56	847	3,041	-	-	267	267	11.39 (1)
2017	4,579	58	236	4,285	-	-	267	267	16.05
2018	5,428	67	1,376	3,985	-	-	268	268	14.87
2019	6,755	73	1,882	4,800	-	-	266	266	18.05
2020	8,590	94	2,540	5,956	-	-	266	266	22.39
2021	9,002	102	2,692	6,208	-	-	265	265	23.43
2022	10,119	111	3,103	6,905	-	-	242	242	28.53
2023	12,597	115	3,929	8,553	-	-	241	241	35.49

**65th Street**

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt Service	Senior Debt Service Coverage	Subordinate Debt Service	Total Debt Service	Total Debt Service Coverage
2014	\$ 834	\$ 14	\$ 185	\$ 635	\$ -	-	\$ 506	\$ 506	1.25
2015	1,030	14	197	819	-	-	500	500	1.64
2016	1,067	16	228	823	-	-	388	388	2.12 (1)
2017	1,540	19	79	1,442	-	-	388	388	3.72
2018	2,578	29	784	1,765	-	-	387	387	4.56
2019	3,249	37	1,036	2,176	-	-	386	386	5.64
2020	4,572	49	1,518	3,005	-	-	389	389	7.72
2021	4,487	50	1,487	2,950	-	-	387	387	7.62
2022	5,068	56	1,701	3,311	-	-	375	375	8.83
2023	5,387	52	1,802	3,533	-	-	377	377	9.37

Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Sacramento**  
**Full-time Equivalent Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Citywide and community support	23	21	5	5	5	5	5	7	7	7
Community development	163	166	219	227	250	273	288	290	288	315
Community response	-	-	-	-	-	-	-	-	23 <sup>(3)</sup>	38
Convention and cultural services	138	126	120	116	115	115	115	117	124	123
Economic development	11	11	11	12	- <sup>(2)</sup>	-	-	-	-	-
Fire	642	657	674	678	672	681	712	713	718	729
General government	320	325	370	431	512	531	571	576	583	595
General services	367	372	- <sup>(1)</sup>	-	-	-	-	-	-	-
Youth, parks, and community enrichment	577	568	599	683	616	619	702	705	724	717
Police	940	973	1,033	1,052	1,030	1,034	1,070	1,098	1,103	1,129
Public works	406	415	732	725	723	735	736	744	749	766
Utilities	510	522	538	528	546	562	575	570	572	573
<b>Total</b>	<b>4,097</b>	<b>4,156</b>	<b>4,301</b>	<b>4,457</b>	<b>4,469</b>	<b>4,555</b>	<b>4,774</b>	<b>4,820</b>	<b>4,891</b>	<b>4,992</b>

Notes: (1) The Department of General Services has been reallocated to the Departments of Community Development, General Government, and Public Works.  
(2) The Economic Development function was reallocated to the General Government function in FY18.  
(3) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Adult arrests	19,570	18,113	16,778	14,476	13,350	13,975	12,981	12,070	12,842	10,873
Citizen initiated calls for service with officer responses	118,975	141,181	149,275	148,663	152,597	161,914	163,985	153,740	155,159	149,182
<b>Fire</b> <sup>(1)</sup>										
Number of incidents	75,000	80,596	85,742	90,018	92,026	93,836	94,282	99,201	108,924	110,221
Number of structure fires	586	784	756	735	767	998	1,077	1,522	1,199	1,106
Number of construction inspection/reviews	4,761	3,234	4,181	8,268 <sup>(4)</sup>	10,102	9,830	9,967	8,256	9,517	8,854
<b>General services</b>										
Number of animal licenses issued	15,057	8,995	12,016 <sup>(2)</sup>	14,428	23,799	31,507	26,670 <sup>(17)</sup>	17,155 <sup>(17)</sup>	15,976	19,126
Number of animal outplacements	6,167	7,447	8,789	9,248	9,589	8,529	7,488 <sup>(17)</sup>	4,448 <sup>(17)</sup>	6,256	7,076
<b>Public works</b>										
Number of traffic investigations completed	936	678	896	1,001	1,041	613	611	997 <sup>(19)</sup>	1,075	920
Number of parking citations issued	171,066	196,586	192,708	183,326	197,170	200,338	156,387 <sup>(14)</sup>	100,244 <sup>(14)</sup>	113,214	119,807
<b>Convention and cultural services</b>										
Number of Community Convention Center events	378	358	408	430	372	229	38 <sup>(13)</sup>	- <sup>(13)</sup>	174 <sup>(21)</sup>	406 <sup>(23)</sup>
Community Convention Center event attendance	881,253	775,253	744,145	905,733 <sup>(5)</sup>	1,034,980	902,110	155,633 <sup>(13)</sup>	- <sup>(13)</sup>	446,168 <sup>(21)</sup>	531,284 <sup>(23)</sup>
Number of Zoo attendance	512,758	549,407	533,368	500,573	500,535	472,440	357,754 <sup>(15)</sup>	486,707 <sup>(15)</sup>	568,311	488,627
<b>Youth, parks, and community enrichment</b>										
Number of students enrolled in START	5,603	6,897	4,534 <sup>(3)</sup>	2,785 <sup>(6)</sup>	711 <sup>(8)</sup>	477	473	648 <sup>(18)</sup>	1,770 <sup>(20)</sup>	456 <sup>(22)</sup>
Number of students enrolled in 4th R	1,955	2,007	1,863	1,180	2,419 <sup>(9)</sup>	2,250	1,778 <sup>(12)</sup>	160 <sup>(12)</sup>	1,484 <sup>(20)</sup>	1,876
<b>Community development</b>										
Number of building permits issued	13,950	14,002	17,041	18,701	20,582	19,365	18,513	18,556	19,512	19,451
Building permit valuation (in million of dollars)	362	544	778	1,267	1,243	1,809	1,463	1,451	1,351	1,185
Vehicles abated by City	343	356	772	1,644	2,306	2,880	5,325 <sup>(10)</sup>	3,026	3,163	1,955
Notice and orders issued on housing and dangerous buildings	154	279	239	206	382	369	243 <sup>(11)</sup>	177 <sup>(11)</sup>	209	272
<b>Water</b>										
Number of accounts	135,590	134,971	136,130	139,238	140,735	142,831	144,669	145,769	147,150	148,237
Amount distributed/pumped (million of gallons) <sup>(16)</sup>	34,896	29,557	27,324	28,511	30,800	28,478	33,845	30,380	30,130	25,884
<b>Wastewater</b>										
Number of accounts	76,657	76,471	76,849	77,137	77,521	78,125	78,583	78,932	79,114	79,287
Amount distributed/pumped (million of gallons)	10,603	10,605	10,605	10,605	9,025	6,356	6,619	5,754	6,042	6,360
<b>Storm drainage</b>										
Number of accounts	135,834	136,850	137,754	139,198	140,934	142,858	144,168	145,179	146,385	149,005
Amount distributed/pumped (million of gallons) <sup>(7)</sup>	14,585	24,179	20,225	46,964	18,321	33,624	11,247	7,858	18,921	23,987
<b>Solid waste</b>										
Residential garbage disposed (in tons)	109,060	111,140	112,497	118,355	118,437	136,049	129,359	141,185	136,904	127,791

Notes: (1) The threshold for investigation of a fire is \$30,000.  
(2) In FY16, the number of animal licenses issued increased due to the implementation of web licensing.  
(3) In FY16 attendance for the START program decreased due to Elk Grove School District not participating in the program.  
(4) In FY17, the number of construction inspections doubled.  
(5) In FY17, the number of attendance increased due to increase in events held at the center.  
(6) In FY17, the number of students enrolled in START decreased due to the closure of 18 sites (10 Sacramento City Unified School District and 8 Twin Rivers Unified School District sites)  
(7) Amount of storm drainage distributed/pumped is dependent on rainfall.  
(8) In FY18, the number of students enrolled in START decreased due to reduced funding and non renewal of 21st century federal grant.  
(9) In FY18, the number of students enrolled in 4th R Program increased due to the addition of new site, i.e. Paso Verde. An average of 100 participants enrolled monthly at this site.  
(10) In FY20, the number of vehicles abated by City increased significantly due to several reasons: Increase in complaints of abandoned vehicles, staffing of five ACEO's solely dedicated to the removal of abandoned vehicles from street, and the use of dashboards to decrease response time which led to increased productivity.  
(11) In FY20 and FY21, the number of complaints for housing and dangerous buildings declined largely due to COVID-19. Housing and Dangerous building staff were told to be lenient toward property owners, therefore Notice and Orders issued on Housing and Dangerous buildings decreased compared to prior year.  
(12) In FY20 and FY21, the number of students enrolled in 4th R decreased due to sites closing related to COVID-19. During FY21, out of the 19 sites, 6 were open and were only allowed up to 30 children per site due to social distancing.  
(13) In FY20 and FY21, the number of events and attendance at the Convention Center declined due to two reasons. First, the Convention Center is closed for renovation from July 2019-December 2020. Secondly, due to the COVID-19 outbreak in March 2020, no events are being hosted for the foreseeable future. This resulted in a significant impact on the occupancy rate and operating net results.  
(14) In FY20 and FY21, the decrease in the number of parking citations issued was due to business closures during COVID-19.  
(15) In FY20, the decrease in the number of zoo attendance was due to COVID-19. The zoo was completely closed from March 14, 2020 to June 12, 2020, and re-opened with capacity constraints. In FY21, as COVID-19 restrictions started to ease, there was an increase in total zoo attendance.  
(16) The amount of water pumped, treated and delivered to the water distribution system is a function of customer demand for water. There are many factors that cause fluctuation from year to year such as growth in customer base, requests for wholesale delivery of water rather than other neighboring utilities utilizing their own supply, changes in retail demand for water to support commercial activity or indoor retail use, and changes in irrigation practices.  
(17) In FY20 and FY21, there was a decrease in the number of animal licenses issued and the number of animal outplacements due to decreased intake of animals as a result of the COVID-19 pandemic.  
(18) In FY21, the number of students enrolled in START increased due to the change in programming related to COVID-19. Staff was able to support more students as they went into their schools. Additionally, a change in the grant due to COVID, every time staff worked with a child they were able to "count" that child as a participant in the program so the pool of participants was a lot larger (entire student body) rather than the normal MOU of 83 students per site.  
(19) In FY21, the number of traffic investigations completed increased due to several factors: (1) Unlike prior years, all investigative calls were documented in one place. (2) Increased traffic concerns. (3) The increase in bike rack requests/installs are all investigated and work orders are written. (4) Collision reports have more than doubled, and have needed extra help to document.  
(20) In FY22, the increase in the number of students enrolled in START and 4th R was due to students fully returning to in person learning.  
(21) In FY22, after renovation, the Convention Center reopened, thus, there was activity.  
(22) In FY23, the number of students enrolled in START decreased due to several factors: 1) There was decreased workforce and regular school population numbers. 2) Student health and safety concerns still lingering with families reflect COVID-related quarantines. 3) Schools, teachers, families, and students face a cascading set of challenges that have created an adverse school climate, making students less enthusiastic to be there. 4) Widespread bus driver shortages, which has made it harder to get to school. These factors has led to fewer students than usual regularly attending class, according to data emerging from states and school districts.  
(23) In FY23, the increase in the number of events and attendance is due to the fact that in FY22, the Convention center was still operating under post COVID, and not all facilities were open for the entire year.

Source: Various City of Sacramento Departments

**City of Sacramento  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

<b>Function/program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Police</b>										
Number of stations <sup>(1)</sup>	4	4	4	4	4	4	4	4	4	4
<b>Police</b>										
Number of patrol units <sup>(2)</sup>	243	226	231	234	229	190	195	224	236	265
Number of aircraft	4	4	4	4	5	5	5	5	4	4
Number of watercraft	3	2 <sup>(9)</sup>	2	5	4	4	4	4	4	4
<b>Fire</b>										
Number of stations	24	24	24	24	24	24	24	24	24	24
Number of fire suppression, support or prevention vehicles	159	159	162	162	162	162	162	166	153	153
Number of watercraft	NA	1 <sup>(9)</sup>	1	1	6	6	6	6	6	6
<b>Public works</b>										
Miles of streets	3,077	3,059	3,059	3,075	3,062	3,118	3,118	3,118	3,118	3,154
Number of street lights	42,048	42,225	42,627	42,914	43,223	43,438	38,985 <sup>(14)</sup>	39,372	39,604	39,788
Number of City public parking spaces <sup>(3)</sup>	8,484	4,775 <sup>(10)</sup>	4,775	4,775	4,775	4,775	5,489 <sup>(3)</sup>	5,620	5,283	5,635
Number of City leased parking spaces <sup>(11)</sup>	110	519	2,298	2,298	2,298	2,298	2,349	2,298	2,298	2,298
Miles of off-street bikeways	84	57	57	57	88	88	88	78	78	78
<b>Youth, parks, and community enrichment</b>										
Number of parks	222	222	225	227	227	213	220	230	230	235
Park acreage <sup>(5)</sup>	3,161	3,161	3,183	3,177	3,177	3,340	4,265 <sup>(13)</sup>	4,829	4,829	4,331
Number of community centers <sup>(6)</sup>	13	13	13	13	14	14	14	13	13	13
Number of swimming pools (including wading pools)	26	26	27	27	27	27	27	28	28	28
<b>Water</b>										
Miles of water mains and distribution lines <sup>(7)(8)</sup>	1,597	1,727	1,599	1,604	1,607	1,603	1,607	1,616	1,635	1,639
<b>Sewers and storm drainage</b>										
Miles of sanitary sewers and storm drainage	1,951	1,873	1,869	1,876	1,960	1,961	1,967	1,968	1,967	1,981
<b>Off-street parking</b>										
Number of City public garages and open parking lots <sup>(4)</sup>	10	7 <sup>(10)</sup>	7	7	7	7	10	13	12	14
Number of City leased garages and open parking lots <sup>(12)</sup>	1	3	7	7	7	7	8	7	7	7
<b>Golf</b>										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
<b>Marina</b>										
Number of boat harbor slips	475	475	475	475	475	475	475	475	475	475

- Notes: (1) Police stations refer to stations plus police headquarters.  
(2) Patrol units include cars and motorcycles.  
(3) City public parking spaces is defined as only those which are City-owned. From FY2020 onwards, spaces reported includes City-owned lots managed by the Parking division.  
(4) From FY2020 onwards, City public garages and open parking lots includes City-owned lots managed by the Parking division.  
(5) Golf course acreage is not included.  
(6) Neighborhood centers are not included.  
(7) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Service Mains and Hydrant Mains are excluded.  
(8) Does not include miles for private mains and mains owned by other agencies.  
(9) In FY2015, Police Department transfer one of their watercraft to Fire Department.  
(10) The three Plaza garages - Downtown Plaza West, Central, and East were leased to the Kings effective August 2014.  
(11) City leased parking spaces is defined as owned by other organizations leased by the City.  
(12) City leased parking garages, lots and spaces are defined as owned by other organizations leased by the City.  
(13) In FY2020, the increase in park acreage is due to several factors. (1) Refined the park acreages via GIS and now using APN lot sizes. (2) Included golf courses, camp Sacramento, and parkway's acreage. (3) Added a few new parks.  
(14) The decrease in the number of street lights is due a change in the calculation method. In the prior years, engineers counted SMUD/Park lights, which did not match with OneMap. Beginning in FY20 the figure does not include SMUD/Park lights and is consistent with OneMap.



# City of Sacramento

## Miscellaneous Statistics

### Current Fiscal Year and Nine Years Ago

Date of incorporation	1849	
Date of charter	1921	
Date City became State Capitol	1854	
Form of government	Council/Manager	
	<b>2023</b>	<b>2014</b>
Number of budgeted positions	4,992	4,095
Area in square miles	100	99
Altitude in feet	30	20
City of Sacramento facilities and services:		
<b>Police</b>		
Number of stations	4	4
Number of police personnel sworn / civilian (actual)	691/290	643/296
Number of patrol units	265	243
<b>Fire</b>		
Number of stations	24	24
Number of fire personnel sworn / unsworn	650/79.50	580/61
Number of fire protection, support and prevention vehicles	153	159
<b>Utilities</b>		
Miles of water mains and distribution lines <sup>(1)</sup>	1,639	1,597
Annual water production in gallons	26 billion	35 billion
Miles of sanitary sewers and storm drainage	1,981	1,951
<b>Public works</b>		
Miles of streets	3,154	3,077
Number of street lights	39,788	42,048
Number of City managed parking lots / spaces	23/4,767	11/1,974
Miles of off-street bikeways	78	84
Boat harbor slips	475	475
<b>Convention and cultural services</b>		
Golf courses	6	6
Zoo animals <sup>(2)</sup>	397	578
Fairytale town attendance for year	200,092	252,351
Crocker Art Museum attendance for year	187,149	218,649
Community Convention Center attendance for year	531,284	881,253
<b>Youth, parks, and community enrichment</b>		
Parks	235	222
Park acreage <sup>(3)</sup>	4,331	3,161
Camp Sacramento attendance for year	2,267	2,558
Community centers	13	13
Neighborhood centers	4	5
Swimming pools	28	17
Baseball fields <sup>(4)</sup>	88	102
Soccer fields	121	132
Ball courts <sup>(6)</sup>	906	180
<b>Library</b>		
Library branches <sup>(5)</sup>	28	12
Library books and audiovisual recordings in circulation	1,798,935	2,051,606

Notes: (1) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Service Mains and Hydrant Mains are excluded.

(2) Zoo animals number is comprised of animals on-site (either owned by zoo or owned by other entity).

(3) Golf course acreage is not included in this figure.

(4) This includes softball, little league and adult baseball fields.

(5) FY2023 figures include all city and county branches operated by the Sacramento Public Library System. FY2014 figures include only city branches operated by the Sacramento Public Library system.

(6) In FY23, the number is much higher than previous years due to the fact there had not been a consistent process to update the GIS data each time a new amenity or change in amenity had been added to the inventory.

Source: Various City of Sacramento departments and publications