

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2022
CITY OF SACRAMENTO, CALIFORNIA



City of Sacramento

California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

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

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CITY OF SACRAMENTO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS

<i>INTRODUCTORY SECTION (Unaudited)</i>	PAGE
Letter of Transmittal	i
Organization Chart	v
Directory of City Officials	vi
GFOA Certificate	vii
 <i>FINANCIAL SECTION</i>	
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	5
 <i>BASIC FINANCIAL STATEMENTS</i>	
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	26
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	30
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
 <i>REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)</i>	
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, 2022

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, 2022

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, 2022.....	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, 2022	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, 2022

Honorable Mayor and City Council
City of Sacramento, California:

Dear Mayor and Members of the City Council:

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, 2022. 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, 2022. 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 following the independent auditor's report 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, 2022, at 518,037 for the City and 1,576,618 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 governing 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.
- **Successor Agency to the Redevelopment Agency of the City of Sacramento (RASA)** was created to serve as the custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. RASA is reported as a fiduciary component unit.

BUDGET INFORMATION

The City Charter requires that the City Manager submit a proposed budget to the City Council (Council) at least 60 days prior to the start of each fiscal year. Once approved by 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 the budget during the year for transactions up to \$250 thousand without 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 public health emergency related to the global COVID-19 pandemic has presented unprecedented challenges, our local government and healthcare-based economy is expected to continue its economic recovery through 2022. As of June 2022, unemployment for the Sacramento metropolitan area was 3.4% compared to 6.9% a year earlier. The efforts in FY2019/20 to curb the transmission of the COVID-19 virus had a negative impact on the City's revenues. The economy rebounded in FY2020/21 and growth continued into FY2021/22; however, with inflation reaching a decades high rate of over 9% in June 2022, a looming recession could negatively impact future City revenues as early as 2023.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Along with other state and local agencies across the country, the City faced extraordinary budget challenges due to the COVID-19 pandemic. The unprecedented event had a negative effect on the City's revenues and while the City is experiencing a faster recovery than previously anticipated, some revenue streams like parking and Transient Occupancy Taxes (hotel taxes) remain below pre-pandemic levels. The FY2022/23 Operating, and Capital Improvement Program (CIP) Budgets (Approved Budget) were approved on June 14, 2022, and total approximately \$1.4 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, expands Recycling and Solid Waste services and funding to implement the second year of the Fire Department's Diversity Outreach and Recruitment program and includes adjustments required to realize efficiencies and provide the funding necessary to deliver programs and services in the coming fiscal year.

The financial forecasts presented in the FY2022/23 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. In addition, the City 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 (G/MU) Fund reserve level of 10%. Further, the policy includes a goal of achieving and maintaining the value of two months of regular ongoing G/MU Fund expenditures in the reserve. The current EUR balance is \$62 million, which is approximately 8.4% of budgeted FY2022/23 G/MU Fund revenues. The EUR is reported in the ACFR as committed fund balance in the G/MU Fund.

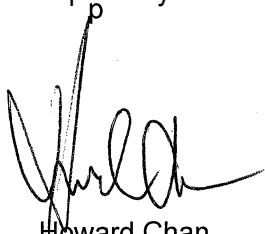
AWARDS AND ACKNOWLEDGEMENTS

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, 2021. This marks the 34th 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



Emily Combs
Finance Director



Osvaldo Lopez
Finance Manager

Organization Chart as of June 30, 2022

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
Emily Combs
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
Maria MacGinial
311 Center
Applications & Data Management
Enterprise Business Systems
Geographic Information Systems
IT Customer Services
Technical Support Services
Technical Administration

Cannabis

Assistant City Manager
Mario Lara
Public Safety

Community Response
Bridgette Dean
Alternative 911 Response
Unsheltered Response and Support

Fire
Leyne Milstein, Acting Chief
Emergency Medical Services
Fire Prevention
Fire Suppression

Police
Kathy Lester, Chief
Operations
Investigations
Specialized Services

Emergency Management

Assistant City Manager
Hector Barron
Municipal Services

Public Works
Ryan Moore
Engineering Services
Facilities/Real Property Management
Fleet Management
Maintenance Services
Parking Services
Sacramento Marina
Solid Waste
Transportation

Utilities
Bill Busath
Business & Integrated Planning
Engineering & Water Resources
Government Affairs
Operations & Maintenance
Public Affairs
Sustainability

Youth, Parks & Community Enrichment (YPCE)
Mario Lara
Community Enrichment
Golf Operations (Contracted)
Park Maintenance/Historic Cemetery
Park Rangers
Planning & Development
Youth Division

Climate Action & Sustainability

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
Jody Ulich
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
Workforce Development
Youth 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, 2022

Darrell Steinberg
Mayor

Angelique Ashby
Vice Mayor, District 1

Jay Schenirer
Councilmember, District 5

Sean Loloee
Councilmember, District 2

Eric Guerra
Mayor Pro Tempore, District 6

Jeff Harris
Councilmember, District 3

Rick Jennings, II
Councilmember, District 7

Katie Valenzuela
Councilmember, District 4

Mai Vang
Councilmember, 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, 2021

Christopher P. Morill

Executive Director/CEO

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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, 2022, 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, 2022, 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 Notes 1 and 6 to the basic financial statements, effective July 1, 2021, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. 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, 2022, 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, 2022

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City of Sacramento

Management's Discussion and Analysis

(Required Supplementary Information - Unaudited)

For the Fiscal Year Ended June 30, 2022

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, 2022. 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 General Fund revenue and other financing sources (uses) exceeded expenditures by \$88 million in fiscal year 2022. This is primarily attributable to tax and intergovernmental revenues in excess of expectation for the year.
- The City's General Fund budgetary expenditures were \$140 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 \$29 million due to the multi-year nature of capital projects. Unspent multi-year project budgets are carried over to the subsequent fiscal year.
- The City's total government-wide net position increased by \$268 million in fiscal year 2022, an 11.4 percent increase.
- The City received \$112 million of American Rescue Plan Act (ARPA) funding over the past two years. 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, 2022, \$21 million of ARPA reinvestment available funding remains after factoring in budgetary encumbrances and carryovers.
- In fiscal year 2022, the City introduced the Department of Community Response (DCR), established to provide an alternative response model for 911 calls that do not require traditional emergency services. The DCR deploys social workers and outreach specialists who are trained to resolve certain crises such as behavioral health, homelessness, youth and family disturbances, school response, and substance use issues.

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, 2022

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, 2022

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.

As of June 30, 2022 and 2021⁽¹⁾
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent Change
	2022	2021	2022	2021	2022	2021	
Current and other assets	\$ 1,307	\$ 1,196	\$ 564	\$ 574	\$ 1,871	\$ 1,770	5.7%
Capital assets	1,875	1,841	1,850	1,821	3,725	3,662	1.7%
Total assets	<u>3,182</u>	<u>3,037</u>	<u>2,414</u>	<u>2,395</u>	<u>5,596</u>	<u>5,432</u>	3.0%
Deferred outflows of resources	190	210	31	30	221	240	-7.9%
Long-term liabilities	1,534	1,836	1,082	1,132	2,616	2,968	-11.9%
Other liabilities	84	140	44	51	128	191	-33.0%
Total liabilities	<u>1,618</u>	<u>1,976</u>	<u>1,126</u>	<u>1,183</u>	<u>2,744</u>	<u>3,159</u>	-13.1%
Deferred inflows of resources	397	141	64	28	461	169	172.8%
Net position							
Net investment in							
capital assets	1,370	1,361	938	1,167	2,308	2,528	-8.7%
Restricted	394	366	48	46	442	412	7.3%
Unrestricted	(407)	(597)	269	1	(138)	(596)	76.8%
Total net position	<u>\$ 1,357</u>	<u>\$ 1,130</u>	<u>\$ 1,255</u>	<u>\$ 1,214</u>	<u>\$ 2,612</u>	<u>\$ 2,344</u>	11.4%

Note (1) FY21 amounts have not been restated for GASB 87 which was implemented in 2022.

Analysis of net position

As noted in the financial highlights, total net position of the primary government increased by \$268 million in fiscal year 2022. Total assets increased \$164 million and total liabilities decreased \$415 million. Deferred outflows of resources decreased \$19 million and deferred inflows of resources increased \$292 million.

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

Governmental activities

Current and other assets increased \$111 million primarily due to increases in cash and receivables. Cash increased by \$49 million in the governmental funds from higher-than-expected tax revenue and unspent ARPA reinvestment funding. Receivables increased \$58 million primarily due to \$32 million of new lease receivables with the implementation of GASB Statement No. 87 and \$18 million of new housing and Cannabis CORE loans issued in the current year.

Capital assets of governmental activities increased \$34 million primarily due to continuing development and improvements. Capital asset additions include the Greenbriar Community Facilities District project, North Natomas Community Center and Aquatics Complex, Meadowview land purchase, and Fire Station 14 projects. 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, 2022

Deferred outflows of resources decreased \$20 million primarily due to a \$24 million decrease in deferred outflows related to pensions, partially offset by a \$4 million increase in deferred outflows related to OPEB. The decrease in deferred outflows related to pensions was mainly driven by a decrease in net differences between projected and actual earnings, offset partially by an increase in deferred outflows for pension contributions subsequent to the measurement date. More detailed information about pension and OPEB plans is presented in Notes 8 and 9 to the financial statements.

Long-term liabilities decreased \$302 million primarily due to a \$295 million decrease in net pension liability, \$42 million decrease in net OPEB liability, and \$15 million of principal payments on existing debt obligations and amortization of bond premiums. Both net pension and OPEB liabilities decreased due to better than expected investment earnings during the measurement year. This was offset partially by a \$33 million increase in financing plan fee credits and \$11 million increase in accrued claims and judgments related to the City's Risk Management Internal Service Fund. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Other liabilities decreased \$56 million due to recognition of \$56 million of revenue related to ARPA funding that was previously unearned.

Deferred inflows of resources increased \$256 million primarily due to a \$215 increase in deferred inflows related to pensions. The increase in deferred inflows related to pensions was mainly driven by an increase in deferred inflows for net differences between projected and actual earnings. There was also \$31 million of new deferred inflows related to leases with the implementation of GASB Statement No. 87 this fiscal year. More detailed information about leases and pension plans is presented in Notes 6 and 8 to the financial statements.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased \$28 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 decreased \$10 million primarily due to spending down of 2013 Water revenue bond, 2018 Transient Occupancy Tax (TOT) revenue bond, and 2019 Wastewater revenue bond proceeds received in previous years, offset partially by cash provided by operational activities.

Capital assets increased \$29 million due to capital asset additions including the Convention Center expansion, Community Center Theater Renovation, Pump outfall replacements, and McKinley Park Combined Sewer System Storage project, offset by current year depreciation. More detailed capital asset information is presented in Note 4 to the financial statements.

Long-term liabilities decreased \$50 million primarily due to a \$34 million decrease in net pension liability, \$6 million decrease in net OPEB liability, and \$32 million of principal payments on existing debt obligations and amortization of bond premiums. This was offset partially by an increase of \$23 million of the Drinking Water State Revolving Fund Note Payable. More detailed information is presented in Note 7 to the financial statements.

Deferred inflows of resources increased \$36 million primarily due to a \$24 million increase in deferred inflows related to pensions. The increase in deferred inflows related to pensions was mainly driven by an increase in deferred inflows for net differences between projected and actual earnings. There was also \$11 million of new deferred inflows related to leases with the implementation of GASB Statement No. 87 this fiscal year. More detailed information about leases and pension plans is presented in Notes 6 and 8 to the financial statements.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

City of Sacramento							
Changes in Net Position							
For the Fiscal Years Ended June 30, 2022 and 2021 ⁽¹⁾							
(in millions)							
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		
	2022	2021	2022	2021	2022	2021	Percent
							Change
Revenues							
Program revenues:							
Charges for services	\$ 213	\$ 181	\$ 328	\$ 313	\$ 541	\$ 494	9.5%
Operating grants and contributions	234	186	2	1	236	187	26.2%
Capital grants and contributions	111	142	17	18	128	160	-20.0%
General revenues:							
Property taxes	211	198	-	-	211	198	6.6%
Utility users tax	66	62	-	-	66	62	6.5%
Local sales taxes	133	117	-	-	133	117	13.7%
Other taxes	61	55	27	16	88	71	23.9%
Unrestricted:							
Sales taxes shared state revenue	115	99	-	-	115	99	16.2%
Investment earnings (loss)	(28)	5	(24)	-	(52)	5	-1140.0%
Miscellaneous	15	12	-	-	15	12	25.0%
Total revenues	1,131	1,057	350	348	1,481	1,405	5.4%
Expenses							
General government	228	260	-	-	228	260	-12.3%
Police	215	234	-	-	215	234	-8.1%
Fire	165	192	-	-	165	192	-14.1%
Public works	116	116	-	-	116	116	0.0%
Convention and cultural services	21	18	-	-	21	18	16.7%
Youth, parks, community enrichment	68	57	-	-	68	57	19.3%
Community development	64	71	-	-	64	71	-9.9%
Community response	11	-	-	-	11	-	N/A
Library	23	22	-	-	23	22	4.5%
Interest on long-term debt	19	21	-	-	19	21	-9.5%
Water	-	-	102	103	102	103	-1.0%
Wastewater	-	-	31	32	31	32	-3.1%
Storm drainage	-	-	41	41	41	41	0.0%
Solid waste	-	-	63	64	63	64	-1.6%
Community center	-	-	29	25	29	25	16.0%
Parking	-	-	11	12	11	12	-8.3%
Child development	-	-	6	3	6	3	100.0%
Total expenses	930	991	283	280	1,213	1,271	-4.6%
Revenue over (under) expenses	201	66	67	68	268	134	100.0%
Transfers	26	19	(26)	(19)	-	-	-
Change in net position	227	85	41	49	268	134	100.0%
Net position, beginning of year	1,130	1,045	1,214	1,165	2,344	2,210	6.1%
Net position, end of year	\$ 1,357	\$ 1,130	\$ 1,255	\$ 1,214	\$ 2,612	\$ 2,344	11.4%

Note (1) FY21 amounts have not been restated for GASB 87 which was implemented in 2022.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

Analysis of the changes in net position

Total government-wide revenues of the primary government increased \$76 million, a 5.4 percent increase compared to the prior fiscal year, and total expenses decreased \$58 million, a 4.6 percent decrease compared to the prior fiscal year. These changes are discussed in more detail below.

Governmental activities

Total revenues for governmental activities increased \$74 million, a 7 percent increase compared to the prior fiscal year. Total expenses decreased \$61 million, a 6.2 percent decrease 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 community center and parking program support transferred out from the General Fund.

Revenue

Charges for services revenue increased by \$32 million during fiscal year 2022 compared to fiscal year 2021. The main contributors to the increase were fire and public works activities. Fire charges for services increased \$8 million primarily due to increases in fire district reimbursements and Advanced Life Support (ALS) first responder and transportation services provided. Public works charges for services increased \$13 million primarily due to an increase in on-street parking meter revenues and related parking citations and penalties as the Downtown area continues to recover from the COVID-19 pandemic.

Operating grants and contributions revenue increased \$48 million primarily due to funding the City received for the ARPA program and Sacramento Emergency Rental Assistance program.

Capital grants and contributions decreased by \$31 million during fiscal year 2022 compared to fiscal year 2021. This was mainly due to a decrease in revenue associated with special tax bond issuances. In fiscal year 2022, \$3 million of Community Facilities District (CFD) special tax bonds were issued, compared to \$46 million in fiscal year 2021.

Property tax revenue increased \$13 million due to continued increases in Sacramento area commercial and residential real estate property assessed valuations.

Sales taxes, net of increase in state shared sales tax revenue, increased \$32 million due to a rise in local spending.

The increase in revenue is offset by a net decrease of \$33 million in investment earnings mainly attributable to a decrease in the fair value of Pool A investment holdings from the prior year. The cost of Pool A investment holdings exceeded the fair value by \$69 million as of June 30, 2022. This loss was allocated among governmental and business-type activities, with a small portion allocated to non-City Pool A participants as well.

Expenses

Total governmental activities expenses decreased \$61 million primarily due to decreases in department functional expenses. General government expenses decreased \$32 million as less general government programs were funded by grants in comparison to the prior year. Police and Fire expenses decreased a combined \$46 million mainly due to pension expense associated with the net pension liability adjustment. Community development expenses decreased \$7 million due to the timing of community development projects within the City's Capital Projects Funds and associated special tax bond issuances. These decreases were offset by an \$11 million increase in youth, parks, and community enrichment expense as facilities began to open and operate closer to pre-COVID levels and an \$11 million increase in community response expense as the DCR was introduced in fiscal year 2022.

Business-type activities

Total revenues for business-type activities increased \$2 million, a 0.6 percent increase compared to the prior fiscal year. Total expenses for business-type activities increased \$3 million, a 1.1 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 community center and parking program support received from the General Fund.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

Revenue

Charges for services increased \$15 million primarily due to an increase in Community Center revenue. The Community Center was closed for reconstruction in the prior year. All Community Center facilities were reopened during fiscal year 2022. There was also an increase in parking and child development fees as both continue to rebound from the economic effects of COVID-19.

Other tax revenue increased \$11 million due to an increase in TOT revenue as travel and hotel occupancy are on the rise.

The increase in revenue is offset by a net decrease of \$24 million in investment earnings due mainly to a decrease in the fair value of Pool A investment holdings from the prior year

Expenses

Community Center expenses increased \$4 million as operations expanded with the reopening of Community Center facilities in fiscal year 2022.

Child development expenses increased by \$3 million primarily due to staff and operating costs as all 4th R sites and summer camps reopened in fiscal year 2022.

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 increased \$68 million compared to the prior fiscal year. Total expenditures increased \$31 million compared to the prior fiscal year. Net other financing sources increased \$42 million compared to the prior fiscal year. These changes are discussed in more detail below.

General Fund

Total General Fund revenue increased \$41 million compared to the prior fiscal year. Tax revenues increased by \$36 million primarily due to an increase in property taxes associated with an increase in the assessed value of properties and sales and use tax associated with the growth of retail and e-commerce sales. Intergovernmental revenue increased by \$4 million primarily due to \$3 million in one-time revenue associated with the dissolution of the Solid Waste Authority. Charges for services and fines, forfeitures, and penalties increased by a combined \$17 million due to the increase in franchise fees, reimbursements for Advanced Life Support services, and parking revenues as City activities continue to rebound from COVID-19. These increases are offset by a decrease in interest, rents, and concessions of \$15 million, driven by the fair value adjustment related to the General Fund's share of Pool A holdings.

Total General Fund expenditures decreased \$32 million compared to the prior fiscal year. Expenditures in Police and Fire departments decreased \$35 million in total mainly due to the use of operating grant funds for public safety payroll costs. Youth, parks, and community enrichment decreased \$20 million, convention and cultural services decreased \$4 million, community development decreased \$4 million, and library decreased \$12 million as a majority of these operations are now funded by the Measure U Fund beginning this fiscal year. These decreases were offset by increases in general government, citywide and community support, and capital outlay expenditures. General government and citywide and community expenditures increased \$12 million primarily due to labor, OPEB, and pension cost increases. Capital outlay increased by \$23 million. The General Fund's largest capital outlay expenditures during the fiscal year consisted of land purchased in Meadowview to be used as a site for homeless services, expenditures for Fire Station #14 and fire apparatus, and construction of the North Natomas Community Center and Aquatics Complex.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

General Fund Budgetary Highlights

As part of the approved fiscal year 2022 Budget, General Fund and Measure U expenditures were realigned to better reflect spending priorities and provide additional transparency. This realignment resulted in moving the majority of funding from public safety programming from Measure U to the General Fund and redirecting Measure U funding to the following programs and services: affordable housing, arts, climate action, community investment, community response, homelessness, inclusive economic development, library, and youth. The City Council revised the budget throughout the fiscal year with midyear revenue and appropriation adjustments, changes made to appropriations for the use of committed fund balance, and other revenue and appropriation adjustments after the original budget was adopted.

After accounting for these budget adjustments, General Fund revenues were \$21 million higher than final budgeted amounts. Collection of various taxes exceeded the budget by \$27 million primarily due to increases in property taxes and sales and use taxes. Intergovernmental revenue exceeded budget by \$7 million primarily due to reimbursements received by the City's Fire Department from the federal government and other fire districts. Charges for services exceeded the budget by \$4 million primarily due to commercial solid waste franchise fees. These positive variances with final budget amounts are offset by interest, rents, and concessions coming in lower than final budgeted amounts by \$19 million due to the fair value adjustment for Pool A investment holdings.

General Fund budgetary expenditures were \$140 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 \$29 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.

Measure U Fund

Measure U Fund revenue and expenditures increased by \$12 million and \$13 million, respectively. Tax revenue increased \$16 million due to retail and e-commerce sales growth and was partially offset by a decrease of \$4 million in interest revenue due to the fair value adjustment related to its share of Pool A investment holdings. During the fiscal year, use of Measure U resources on police and fire decreased by \$52 million, while use of resources towards general government, public works, convention and culture services, youth, parks, and community enrichment services, community development, community response, and citywide support increased by \$63 million due to the budget realignment mentioned above. During the fiscal year, the Measure U Fund transferred \$3 million to the Economic Development Special Revenue Fund to provide resources for the Step Up Housing Development project.

2015 Golden 1 Center Lease Revenue Bond Fund

2015 Golden 1 Center Lease Revenue Bond Fund revenue and expenditures both decreased by \$1 million. Transfers in decreased by \$2 million as there was a one-time transfer from the General Fund in the prior year to increase the liquidity reserve for the 2015 Golden 1 Center Lease Revenue Bond Fund.

Operating Grants Fund

Operating Grants Fund revenue and expenditures increased by \$55 million and \$45 million, respectively. The increase in revenue is primarily due to \$112 million increase in ARPA revenue and \$22 million increase in Sacramento Emergency Rental Assistance Program revenue, offset partially by an \$82 million decrease in CARES Act revenue. The increase in expenditures is primarily due to a \$17 million increase in expenditures related to COVID-19 response, \$32 million increase related to the Sacramento Emergency Rental Assistance Program, and \$4 million increase related to homeless housing assistance and prevention, offset by a \$13 million decrease in expenditures for the Whole Person Care program.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

Other Governmental Funds

Other governmental fund revenues decreased by \$39 million primarily due to a decrease of \$45 million in revenues for capital projects funds. The decrease in capital projects funds revenue is primarily due to the following:

- \$44 million decrease in the Special Districts Fund mainly due to the difference in special tax bonds issued. \$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. \$47 million of total revenue was recognized in fiscal year 2021 with the issuance of McKinley Village CFD 2015-04, Series 2020 and Greenbriar CFD 2018-03 Improvement Area No. 1, Series 2021 Special Tax Bonds.
- \$10 million decrease in the Capital Grants Fund primarily due to decreases in revenues associated with the construction of the North Natomas Community Center and Aquatics Complex and Meadowview Navigation Center, and the Railyards Green Street Urban Grant.
- \$6 million increase in the Financing Plans Fund primarily due to adjustments to the Railyards On-Site Infrastructure Credits Trust Account for improvements that became the financial responsibility of the developer.

Other governmental fund expenditures increased by \$6 million primarily due to an increase of \$10 million in expenditures for capital projects funds. The increase in capital projects funds expenditures is primarily due to the following:

- \$42 million increase in the Financing Plans Fund primarily due to increases in expenditures for community development and capital outlay and the redemption of Park Development and North Natomas financing plan fee credits.
- \$21 million decrease in the Special Districts Fund primarily due to a decrease in expenditures related to Greenbriar Improvement Area 1 and McKinley Village CFDs.
- \$9 million decrease in the Capital Grants Fund primarily due to a decrease in North Natomas Community Center and Aquatics Complex construction expenditures.

There was also a \$4 million decrease in expenditures for debt service funds. This decrease was related to the final payoff of the 1993 Series A and B bonds occurring in the prior fiscal year.

\$52 million of financing plan fee credits were issued in fiscal year 2022, in comparison to \$11 million in fiscal year 2021. \$40 million of Delta Shores financing plan fee credits were issued in the current year. More detailed fee credit information is presented in Note 7 to the financial statements.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

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 \$14 million and operating expenses increased \$2 million compared to the prior fiscal year. Net nonoperating expenses increased \$12 million and capital contributions decreased \$7 million compared to the prior fiscal year. These changes are discussed in more detail below.

Water Fund

Water Fund operating revenues decreased \$7 million primarily due to \$4 million in one-time water sales from groundwater transfers in fiscal year 2021 and a decrease of \$3 million in utility service charges. Operating expenses decreased \$2 million primarily due to a \$5 million decrease in pension expense that fluctuates due to a variety of actuarial factors affecting net pension liability, and a decrease of \$2 million in services and supplies related to a decrease in vehicle replacements and land and water rights for water transfers. Net nonoperating expenses increased \$15 million primarily due to the fair value adjustment related to the Water Fund's share of Pool A investment holdings. Capital contributions decreased \$2 million. Current year capital contributions were associated with East Commerce Way, the Core/River Oaks, and Twin Rivers Development projects.

Wastewater Fund

Wastewater expenses decreased \$2 million due to a decrease in vehicle replacement charges as fleet orders were temporarily put on hold due to supply chain shortages and cost inflation. Wastewater net nonoperating expenses increased \$4 million primarily due to the fair value adjustment related to the Wastewater Fund's share of Pool A investment holdings. Developer fees and capital contributions decreased \$3 million.

Storm Drainage Fund

Net nonoperating expenses increased by \$3 million in the current year primarily due to the fair value adjustment related to the Storm Drainage Fund's share of Pool A investment holdings.

Solid Waste Fund

Solid Waste Fund operating revenues increased \$3 million primarily due to an increase in service accounts with the addition of new development and homes.

Community Center Fund

Community Center Fund operating revenues increased \$10 million and operating expenses increased by \$5 million. Operations in the previous year were heavily impacted by the temporary closure of the Convention Center Complex for renovations and cancellations of various events due to COVID-19. All Community Center facilities were open for events during fiscal year 2022, which led to a \$3 million increase in user fees and charges and a \$7 million increase in rents and concessions. Net nonoperating revenue increased by \$10 million primarily due to an increase in TOT revenue of \$11 million. The increase in TOT revenue is a result of increased hotel stays and travel due to the easing of restrictions in relation to the pandemic.

Other Enterprise Funds

Other Enterprise Funds consist of the activities of the City's Parking and 4th R Child Development Funds. Total operating revenues increased by \$7 million due to the reopening of all 4th R sites in August 2021. These sites were previously closed during fiscal year 2021. Additionally, events have resumed in Downtown Sacramento resulting in increased event parking revenue. Net transfers in decreased by \$5 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, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, 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 \$199 million were offset by current year depreciation/amortization expense of \$136 million, resulting in a net increase in capital assets of \$63 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated						
Land	\$ 220	\$ 203	\$ 49	\$ 48	\$ 269	\$ 251
Easements	2	2	-	-	2	2
Construction in progress	270	224	445	665	715	889
Depreciable capital assets:						
Buildings and improvements	412	418	284	165	696	583
Equipment	12	15	105	24	117	39
Software	1	2	9	10	10	12
Vehicles	94	90	-	-	94	90
Transmission and distribution system	4	4	956	909	960	913
Roadway network	547	572	-	-	547	572
Streetlight network	173	169	-	-	173	169
Parks and park improvements	138	142	-	-	138	142
Leased assets, net	2	-	2	-	4	-
Total capital assets	<u>\$ 1,875</u>	<u>\$ 1,841</u>	<u>\$ 1,850</u>	<u>\$ 1,821</u>	<u>\$ 3,725</u>	<u>\$ 3,662</u>

This year's major capital asset additions include:

- \$183 million for the Treatment Plant Rehabilitation Design Project,
- \$32 million for the East Sacramento Water Meter Replacement Project,
- \$31 million for the McKinley Park Combined Sewer System Storage Project,
- \$24 million for the River Park Water Meter Replacement Project,
- \$12 million for the 100 Acres in Meadowview Project,
- Other capital project additions in progress including the Broadway/Alhambra Navigation Center Project, Sacramento Northern Parkway Bike Trail Project, Federal Downtown Controller Project, and Combined Sewer System Replacement 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 \$106 million in commitments for contracts awarded but not completed as of June 30, 2022. The major contracts outstanding are \$4 million for installation of motor-controlled valves and drainage system as part of the Ground Water Flush-to-Waste project; \$3 million for AWMP installations tracking and investigation and contract compliance; \$3 million for Hope Cooperative outreach services within the Department of Community Response; \$3 million for providing support to businesses affected by COVID-19; \$3 million for the operation of Outreach and Engagement Center for providing respite resources for the most vulnerable members of the community; \$3 million for Oak Park Broadway development; \$2 million for support services and public outreach for the Sacramento River Water Treatment Plant Expansion Project; \$2 million for assisting La Familia Counseling Center with property acquisition, site readiness work and overall project support; and \$17 million for the purchase of vehicles, primarily for the replacement of refuse trucks and garbage trucks.

During fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*, which introduced the recognition of right-to-use leased assets as capital assets. The City leases various land sites, buildings, and equipment valued at \$4 million, net of accumulated amortization as of June 30, 2022.

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

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2022

Long-term Debt

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

City of Sacramento						
Outstanding Debt						
As of June 30, 2022 and 2021						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2022	2021	2022	2021	2022	2021
Revenue and other bonds, net	\$ 460	\$ 475	\$ 794	\$ 822	\$ 1,254	\$ 1,297
Notes payable	17	17	143	124	160	141
Total outstanding debt	<u>\$ 477</u>	<u>\$ 492</u>	<u>\$ 937</u>	<u>\$ 946</u>	<u>\$ 1,414</u>	<u>\$ 1,438</u>

Total outstanding debt for governmental activities decreased \$15 million due to principal payments on existing obligations and amortization of bond premiums.

Total outstanding debt for business-type activities decreased \$9 million mainly due to \$32 million of principal payments on existing obligations and amortization of bond premiums, offset by the addition of \$23 million to the Drinking Water State Revolving Fund Note.

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, 2022, as determined by S&P Global Ratings (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings (Fitch):

Bond issues:	<u>S & 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, 2022

The City's issuer credit rating as of June 30, 2022 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 full impact of the COVID-19 pandemic has continued to create economic uncertainty for the foreseeable future. With restrictions loosening and an increase in vaccination rates, the City remains cautiously optimistic about an impending economic recovery. However, in this transition to post-pandemic life, the City still faces significant financial challenges. Housing demand remains higher than supply in the region as Bay Area residents continue to look for cheaper housing alternatives. 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 2023 are \$596.4 million, an increase of 6.1 percent compared to the fiscal year 2022 approved budget. In addition to the allocation of resources for several priority initiatives, the approved budget appropriations include an \$11 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 2023 based on strategic use of one-time, fiscal year 2023 department savings, 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>.

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Government-wide Financial Statements

City of Sacramento
Statement of Net Position
June 30, 2022
(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 889,601	\$ 396,813	\$ 1,286,414
Receivables, net	361,999	68,136	430,135
Internal balances	5,031	(5,031)	-
Inventories	-	1,591	1,591
Prepaid items	17,139	233	17,372
Restricted cash and investments	32,993	102,418	135,411
Intangible assets	-	112	112
Land and other capital assets not being depreciated/amortized	492,307	494,097	986,404
Other capital assets, net of depreciation/amortization	1,382,779	1,356,000	2,738,779
Total assets	3,181,849	2,414,369	5,596,218
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	2,417	9,902	12,319
Pensions	162,530	17,375	179,905
OPEB	24,567	3,464	28,031
Total deferred outflows of resources	189,514	30,741	220,255
LIABILITIES			
Payables	78,830	39,828	118,658
Unearned revenue	5,534	3,923	9,457
Long-term liabilities:			
Due within one year	57,812	33,908	91,720
Due in more than one year	1,475,467	1,048,635	2,524,102
Total liabilities	1,617,643	1,126,294	2,743,937
DEFERRED INFLOWS OF RESOURCES			
Service concession arrangement	6,492	-	6,492
Gain on refunding of debt	-	353	353
Pensions	254,174	35,964	290,138
OPEB	105,366	17,002	122,368
Leases	30,957	10,559	41,516
Total deferred inflows of resources	396,989	63,878	460,867
NET POSITION			
Net investment in capital assets	1,370,530	937,751	2,308,281
Restricted for:			
Capital projects	223,243	45,942	269,185
Debt service	907	-	907
Public works programs	35,497	-	35,497
Economic development programs	55,545	-	55,545
Other programs	67,600	2,594	70,194
Trust and endowments:			
Expendable	10,249	-	10,249
Nonexpendable	578	-	578
Unrestricted	(407,418)	268,651	(138,767)
Total net position	\$ 1,356,731	\$ 1,254,938	\$ 2,611,669

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, 2022
(in thousands)

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Operating Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:						
Governmental activities:						
General government	\$ 248,447	\$ (20,292)	\$ 30,628	\$ 84,733	\$ 51	\$ (112,743)
Police	214,867	-	12,626	71,620	598	(130,023)
Fire	165,526	-	54,968	48,604	-	(61,954)
Public works	116,113	-	55,885	16,349	64,663	20,784
Convention and cultural services	21,421	-	10,901	1,653	3,056	(5,811)
Youth, parks, and community enrichment	67,602	-	12,470	1,343	11,316	(42,473)
Community development	64,151	-	35,516	1,215	31,277	3,857
Community response	10,703	-	-	-	-	(10,703)
Library	23,304	-	-	8,777	-	(14,527)
Interest on long-term debt	18,800	-	-	-	-	(18,800)
Total governmental activities	950,934	(20,292)	212,994	234,294	110,961	(372,393)
Business-type activities:						
Water	94,640	6,906	136,613	552	7,056	42,675
Wastewater	27,827	3,001	44,327	65	3,990	17,554
Storm drainage	38,388	2,850	41,901	25	6,116	6,804
Solid waste	58,632	4,596	76,221	1,099	-	14,092
Community center	27,717	1,739	10,140	-	-	(19,316)
Parking	9,475	1,200	13,977	-	-	3,302
Child development	5,626	-	4,356	123	-	(1,147)
Total business-type activities	262,305	20,292	327,535	1,864	17,162	63,964
Total primary government	\$ 1,213,239	\$ -	\$ 540,529	\$ 236,158	\$ 128,123	\$ (308,429)

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, 2022

(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	\$ (372,393)	\$ 63,964	\$ (308,429)
General revenues:			
Taxes:			
Property taxes	211,331	-	211,331
Utility user taxes	65,461	-	65,461
Local sales tax	133,255	-	133,255
Property transfer tax	19,372	-	19,372
Business operations tax	33,334	-	33,334
Transient occupancy tax	5,366	26,843	32,209
Other taxes	2,585	-	2,585
Unrestricted sales taxes shared state revenue	115,260	-	115,260
Unrestricted investment loss	(27,883)	(24,014)	(51,897)
Unrestricted miscellaneous	15,304	-	15,304
Transfers	25,995	(25,995)	-
Total general revenues and transfers	599,380	(23,166)	576,214
Changes in net position	226,987	40,798	267,785
Net position, beginning of year	1,129,744	1,214,140	2,343,884
Net position, end of year	\$ 1,356,731	\$ 1,254,938	\$ 2,611,669

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

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Fund Financial Statements

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City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2022
(in thousands)

	General Fund	Measure U Fund	2015 Golden 1 Center Lease Revenue Bond Fund
ASSETS			
Cash and investments held by City	\$ 314,185	\$ 70,946	\$ 8,523
Cash and investments held by fiscal agent	-	-	-
Receivables, net:			
Taxes	33,309	23,664	-
Accounts	28,454	75	1,928
Loans	1,873	-	136,971
Intergovernmental	4,224	-	-
Leases	28,936	-	-
Interest	1,204	205	31
Prepaid items	1,767	1,049	-
Restricted assets:			
Cash and investments held by City	-	-	-
Cash and investments held by fiscal agent	-	-	16,797
Total assets	\$ 413,952	\$ 95,939	\$ 164,250
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 21,065	\$ 4,607	\$ -
Accrued payroll	20,477	1,534	-
Accrued claims and judgments	34	-	-
Due to other funds	-	-	-
Deposits	119	-	-
Unearned revenue	974	-	-
Advances from other funds	1,873	-	-
Total liabilities	44,542	6,141	-
Deferred inflows of resources:			
Unavailable revenue	13,496	-	136,971
Leases	27,904	-	-
Total deferred inflows of resources	41,400	-	136,971
Fund balances:			
Nonspendable:			
Prepaid items	1,767	1,049	-
Leases	1,032	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	-	-	-
Debt service	-	-	16,797
Public works programs	-	-	-
Economic development programs	-	-	-
Other programs	-	-	-
Committed:			
Economic uncertainty	61,310	1,046	-
Capital projects	50,410	18,385	-
Debt service	-	-	10,451
Fire programs	8,426	-	-
Housing trust fund	1,000	904	-
OPEB	5,727	289	-
Set-aside for FY23 Budget	20,891	1,971	-
Other programs	133,367	66,154	-
Assigned:			
Debt service	-	-	31
Unassigned	44,080	-	-
Total fund balances	328,010	89,798	27,279
Total liabilities, deferred inflows of resources and fund balances	\$ 413,952	\$ 95,939	\$ 164,250

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

City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2022
(in thousands)

	Operating Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments held by City	\$ 22,495	\$ 339,486	\$ 755,635
Cash and investments held by fiscal agent	-	2	2
Receivables, net:			
Taxes	-	6,104	63,077
Accounts	271	15,065	45,793
Loans	-	19,266	158,110
Intergovernmental	18,489	26,548	49,261
Leases	-	3,093	32,029
Interest	-	325	1,765
Prepaid items	9,218	-	12,034
Restricted assets:			
Cash and investments held by City	-	11,111	11,111
Cash and investments held by fiscal agent	-	5,085	21,882
Total assets	\$ 50,473	\$ 426,085	\$ 1,150,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,082	\$ 12,576	\$ 42,330
Accrued payroll	-	48	22,059
Accrued claims and judgments	-	-	34
Due to other funds	-	1,657	1,657
Deposits	297	2,736	3,152
Unearned revenue	54	4,278	5,306
Advances from other funds	-	5,971	7,844
Total liabilities	4,433	27,266	82,382
Deferred inflows of resources:			
Unavailable revenue	17,760	30,419	198,646
Leases	-	3,053	30,957
Total deferred inflows of resources	17,760	33,472	229,603
Fund balances:			
Nonspendable:			
Prepaid items	9,218	-	12,034
Leases	-	40	1,072
Permanent fund principal	-	578	578
Restricted:			
Capital projects	-	241,218	241,218
Debt service	-	4,832	21,629
Public works programs	-	21,293	21,293
Economic development programs	-	55,545	55,545
Other programs	36,822	29,133	65,955
Committed:			
Economic uncertainty	-	-	62,356
Capital projects	-	795	69,590
Debt service	-	1,351	11,802
Fire programs	-	-	8,426
Housing trust fund	-	-	1,904
OPEB	-	1	6,017
Set-aside for FY23 Budget	-	-	22,862
Other programs	-	20,238	219,759
Assigned:			
Debt service	-	1,986	2,017
Unassigned	(17,760)	(11,663)	14,657
Total fund balances	28,280	365,347	838,714
Total liabilities, deferred inflows of resources and fund balances	\$ 50,473	\$ 426,085	\$ 1,150,699

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

City of Sacramento

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

(in thousands)

Fund balances - total governmental funds \$ 838,714

Amounts reported for governmental activities in the statement of net position are different because:

Revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds. 198,646

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. 188

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:

Governmental capital assets	3,541,726	
Less: accumulated depreciation/amortization	<u>(1,760,028)</u>	
		1,781,698

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	(5,068)
------------------	---------

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	160,769	
Deferred outflows related to OPEB	24,129	
Deferred inflows related to pensions	(249,338)	
Deferred inflows related to OPEB	(103,165)	
Loss on refunding of debt	<u>2,417</u>	
		(165,188)

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	(46,164)	
Accrued claims and judgments	(4,804)	
Financing plan fee credits	(70,548)	
Net pension liability	(648,059)	
Net OPEB liability	(156,962)	
Pollution remediation obligations	(596)	
Revenue and other bonds payable, net	(459,585)	
Notes payable	(16,702)	
Lease liabilities	<u>(1,621)</u>	
		(1,405,041)

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.

112,782

Net position of governmental activities

\$ 1,356,731

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

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City of Sacramento
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(in thousands)

	General Fund	Measure U Fund	2015 Golden 1 Center Lease Revenue Bond Fund
Revenues:			
Taxes	\$ 439,558	\$ 133,255	\$ -
Intergovernmental	24,335	-	-
Charges for services	113,565	-	-
Fines, forfeits, and penalties	10,057	-	-
Interest, rents, and concessions	(14,530)	(3,769)	265
Community service fees	-	-	-
Assessment levies	483	-	-
Contributions and donations	37	-	-
Miscellaneous	653	-	-
Total revenues	574,158	129,486	265
Expenditures:			
Current:			
General government	65,855	11,504	-
Police	147,890	4,087	-
Fire	122,548	8,230	-
Public works	14,615	3,424	-
Convention and cultural services	1,485	4,779	-
Youth, parks, and community enrichment	1,653	37,292	-
Community development	30,471	8,410	-
Community response	6,141	4,305	-
Library	-	13,572	-
Utilities	3,859	-	-
Citywide and community support	57,700	883	-
Capital outlay	45,776	10,603	-
Debt service:			
Principal	39	87	3,945
Interest and fiscal charges	283	7	8,512
Total expenditures	498,315	107,183	12,457
Excess (deficiency) of revenues over (under) expenditures	75,843	22,303	(12,192)
Other financing sources (uses):			
Transfers in	48,184	33	10,600
Transfers out	(36,010)	(3,676)	-
Issuance of long-term debt	-	-	-
Total other financing sources (uses)	12,174	(3,643)	10,600
Changes in fund balances	88,017	18,660	(1,592)
Fund balances, beginning of year	239,993	71,138	28,871
Fund balances, end of year	\$ 328,010	\$ 89,798	\$ 27,279

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, 2022
(in thousands)

	Operating Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 14,324	\$ 587,137
Intergovernmental	202,814	65,037	292,186
Charges for services	1,342	18,779	133,686
Fines, forfeits, and penalties	-	207	10,264
Interest, rents, and concessions	94	43	(17,897)
Community service fees	-	25,076	25,076
Assessment levies	-	56,032	56,515
Contributions and donations	5,293	6,306	11,636
Miscellaneous	-	11,890	12,543
Total revenues	209,543	197,694	1,111,146
Expenditures:			
Current:			
General government	75,611	17,424	170,394
Police	71,636	-	223,613
Fire	49,365	-	180,143
Public works	-	35,508	53,547
Convention and cultural services	28	8,262	14,554
Youth, parks, and community enrichment	386	10,321	49,652
Community development	1,247	24,267	64,395
Community response	-	-	10,446
Library	-	8,777	22,349
Utilities	-	278	4,137
Citywide and community support	-	-	58,583
Capital outlay	945	98,925	156,249
Debt service:			
Principal	210	29,583	33,864
Interest and fiscal charges	2	10,980	19,784
Total expenditures	199,430	244,325	1,061,710
Excess (deficiency) of revenues over (under) expenditures	10,113	(46,631)	49,436
Other financing sources (uses):			
Transfers in	-	27,273	86,090
Transfers out	(2,930)	(16,429)	(59,045)
Issuance of long-term debt	-	51,914	51,914
Total other financing sources (uses)	(2,930)	62,758	78,959
Changes in fund balances	7,183	16,127	128,395
Fund balances, beginning of year	21,097	349,220	710,319
Fund balances, end of year	\$ 28,280	\$ 365,347	\$ 838,714

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

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, 2022

(in thousands)

Changes in fund balances - total governmental funds		\$ 128,395
<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	84,101	
Depreciation/amortization expense	<u>(72,909)</u>	11,192
<p>Losses on retirement of capital assets 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>		
		(52)
<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		17,443
<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	(51,914)	
Principal repayments on long-term debt	<u>33,864</u>	(18,050)
<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>		
		5,382
<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	(3,750)	
Accrued claims and judgments	(1,071)	
Pension expense	54,379	
Other postemployment benefits	34,064	
Pollution remediation	(23)	
Interest	86	
Amortization of prepaid bond insurance	(17)	
Amortization of bond premium	1,136	
Amortization of gain/loss on refunding	<u>(220)</u>	84,584
<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>(1,907)</u>
Change in net position of governmental activities		\$ 226,987

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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, 2022

(in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget	Budget to GAAP Reconciliation	Actual
	Original	Final	Amounts - Budgetary Basis			Amounts - GAAP Basis
Revenues:						
Taxes	\$ 399,637	\$ 412,589	\$ 439,558	\$ 26,969	\$ -	\$ 439,558
Intergovernmental	10,530	17,304	24,335	7,031	-	24,335
Charges for services	101,279	109,107	113,565	4,458	-	113,565
Fines, forfeits and penalties	7,029	8,952	10,057	1,105	-	10,057
Interest, rents, and concessions	2,959	4,758	(14,530)	(19,288)	-	(14,530)
Assessment levies	74	74	483	409	-	483
Contributions and donations	-	1	37	36	-	37
Miscellaneous	780	154	653	499	-	653
Total revenues	522,288	552,939	574,158	21,219	-	574,158
Expenditures:						
Current:						
Mayor/Council	6,212	13,980	6,769	7,211	(69)	6,700
City Auditor	1,012	1,287	1,278	9	-	1,278
City Manager	41,459	73,609	23,954	49,655	(9,543)	14,411
City Attorney	11,056	21,831	10,808	11,023	(222)	10,586
City Clerk	2,225	2,642	2,173	469	(17)	2,156
City Treasurer	2,000	2,172	1,662	510	-	1,662
Finance	8,234	8,830	8,080	750	104	8,184
Information technology	15,873	17,130	14,862	2,268	1,211	16,073
Human resources	8,514	9,832	4,891	4,941	(86)	4,805
Subtotal - General government	96,585	151,313	74,477	76,836	(8,622)	65,855
Police	208,571	151,977	147,941	4,036	(51)	147,890
Fire	158,395	116,357	122,558	(6,201)	(10)	122,548
Public works	17,562	20,807	14,667	6,140	(52)	14,615
Convention and cultural services	2,498	13,368	1,856	11,512	(371)	1,485
Youth, parks, and community enrichment	1,884	1,969	1,504	465	149	1,653
Community development	34,579	38,612	30,635	7,977	(164)	30,471
Community response	5,276	22,765	10,154	12,611	(4,013)	6,141
Utilities	4,165	4,165	3,859	306	-	3,859
Citywide and community support	54,737	55,075	57,431	(2,356)	269	57,700
Capital outlay	53,523	79,461	50,449	29,012	(4,673)	45,776
Debt service:						
Principal	-	39	39	-	-	39
Interest and fiscal charges	-	283	283	-	-	283
Total expenditures	637,775	656,191	515,853	140,338	(17,538)	498,315
Excess (deficiency) of revenues over (under) expenditures	(115,487)	(103,252)	58,305	161,557	17,538	75,843
Other financing sources (uses):						
Transfers in	34,465	45,852	48,184	2,332	-	48,184
Transfers out	(22,058)	(36,115)	(36,010)	105	-	(36,010)
Total other financing sources (uses)	12,407	9,737	12,174	2,437	-	12,174
Changes in fund balance	(103,080)	(93,515)	70,479	163,994	17,538	88,017
Fund balance, beginning of year	239,993	239,993	239,993	-	-	239,993
Fund balance, end of year	\$ 136,913	\$ 146,478	\$ 310,472	163,994	\$ 17,538	\$ 328,010

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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
Revenues:						
Taxes	\$ 108,801	\$ 124,238	\$ 133,255	\$ 9,017	\$ -	\$ 133,255
Interest, rents, and concessions	-	-	(3,769)	(3,769)	-	(3,769)
Total revenues	108,801	124,238	129,486	5,248	-	129,486
Expenditures:						
Current:						
General government	19,538	31,571	17,218	14,353	(5,714)	11,504
Police	6,226	6,233	4,087	2,146	-	4,087
Fire	8,590	8,593	8,230	363	-	8,230
Public works	3,984	3,879	3,452	427	(28)	3,424
Convention and cultural services	6,830	6,668	5,330	1,338	(551)	4,779
Youth, parks, and community enrichment	42,178	43,696	37,437	6,259	(145)	37,292
Community development	11,532	18,375	9,031	9,344	(621)	8,410
Community response	13,337	19,257	8,513	10,744	(4,208)	4,305
Library	13,572	13,572	13,572	-	-	13,572
Citywide and community support	991	371	883	(512)	-	883
Capital outlay	22,958	29,290	11,441	17,849	(838)	10,603
Debt service:						
Principal	87	87	87	-	-	87
Interest and fiscal charges	7	7	7	-	-	7
Total expenditures	149,830	181,599	119,288	62,311	(12,105)	107,183
Excess (deficiency) of revenues over (under) expenditures	(41,029)	(57,361)	10,198	67,559	12,105	22,303
Other financing sources (uses):						
Transfers in	-	21	33	12	-	33
Transfers out	(250)	(3,676)	(3,676)	-	-	(3,676)
Total other financing sources (uses)	(250)	(3,655)	(3,643)	12	-	(3,643)
Changes in fund balance	(41,279)	(61,016)	6,555	67,571	12,105	18,660
Fund balance, beginning of year	71,138	71,138	71,138	-	-	71,138
Fund balance, end of year	\$ 29,859	\$ 10,122	\$ 77,693	\$ 67,571	\$ 12,105	\$ 89,798

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, 2022
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ 189,894	\$ 54,001	\$ 47,394	\$ 47,261
Cash and investments held by fiscal agent	-	-	-	-
Receivables, net:				
Taxes	-	-	-	-
Accounts	19,779	11,048	7,234	10,578
Loans	-	-	47	-
Intergovernmental	462	434	1,174	-
Leases	66	-	-	153
Interest	752	183	140	144
Due from other funds	-	-	-	-
Inventories	1,163	37	391	-
Prepaid items	219	-	1	-
Intangible asset, current portion	-	-	-	-
Total current assets	<u>212,335</u>	<u>65,703</u>	<u>56,381</u>	<u>58,136</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	67,155	9,125	1,037	1,722
Cash and investments held by fiscal agent	3,450	411	-	-
Advances to other funds	-	-	-	-
Leases receivable	822	-	-	1,596
Loans receivable	-	-	922	-
Intangible assets	-	-	-	-
Capital assets:				
Land	2,899	1,138	17,885	1,133
Buildings and improvements	165,383	78,996	11,805	32,153
Machinery and equipment	114,327	5,820	18,365	12,437
Vehicles	-	-	-	-
Transmission and distribution system	917,853	216,066	437,818	-
Construction in progress	57,123	9,267	5,627	2,917
Software	3,491	3,447	3,747	2,772
Easements	134	-	157	-
Leased land	-	-	-	-
Leased building	-	-	177	-
Leased equipment	184	-	-	-
Less: accumulated depreciation/amortization	<u>(369,114)</u>	<u>(97,865)</u>	<u>(237,785)</u>	<u>(35,824)</u>
Total noncurrent assets	<u>963,707</u>	<u>226,405</u>	<u>259,755</u>	<u>18,906</u>
Total assets	<u>1,176,042</u>	<u>292,108</u>	<u>316,136</u>	<u>77,042</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	7,565	2,337	-	-
Pensions	6,468	2,070	2,765	3,542
OPEB	1,022	390	569	802
Total deferred outflows of resources	<u>15,055</u>	<u>4,797</u>	<u>3,334</u>	<u>4,344</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, 2022
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
ASSETS				
Current assets:				
Cash and investments held by City	\$ 33,376	\$ 24,887	\$ 396,813	\$ 133,080
Cash and investments held by fiscal agent	-	-	-	884
Receivables, net:				
Taxes	2,998	-	2,998	-
Accounts	419	714	49,772	5,174
Loans	-	-	47	-
Intergovernmental	-	-	2,070	-
Leases	-	262	481	-
Interest	126	41	1,386	298
Due from other funds	-	-	-	1,907
Inventories	-	-	1,591	-
Prepaid items	1	12	233	4,917
Intangible asset, current portion	-	8	8	-
Total current assets	36,920	25,924	455,399	146,260
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	12,594	-	91,633	-
Cash and investments held by fiscal agent	6,924	-	10,785	-
Advances to other funds	-	-	-	12,625
Leases receivable	-	8,042	10,460	-
Loans receivable	-	-	922	-
Intangible assets	-	104	104	-
Capital assets:				
Land	20,071	5,825	48,951	-
Buildings and improvements	113,040	63,538	464,915	7,454
Machinery and equipment	4,913	6,235	162,097	543
Vehicles	-	-	-	204,106
Transmission and distribution system	-	-	1,571,737	-
Construction in progress	363,955	5,966	444,855	144
Software	46	32	13,535	256
Easements	-	-	291	-
Leased land	-	1,978	1,978	-
Leased building	-	-	177	35
Leased equipment	-	-	184	-
Less: accumulated depreciation/amortization	(72,617)	(45,418)	(858,623)	(119,150)
Total noncurrent assets	448,926	46,302	1,964,001	106,013
Total assets	485,846	72,226	2,419,400	252,273
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding of debt	-	-	9,902	-
Pensions	1,229	1,301	17,375	1,761
OPEB	386	295	3,464	438
Total deferred outflows of resources	1,615	1,596	30,741	2,199

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, 2022
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	4,723	14,562	1,375	2,888
Due to other funds	-	-	-	-
Accrued payroll	922	199	356	502
Accrued compensated absences	260	73	123	98
Interest payable	3,177	642	30	41
Liability for landfill closure	-	-	-	298
Deposits	5	-	487	-
Unearned revenue	2,450	-	292	-
Accrued claims and judgments	77	162	143	258
Lease liabilities	-	-	34	-
Revenue and other bonds payable, net	16,208	2,320	-	1,265
Notes payable	3,437	-	95	-
	<u>31,259</u>	<u>17,958</u>	<u>2,935</u>	<u>5,350</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	3,594	959	1,479	1,642
Advances from other funds	-	-	-	-
Water fee credits	192	-	-	-
Wastewater fee credits	-	10,772	-	-
Net OPEB liability	10,290	3,922	4,434	14,891
Accrued claims and judgments	-	-	-	-
Liability for landfill closure	-	-	-	3,740
Lease liabilities	-	-	108	-
Revenue and other bonds payable, net	341,802	56,608	-	10,343
Notes payable	137,835	-	1,844	-
Net pension liability	24,533	8,909	22,527	13,361
	<u>518,246</u>	<u>81,170</u>	<u>30,392</u>	<u>43,977</u>
Total noncurrent liabilities				
Total liabilities	<u>549,505</u>	<u>99,128</u>	<u>33,327</u>	<u>49,327</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on refunding of debt	-	-	-	183
Pensions	14,375	4,274	6,773	5,653
OPEB	5,587	1,781	2,569	4,972
Leases	854	-	-	1,739
	<u>20,816</u>	<u>6,055</u>	<u>9,342</u>	<u>12,547</u>
Total deferred inflows of resources				
<u>NET POSITION</u>				
Net investment in capital assets	406,247	152,701	255,405	3,191
Restricted for:				
Capital projects	45,942	-	-	-
Other programs	-	-	1,621	973
Unrestricted	<u>168,587</u>	<u>39,021</u>	<u>19,775</u>	<u>15,348</u>
Total net position	<u>\$ 620,776</u>	<u>\$ 191,722</u>	<u>\$ 276,801</u>	<u>\$ 19,512</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, 2022
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	5,350	2,238	31,136	5,856
Due to other funds	250	-	250	-
Accrued payroll	194	317	2,490	329
Accrued compensated absences	41	42	637	62
Interest payable	1,277	41	5,208	2
Liability for landfill closure	-	-	298	-
Deposits	-	502	994	-
Unearned revenue	819	362	3,923	228
Accrued claims and judgments	5	15	660	28,834
Lease liabilities	-	108	142	14
Revenue and other bonds payable, net	7,655	1,191	28,639	411
Notes payable	-	-	3,532	-
Total current liabilities	15,591	4,816	77,909	35,736
Noncurrent liabilities:				
Accrued compensated absences	561	805	9,040	1,243
Advances from other funds	4,781	-	4,781	-
Water fee credits	-	-	192	-
Wastewater fee credits	-	-	10,772	-
Net OPEB liability	193	1,360	35,090	4,753
Accrued claims and judgments	-	-	-	83,060
Liability for landfill closure	-	-	3,740	-
Lease liabilities	-	1,762	1,870	8
Revenue and other bonds payable, net	347,012	9,808	765,573	-
Notes payable	-	-	139,679	-
Net pension liability	6,120	7,229	82,679	9,853
Total noncurrent liabilities	358,667	20,964	1,053,416	98,917
Total liabilities	374,258	25,780	1,131,325	134,653
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on refunding of debt	-	170	353	-
Pensions	1,914	2,975	35,964	4,836
OPEB	917	1,176	17,002	-
Leases	-	7,966	10,559	2,201
Total deferred inflows of resources	2,831	12,287	63,878	7,037
<u>NET POSITION</u>				
Net investment in capital assets	95,484	24,723	937,751	90,591
Restricted for:				
Capital projects	-	-	45,942	-
Other programs	-	-	2,594	-
Unrestricted	14,888	11,032	268,651	22,191
Total net position	\$ 110,372	\$ 35,755	\$ 1,254,938	\$ 112,782

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, 2022
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ 136,493	\$ 43,141	\$ 39,960	\$ 75,856
Rents and concessions	60	-	49	163
Charge to other agencies for contract services	-	1,186	1,892	-
Miscellaneous	60	-	-	202
Total operating revenues	<u>136,613</u>	<u>44,327</u>	<u>41,901</u>	<u>76,221</u>
Operating expenses:				
Employee services	35,293	10,543	13,709	16,546
Services and supplies	24,691	13,541	16,143	45,050
Depreciation/amortization	27,184	4,879	11,215	1,226
Insurance premiums	-	-	-	-
Claims and judgments	33	150	103	83
Total operating expenses	<u>87,201</u>	<u>29,113</u>	<u>41,170</u>	<u>62,905</u>
Operating income (loss)	<u>49,412</u>	<u>15,214</u>	<u>731</u>	<u>13,316</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	(13,603)	(3,338)	(2,507)	(2,540)
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	552	65	25	1,099
Insurance and other claim recoveries	-	-	-	-
Interest expense	(14,322)	(1,715)	(68)	(323)
Amortization of bond prepaid insurance	(23)	-	-	-
Gain on disposition of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>(27,396)</u>	<u>(4,988)</u>	<u>(2,550)</u>	<u>(1,764)</u>
Income (loss) before capital contributions and transfers	22,016	10,226	(1,819)	11,552
Capital contributions	7,056	3,990	6,116	-
Transfers in	117	62	53	349
Transfers out	(15,096)	(4,765)	(4,602)	(8,414)
Changes in net position	14,093	9,513	(252)	3,487
Total net position, beginning of year	<u>606,683</u>	<u>182,209</u>	<u>277,053</u>	<u>16,025</u>
Total net position, end of year	<u>\$ 620,776</u>	<u>\$ 191,722</u>	<u>\$ 276,801</u>	<u>\$ 19,512</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, 2022
(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	\$ 2,837	\$ 17,374	\$ 315,661	\$ 104,868
Rents and concessions	7,303	890	8,465	-
Charge to other agencies for contract services	-	-	3,078	-
Miscellaneous	-	69	331	125
Total operating revenues	<u>10,140</u>	<u>18,333</u>	<u>327,535</u>	<u>104,993</u>
Operating expenses:				
Employee services	5,225	7,960	89,276	11,333
Services and supplies	8,530	6,405	114,360	33,911
Depreciation/amortization	1,384	1,566	47,454	15,302
Insurance premiums	-	-	-	12,336
Claims and judgments	-	33	402	30,766
Total operating expenses	<u>15,139</u>	<u>15,964</u>	<u>251,492</u>	<u>103,648</u>
Operating income (loss)	<u>(4,999)</u>	<u>2,369</u>	<u>76,043</u>	<u>1,345</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	(2,339)	313	(24,014)	(4,711)
Transient occupancy taxes	26,843	-	26,843	-
Revenue from other agencies	-	123	1,864	-
Insurance and other claim recoveries	-	-	-	2,374
Interest expense	(14,317)	(337)	(31,082)	(16)
Amortization of bond prepaid insurance	-	-	(23)	-
Gain on disposition of capital assets	-	-	-	151
Total nonoperating revenues (expenses)	<u>10,187</u>	<u>99</u>	<u>(26,412)</u>	<u>(2,202)</u>
Income (loss) before capital contributions and transfers	5,188	2,468	49,631	(857)
Capital contributions	-	-	17,162	-
Transfers in	9,461	10,458	20,500	21
Transfers out	<u>(2,630)</u>	<u>(10,988)</u>	<u>(46,495)</u>	<u>(1,071)</u>
Changes in net position	12,019	1,938	40,798	(1,907)
Total net position, beginning of year	<u>98,353</u>	<u>33,817</u>	<u>1,214,140</u>	<u>114,689</u>
Total net position, end of year	<u>\$ 110,372</u>	<u>\$ 35,755</u>	<u>\$ 1,254,938</u>	<u>\$ 112,782</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, 2022

(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 139,475	\$ 46,218	\$ 41,902	\$ 75,495
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(24,634)	(12,969)	(16,560)	(44,632)
Payments to employees	(40,882)	(12,228)	(15,956)	(19,648)
Claims and judgments paid	(40)	(118)	(90)	(105)
Net cash provided by (used for) operating activities	73,919	20,903	9,296	11,110
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Transfers in from other funds	117	62	53	349
Transfers out to other funds	(14,576)	(4,719)	(4,602)	(8,306)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	424	65	25	1,224
Net cash provided by (used for) noncapital financing activities	(14,035)	(4,592)	(4,524)	(6,733)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(17,004)	(18,947)	(4,320)	(1,842)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	22,646	-	-	-
Principal payments on capital debt	(17,875)	(1,900)	(92)	(1,055)
Interest payments on capital debt	(16,499)	(1,965)	(69)	(513)
Principal payments on lease liabilities	(61)	-	(35)	-
Interest payments on lease liabilities	-	-	(1)	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(520)	(46)	-	(108)
Capital contributions received	4,747	3,201	-	-
Receipts from leases	27	-	-	153
Collection of interest from leases	5	-	-	24
Loan repayments received	-	-	46	-
Cash reimbursement for fee credits	-	(1,631)	-	-
Net cash used for capital and related financing activities	(24,534)	(21,288)	(4,471)	(3,341)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	(13,705)	(3,323)	(2,506)	(2,568)
Net increase (decrease) in cash and cash equivalents	21,645	(8,300)	(2,205)	(1,532)
Cash and cash equivalents, beginning of year	238,854	71,837	50,636	50,515
Cash and cash equivalents, end of year	\$ 260,499	\$ 63,537	\$ 48,431	\$ 48,983

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, 2022

(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	\$ 9,990	\$ 17,714	\$ 330,794	\$ -
Receipts from interfund services provided	-	-	-	179,009
Payments to suppliers	(6,971)	(6,090)	(111,856)	(119,808)
Payments to employees	(6,256)	(8,933)	(103,903)	(13,098)
Claims and judgments paid	-	(24)	(377)	(24,001)
Net cash provided by (used for) operating activities	(3,237)	2,667	114,658	22,102
Cash flows from noncapital financing activities:				
Transient occupancy taxes	26,522	-	26,522	-
Transfers in from other funds	6,720	10,458	17,759	-
Transfers out to other funds	(2,630)	(1,488)	(36,321)	(1,026)
Collections on interfund loans	-	-	-	4,179
Loans made to other funds	-	-	-	(1,657)
Interfund loan repayments	(250)	-	(250)	-
Intergovernmental revenue received	-	123	1,861	-
Net cash provided by (used for) noncapital financing activities	30,362	9,093	9,571	1,496
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(32,421)	(1,147)	(75,681)	(19,148)
Proceeds from sale of capital assets	-	-	-	870
Proceeds from issuance of debt	-	-	22,646	-
Principal payments on capital debt	(6,150)	(990)	(28,062)	(13)
Interest payments on capital debt	(15,559)	(486)	(35,091)	(21)
Principal payments on lease liabilities	-	(108)	(204)	-
Interest payments on lease liabilities	-	(28)	(29)	-
Transfers in from other funds	2,741	-	2,741	21
Transfers out to other funds	-	(9,500)	(10,174)	(45)
Capital contributions received	-	-	7,948	-
Receipts from leases	-	201	381	-
Collection of interest from leases	-	84	113	-
Loan repayments received	-	-	46	-
Cash reimbursement for fee credits	-	-	(1,631)	-
Net cash used for capital and related financing activities	(51,389)	(11,974)	(116,997)	(18,336)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	(2,263)	188	(24,177)	(4,753)
Net increase (decrease) in cash and cash equivalents	(26,527)	(26)	(16,945)	509
Cash and cash equivalents, beginning of year	79,421	24,913	516,176	133,455
Cash and cash equivalents, end of year	\$ 52,894	\$ 24,887	\$ 499,231	\$ 133,964

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, 2022

(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ 189,894	\$ 54,001	\$ 47,394	\$ 47,261
Cash and investments held by fiscal agent	-	-	-	-
Restricted cash and investments held by City	67,155	9,125	1,037	1,722
Restricted cash and investments held by fiscal agent	3,450	411	-	-
Total cash and cash equivalents, end of year	\$ 260,499	\$ 63,537	\$ 48,431	\$ 48,983
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 49,412	\$ 15,214	\$ 731	\$ 13,316
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	26,895	4,623	10,902	1,038
Amortization of intangible assets	289	256	313	188
Nonoperating claims and judgments	-	-	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	3,492	1,891	(588)	(563)
Intergovernmental receivables	-	-	297	-
Inventories	(391)	10	18	-
Prepaid items	(6)	-	16	-
Accounts payable	454	562	(436)	719
Accrued payroll	(66)	(42)	13	(3)
Accrued compensated absences	404	151	313	203
Accrued claims and judgments	(7)	32	13	(22)
Liability for landfill closure	-	-	-	(298)
Deposits	(1)	-	(15)	(3)
Unearned revenue	(535)	-	292	-
Water fee credits	(34)	-	-	-
Net pension liability and related deferred outflows/inflows of resources	(4,484)	(1,244)	(1,770)	(2,170)
Net OPEB liability and related deferred outflows/inflows of resources	(1,443)	(550)	(803)	(1,132)
Deferred inflows related to leases	(60)	-	-	(163)
Net cash provided by (used for) operating activities	\$ 73,919	\$ 20,903	\$ 9,296	\$ 11,110
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ 2,634	\$ 1,187	\$ 6,116	\$ -
Amortization of bond premium and discount	1,720	339	-	160
Amortization of bond loss on refunding	(131)	(116)	-	-
Amortization of bond gain on refunding	-	-	-	-
Amortization of bond prepaid insurance	(23)	-	-	-
Increase in prepaid items for capital assets	-	-	-	-
Capital asset acquisitions on accounts payable	1,354	432	310	795
Fee credit reimbursement accounts payable	-	1,509	-	-

(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, 2022

(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	\$ 33,376	\$ 24,887	\$ 396,813	\$ 133,080
Cash and investments held by fiscal agent	-	-	-	884
Restricted cash and investments held by City	12,594	-	91,633	-
Restricted cash and investments held by fiscal agent	6,924	-	10,785	-
Total cash and cash equivalents, end of year	\$ 52,894	\$ 24,887	\$ 499,231	\$ 133,964
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (4,999)	\$ 2,369	\$ 76,043	\$ 1,345
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	1,384	1,557	46,399	15,302
Amortization of intangible assets	-	9	1,055	-
Nonoperating claims and judgments	-	-	-	(2,676)
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(418)	6	3,820	4
Intergovernmental receivables	-	-	297	-
Inventories	-	-	(363)	-
Prepaid items	(1)	1	10	176
Accounts payable	1,560	314	3,173	310
Accrued payroll	84	99	85	(19)
Accrued compensated absences	183	198	1,452	149
Accrued claims and judgments	-	9	25	9,441
Liability for landfill closure	-	-	(298)	-
Deposits	-	(32)	(51)	(5)
Unearned revenue	268	(54)	(29)	(29)
Water fee credits	-	-	(34)	-
Net pension liability and related deferred outflows/inflows of resources	(753)	(853)	(11,274)	(1,278)
Net OPEB liability and related deferred outflows/inflows of resources	(545)	(417)	(4,890)	(618)
Deferred inflows related to leases	-	(539)	(762)	-
Net cash provided by (used for) operating activities	\$ (3,237)	\$ 2,667	\$ 114,658	\$ 22,102
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 9,937	\$ -
Amortization of bond premium and discount	1,259	151	3,629	5
Amortization of bond loss on refunding	-	-	(247)	-
Amortization of bond gain on refunding	-	24	24	-
Amortization of bond prepaid insurance	-	-	(23)	-
Increase in prepaid items for capital assets	-	-	-	1,347
Capital asset acquisitions on accounts payable	2,125	394	5,410	2,365
Fee credit reimbursement accounts payable	-	-	1,509	-

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, 2022
(in thousands)

	Pension Trust Fund	Private-Purpose Trust Fund	Investment Pool Custodial Fund	Other Custodial Funds
<u>ASSETS</u>				
Cash and investments held by City	\$ 7,825	\$ 12,435	\$ 122,690	\$ 155,428
Cash and investments held by fiscal agent	-	21,370	-	4,201
Prepaid items	-	151	-	-
Receivables, net:				
Interest	888	-	269	287
Special assessments	-	-	-	316
Investments, at fair value:				
Corporate bonds/notes	45,810	-	-	-
Equities	21,197	-	-	-
Exchange traded funds	149,073	-	-	-
Mortgage loans	558	-	-	-
Municipal bonds/notes	28,798	-	-	-
U.S. agencies	745	-	-	-
U.S. Treasury bonds	1,569	-	-	-
Restricted assets:				
Cash and investments held by City	-	-	-	5,228
Cash and investments held by fiscal agent	-	-	-	21,095
Loans receivable	-	3,875	-	-
Capital assets:				
Land	-	4,969	-	-
Buildings and improvements	-	141	-	-
Less: accumulated depreciation	-	(48)	-	-
Total assets	256,463	42,893	122,959	186,555
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	993	-	-
<u>LIABILITIES</u>				
Accounts payable	3	1,689	-	46
Benefits payable	2,289	-	-	-
Due to bondholders	-	-	-	44,420
Interest payable	-	259	-	-
Contracts payable	-	12,059	-	-
Bonds payable	-	33,871	-	-
Notes payable	-	164,428	-	-
Total liabilities	2,292	212,306	-	44,466
<u>NET POSITION</u>				
Held in trust for:				
Restricted for pensions	254,171	-	-	-
Redevelopment dissolution	-	(168,420)	-	-
Held for external pool participants	-	-	122,959	142,089
Total net position (deficit)	\$ 254,171	\$ (168,420)	\$ 122,959	\$ 142,089

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, 2022
(in thousands)

	Pension Trust Fund	Private-Purpose Trust Fund	Investment Pool Custodial Fund	Other Custodial Funds
Additions:				
Deposits	\$ -	\$ -	\$ 110,725	\$ 6,579
Property taxes	-	27,234	-	-
Special assessments	-	-	-	26,038
Fines, forfeits, and penalties	-	-	-	3
Contributions:				
Employer	3,479	-	-	-
Employees	9	-	-	-
Total contributions	3,488	-	-	-
Investment income:				
From investment activities:				
Net depreciation in fair value of investments	(37,595)	-	(5,568)	(7,693)
Interest	2,779	230	1,104	1,208
Dividends	3,732	-	-	-
Total investment income (loss)	(31,084)	230	(4,464)	(6,485)
Investment expenses:				
Banking, interest, and fiscal agent expenses	25	-	275	-
Professional services	1,196	-	-	-
Total investment expenses	1,221	-	275	-
Net income (loss) from investment activities	(32,305)	230	(4,739)	(6,485)
Total additions	(28,817)	27,464	105,986	26,135
Deductions:				
Benefit payments	28,145	-	-	-
Withdrawals	-	-	105,437	29,008
Interest expense	-	14,791	-	-
Other enforceable obligations	-	(415)	-	-
Loan forgiveness	-	177	-	-
Paid to bondholders	-	-	-	23,496
Administrative expenses	-	-	-	1,243
Developer reimbursements	-	-	-	86
Depreciation expense	-	4	-	-
Total deductions	28,145	14,557	105,437	53,833
Changes in net position	(56,962)	12,907	549	(27,698)
Net position (deficit), beginning of year	311,133	(181,327)	122,410	169,787
Net position (deficit), end of year	\$ 254,171	\$ (168,420)	\$ 122,959	\$ 142,089

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

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Notes to the Basic Financial Statements

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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 Units

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>.

The Successor Agency to the Redevelopment Agency of the City of Sacramento (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. The City was designated to serve as the Successor Agency subject to control of a County Oversight Board. The Oversight Board is comprised of seven members; two of which will be appointed by the Oversight Board: a Board member or staff person from the County of Sacramento (County), member of the public, member appointed by the city selection committee, representative from a special district as appointed by the independent special district selection committee, representative appointed by the County Board of Education, representative appointed by the Chancellor of the California Community Colleges, and a representative of the largest number of successor agency employees in the County appointed by the recognized employee organization. Based upon the nature of the Successor Agency's custodial role, it is reported as a fiduciary fund (private-purpose trust fund).

ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Accounting Standards Implemented During the Fiscal Year Ended June 30, 2022

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions in Statement 87 are effective for fiscal years beginning after June 15, 2021. The applicable provisions were implemented July 1, 2021 and as a result, the City has restated lease related assets, liabilities, and deferred inflows of resources for certain City funds, as well as governmental and business-type activities. There was no restatement to beginning net position. See note 6 for more information.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions in Statement 92 are effective for fiscal years beginning after June 15, 2021. The applicable provisions were implemented July 1, 2021 and did not have a material impact to the financial statements.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The provisions in Statement 93 are effective for fiscal years beginning after June 15, 2021. The applicable provisions were implemented July 1, 2021 and did not have a material impact to the financial statements.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions in Statement 97 are effective for fiscal years beginning after June 15, 2021. The applicable provisions were implemented July 1, 2021 and did not have a material impact to the financial statements.

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 26 through 32 of Statement 99 are effective upon issuance in April 2022. The applicable provisions were implemented 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, 2022

(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 City has not determined the effect of implementing this statement.

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 City has not determined the effect of implementing this statement.

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 City has not determined the effect of implementing this statement.

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 15 of Statement 99 are effective for fiscal years beginning after June 15, 2022. 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 and 11 through 15 of this statement.

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.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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 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.

The Operating Grants Fund accounts for federal, state, and other agency grants received for various specific purposes.

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.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 \$6,048 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 the budget 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.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statements Elements

Fair Value Measurement – The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. 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.

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, 2022
(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 leased assets are also reported as capital assets. Refer to the Lease 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, 2022
(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, 2022
(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 accounting principles generally accepted in the United States of America 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.

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.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

Leases, City as a Lessee - The City is a lessee 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 expenses/expenditures based on the provisions of the lease agreement. For all other leases, the City recognizes a lease liability and an intangible right-to-use leased asset in the statement of net position.

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

Other Lease Considerations - Key estimates and judgments include the City's determination of the discount rate used to calculate the present value of the lease, lease term, and lease payments and receipts. The City generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate charged is explicitly stated or known. The City's incremental borrowing rate for leases is based on the estimate of interest rates that the City would be charged for borrowing lease amounts during the term of the lease. The City uses an incremental borrowing rate of between 0.316% and 1.779%. The lease term includes noncancellable periods of lease 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 the lessee and lessor have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the lease term. Receipts and payments are evaluated by the City to determine if they should be included in the measurement of lease receivables and 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 a lease agreement. When certain changes occur that are expected to significantly affect the value of the lease, the lease amounts are remeasured and adjusted.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2022:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Fiduciary Net Position	Total
Cash and investments	\$ 1,286,414	\$ 571,699	\$ 1,858,113
Restricted cash and investments	135,411	26,323	161,734
Total	<u>\$ 1,421,825</u>	<u>\$ 598,022</u>	<u>\$ 2,019,847</u>

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2021-0229, 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 July 20, 2021. 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 2021-0230. Investment standards adopted by the SCERS Board were last approved by the City Council on July 20, 2021. 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 2022, the asset allocations consisted of the following: 30% Fixed Income securities, 35% Large Cap Growth stocks, 27.5% Equity Income stocks and 7.5% 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, 2022
(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, 2022
(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, 2022 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
Bank deposits	\$ 89,796	\$ -	\$ -	\$ -	\$ 89,796
Commercial paper	-	204,171	-	-	204,171
Corporate bonds/notes	-	87,508	403,572	780	491,860
Equities	5,568	-	-	-	5,568
Exchange traded funds	2,263	-	-	-	2,263
Investment Trust of California (CalTRUST)	-	137,716	57,080	-	194,796
Local Agency Investment Fund (LAIF)	-	46,800	-	-	46,800
Municipal bonds/notes	-	21,730	80,924	-	102,654
Money market mutual funds	-	37,789	-	-	37,789
Negotiable certificates of deposit	-	49,422	55,307	-	104,729
Supranational securities	-	9,950	19,842	-	29,792
U.S. agency securities	-	6,155	429,422	-	435,577
U.S. Treasury notes	-	259	18,218	-	18,477
Total Cash and Investments	\$ 97,627	\$ 601,500	\$ 1,064,365	\$ 780	\$ 1,764,272

The \$780 of corporate bonds/notes with remaining maturities longer than five years are held by other trust funds. The \$5,568 of equities and \$2,263 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, 2022
(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, 2022 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	\$ -	\$ 7,825	\$ -	\$ -	\$ 7,825
Corporate bonds/notes	-	-	5,943	39,867	45,810
Equities	21,197	-	-	-	21,197
Exchange traded funds	149,073	-	-	-	149,073
Mortgage loan	-	-	558	-	558
Municipal bonds/notes	-	-	2,466	26,332	28,798
U.S. agency securities	-	-	5	740	745
U.S. Treasury bonds	-	-	-	1,569	1,569
Total Cash and Investments	\$ 170,270	\$ 7,825	\$ 8,972	\$ 68,508	\$ 255,575

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 yield than the original securities. The fair values of the callable securities held by the City and SCERS at June 30, 2022, by investment type, are as follows:

Investment Type	City	SCERS
Corporate bonds/notes	\$ 122,144	\$ 8,154
Municipal bonds/notes	8,213	3,366
Negotiable certificates of deposit	14,987	-
Supranational securities	5,635	-
U.S. agency securities	420,878	400
	\$ 571,857	\$ 11,920

As of June 30, 2022, the City held notes issued by the Bank of Montreal that are not rated by S & P but are rated Aa2 by Moody's Investors Service. The notes have a fair value of \$6,791 as of June 30, 2022.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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. The S & P Global Ratings (S & P) credit ratings of the City and SCERS investments subject to credit risk as of June 30, 2022 are as follows:

Investment Type	S & P	City	SCERS
City of Sacramento Investment Pool	not rated	\$ -	\$ 7,825
Commercial paper	A	204,171	-
Corporate bonds/notes	A	372,178	7,973
	AA	99,878	4,694
	AAA	3,689	-
	BBB	9,324	33,133
	not rated	6,791	10
Investment Trust of California (CalTRUST)	not rated	194,796	-
Local Agency Investment Fund (LAIF)	not rated	46,800	-
Municipal bonds/notes	A	6,479	-
	AA	78,267	18,393
	AAA	8,255	-
	BBB	-	4,780
	not rated	9,653	5,625
Money market mutual funds	AAA	37,789	-
Negotiable certificates of deposit	A	77,733	-
	BB	10,402	-
	not rated	16,594	-
Supranational securities	AAA	29,792	-
U.S. agency securities	AA	413,842	400
	AAA	-	30
	not rated	21,735	-
	Total	\$ 1,648,168	\$ 82,863

\$8,957 of the \$9,324 in corporate bonds/notes rated BBB are investments that were purchased at the minimum A rating but were subsequently downgraded due to negative economic impact caused by the Coronavirus pandemic. The City's investment policy allows for holding assets purchased at the minimum rating that were subsequently downgraded. The other \$367 of corporate bonds/notes rated BBB are held by other trust funds.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2022, the City held the following investments in an individual issuer exceeding 5% of total investments (other than U.S. Treasury securities, mutual funds, and external investment pools):

Federal Home Loan Bank	\$	157,127
Federal Farm Credit Bank		109,522

As of June 30, 2022, 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	\$	39,983
Technology Select Sector SPDR Fund (ETF)		16,705
Healthcare Select SPDR Fund (ETF)		14,996

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 Depository 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, 2022
(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 generally accepted accounting principles. 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, 2022 was \$4,827 and \$32,962, 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, 2022
(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, 2022. 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, 2022
(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, 2022:

	Balance at June 30, 2022	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)
Investments by Fair Value Level				
Commercial paper	\$ 204,171	\$ -	\$ 204,171	\$ -
Corporate bonds/notes	467,134	-	467,134	-
Equities	5,568	5,568	-	-
Exchange traded funds	2,263	2,263	-	-
Municipal bonds/notes	102,654	-	102,654	-
Negotiable certificates of deposit	90,574	-	90,574	-
Supranational securities	29,792	-	29,792	-
U.S. agency securities	428,581	-	428,581	-
U.S. Treasury notes	18,218	18,218	-	-
Total Investments by Fair Value Level	1,348,955	\$ 26,049	\$ 1,322,906	\$ -
Investments Measured at Net Asset Value				
Money market mutual funds	4,827			
Investments Uncategorized				
Investment Trust of California (CalTRUST)	194,796			
Local Agency Investment Fund (LAIF)	46,800			
Total Investments Uncategorized	241,596			
Total Investments Held by City	1,595,378			
Investments Held by Fiscal Agent by Fair Value Level				
Corporate bonds/notes	24,726	\$ -	\$ 24,726	\$ -
Negotiable certificates of deposit	14,155	-	14,155	-
U.S. agency securities	6,996	-	6,996	-
U.S. Treasury notes	259	259	-	-
Total Investments Held by Fiscal Agent by Fair Value Level	46,136	\$ 259	\$ 45,877	-
Investments Held by Fiscal Agent Measured at Net Asset Value				
Money market mutual funds	32,962			
Total Investments Held by Fiscal Agent	79,098			
Total Investments	1,674,476			
Total Bank Deposits	89,796			
Total Cash and Investments	\$ 1,764,272			

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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, 2022:

Investments by Fair Value Level	Balance at June 30, 2022	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)
Corporate bonds/notes	\$ 45,810	\$ -	\$ 45,810	\$ -
Equities	21,197	21,197	-	-
Exchange traded funds	149,073	149,073	-	-
Mortgage loans	558	-	-	558
Municipal bonds/notes	28,798	-	28,798	-
U.S. agency securities	745	-	745	-
U.S. Treasury bonds	1,569	1,569	-	-
Total Investments by Fair Value Level	247,750	\$ 171,839	\$ 75,353	\$ 558
Investments at Fair Value not Subject to Fair Value Hierarchy				
City of Sacramento Investment Pool	7,825			
Total Cash and Investments	\$ 255,575			

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 7.97% 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, 2022
(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, 2022:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Commercial paper	\$ 204,171	\$ 204,779	0.23-3.17%	07/22-03/23
Corporate bonds/notes	466,218	499,724	0.45-4.05%	09/22-03/27
Deposits	93,852	93,852	0.61-2.97%	N/A
Investment Trust of California (CalTRUST)	194,796	194,796	1.01-1.14%	N/A
Local Agency Investment Fund (LAIF)	46,800	46,800	0.86%	N/A
Municipal bonds/notes	102,654	106,981	0.37-6.09%	07/22-06/27
Money market mutual funds	4,827	4,827	0.53%	N/A
Negotiable certificates of deposit	90,574	92,500	0.17-3.00%	07/22-06/26
Supranational securities	29,792	31,449	0.37-1.75%	08/22-11/26
U.S. agency securities	428,581	460,693	0.30-4.70%	07/23-06/27
U.S. Treasury notes	18,218	19,820	0.37-0.50%	01/26-02/26
Total cash and investments in City sponsored investment pool and external individual investment accounts	<u>\$ 1,680,483</u>	<u>\$ 1,756,221</u>		

A summary of cash and investments as of June 30, 2022 is as follows:

	City Sponsored Investment Pool	External Individual Investment Accounts	Total
Statement of Net Position:			
Cash and investments at fair value	\$ 1,538,660	\$ 141,823	\$ 1,680,483
Interest receivables	3,381	266	3,647
Net Position	<u>\$ 1,542,041</u>	<u>\$ 142,089</u>	<u>\$ 1,684,130</u>
Equity of internal pool participants	\$ 1,419,082	\$ -	\$ 1,419,082
Equity of external pool participants	122,959	142,089	265,048
Total equity	<u>\$ 1,542,041</u>	<u>\$ 142,089</u>	<u>\$ 1,684,130</u>
Statement of Changes in Net Position:			
Net position at July 1, 2021	\$ 1,514,457	\$ 169,787	\$ 1,684,244
Net change in investments by pool participants	27,584	(27,698)	(114)
Net position at June 30, 2022	<u>\$ 1,542,041</u>	<u>\$ 142,089</u>	<u>\$ 1,684,130</u>

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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, 2022, the City's investment in LAIF is \$46,800. The total amount invested by all public agencies in LAIF at that date is \$35,761,173. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2022 had a balance of \$231,570,068. Of that amount, 98.12% is invested in non-derivative financial products, and 1.88% 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, 2022, the City's investment in CalTRUST is \$194,796, of which \$27,247 was invested in the Liquidity funds pool, \$74,327 in the Short-term pool, \$57,078 in the Medium-term pool, and \$36,144 in the BlackRock federal funds 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, 2022
(dollar amounts expressed in thousands)

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2022, were as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Loans</u>	<u>Inter-govern- mental</u>	<u>Leases</u>	<u>Interest</u>	<u>Total</u>
Governmental activities							
General Fund	\$ 33,309	\$ 28,454	\$ 1,873	\$ 4,224	\$ 28,936	\$ 1,204	\$ 98,000
Measure U Fund	23,664	75	-	-	-	205	23,944
2015 Golden 1 Center							
Lease Revenue Bond Fund	-	1,928	136,971	-	-	31	138,930
Operating Grants Fund	-	271	-	18,489	-	-	18,760
Other governmental funds	6,104	15,065	25,758	26,548	3,093	325	76,893
Internal service funds	-	5,174	-	-	-	298	5,472
	<u>\$ 63,077</u>	<u>\$ 50,967</u>	<u>\$ 164,602</u>	<u>\$ 49,261</u>	<u>\$ 32,029</u>	<u>\$ 2,063</u>	<u>\$ 361,999</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,247</u>	<u>\$ 11,328</u>	<u>\$ 30,138</u>	<u>\$ -</u>	<u>\$ 195,713</u>
Business-type activities							
Water Fund	\$ -	\$ 19,779	\$ -	\$ 462	\$ 888	\$ 752	\$ 21,881
Wastewater Fund	-	11,048	-	434	-	183	11,665
Storm Drainage Fund	-	7,234	969	1,174	-	140	9,517
Solid Waste Fund	-	10,578	-	-	1,749	144	12,471
Community Center Fund	2,998	419	-	-	-	126	3,543
Other enterprise funds	-	714	-	-	8,304	41	9,059
	<u>\$ 2,998</u>	<u>\$ 49,772</u>	<u>\$ 969</u>	<u>\$ 2,070</u>	<u>\$ 10,941</u>	<u>\$ 1,386</u>	<u>\$ 68,136</u>

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$30,586 in governmental activities and \$1,451 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 \$6,492, 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 \$397,990 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 \$145,822 and the current loan receivable balance as of June 30, 2022 is \$136,971. 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, 2022
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS

Summary

The following is a summary of capital assets as of June 30, 2022:

	Governmental Activities	Business- type Activities	Total
Capital assets not being depreciated/amortized			
Land	\$ 219,585	\$ 48,951	\$ 268,536
Easements	2,348	291	2,639
Construction in progress	270,374	444,855	715,229
Total capital assets not being depreciated/amortized	<u>492,307</u>	<u>494,097</u>	<u>986,404</u>
Depreciable/amortizable capital assets			
Buildings and improvements	715,677	464,915	1,180,592
Equipment	80,479	162,097	242,576
Software	6,413	13,535	19,948
Vehicles	206,885	-	206,885
Transmission and distribution system	4,777	1,571,737	1,576,514
Roadway network	1,723,815	-	1,723,815
Streetlight network	287,938	-	287,938
Parks and park improvements	233,996	-	233,996
Total depreciable/amortizable capital assets	<u>3,259,980</u>	<u>2,212,284</u>	<u>5,472,264</u>
Less accumulated depreciation/amortization for:			
Buildings and improvements	(303,772)	(180,680)	(484,452)
Equipment	(67,909)	(56,647)	(124,556)
Software	(5,134)	(4,833)	(9,967)
Vehicles	(113,423)	-	(113,423)
Transmission and distribution system	(1,271)	(616,214)	(617,485)
Roadway network	(1,176,858)	-	(1,176,858)
Streetlight network	(114,556)	-	(114,556)
Parks and park improvements	(95,831)	-	(95,831)
Total accumulated depreciation/amortization	<u>(1,878,754)</u>	<u>(858,374)</u>	<u>(2,737,128)</u>
Depreciable/amortizable capital assets, net	<u>1,381,226</u>	<u>1,353,910</u>	<u>2,735,136</u>
Leased assets, net (Note 6)	<u>1,553</u>	<u>2,090</u>	<u>3,643</u>
Total capital assets, net	<u>\$ 1,875,086</u>	<u>\$ 1,850,097</u>	<u>\$ 3,725,183</u>

Refer to Note 6 for more detailed information on leased assets activity and amortization expense by function.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS (Continued)

Governmental Activities

Governmental capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 202,628	\$ 16,957	\$ -	\$ -	\$ 219,585
Easements	2,348	-	-	-	2,348
Construction in progress	223,892	80,083	(33,601)	-	270,374
Total capital assets not being depreciated/amortized	428,868	97,040	(33,601)	-	492,307
Depreciable/amortizable capital assets					
Buildings and improvements	708,379	7,298	-	-	715,677
Equipment	80,565	-	(86)	-	80,479
Software	6,413	-	-	-	6,413
Vehicles	195,817	19,897	(8,829)	-	206,885
Transmission and distribution system	4,777	-	-	-	4,777
Roadway network	1,713,981	15,836	(6,002)	-	1,723,815
Streetlight network	276,613	11,325	-	-	287,938
Parks and park improvements	230,286	3,710	-	-	233,996
Total depreciable/amortizable capital assets	3,216,831	58,066	(14,917)	-	3,259,980
Less accumulated depreciation/amortization for:					
Buildings and improvements	(290,089)	(13,683)	-	-	(303,772)
Equipment	(65,690)	(2,254)	35	-	(67,909)
Software	(4,627)	(507)	-	-	(5,134)
Vehicles	(106,324)	(15,255)	8,156	-	(113,423)
Transmission and distribution system	(1,184)	(87)	-	-	(1,271)
Roadway network	(1,141,544)	(41,316)	6,002	-	(1,176,858)
Streetlight network	(107,916)	(6,640)	-	-	(114,556)
Parks and park improvements	(87,786)	(8,045)	-	-	(95,831)
Total accumulated depreciation/amortization	(1,805,160)	(87,787)	14,193	-	(1,878,754)
Depreciable/amortizable capital assets, net	1,411,671	(29,721)	(724)	-	1,381,226
Leased assets, net (Note 6)	1,977	(424)	-	-	1,553
Governmental activities capital assets, net	\$ 1,842,516	\$ 66,895	\$ (34,325)	\$ -	\$ 1,875,086
Depreciation/amortization expense was charged to functions as follows:					
General government		\$ 4,878			
Police		893			
Fire		780			
Public works		50,643			
Convention and cultural services		3,892			
Youth, parks, and community enrichment		10,298			
Community development		160			
Library		955			
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets		15,288			
Total governmental activities depreciation/amortization expense		\$ 87,787			

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 47,806	\$ 1,145	\$ -	\$ -	\$ 48,951
Easements	291	-	-	-	291
Construction in progress	665,116	63,919	(284,180)	-	444,855
Total capital assets not being depreciated/amortized	<u>713,213</u>	<u>65,064</u>	<u>(284,180)</u>	<u>-</u>	<u>494,097</u>
Depreciable/amortizable capital assets					
Buildings and improvements	337,976	126,939	-	-	464,915
Equipment	76,104	85,993	-	-	162,097
Software	13,535	-	-	-	13,535
Transmission and distribution system	1,491,454	80,283	-	-	1,571,737
Total depreciable/amortizable capital assets	<u>1,919,069</u>	<u>293,215</u>	<u>-</u>	<u>-</u>	<u>2,212,284</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(173,197)	(7,483)	-	-	(180,680)
Equipment	(52,420)	(4,227)	-	-	(56,647)
Software	(3,853)	(980)	-	-	(4,833)
Transmission and distribution system	(581,653)	(34,561)	-	-	(616,214)
Total accumulated depreciation/amortization	<u>(811,123)</u>	<u>(47,251)</u>	<u>-</u>	<u>-</u>	<u>(858,374)</u>
Depreciable/amortizable capital assets, net	<u>1,107,946</u>	<u>245,964</u>	<u>-</u>	<u>-</u>	<u>1,353,910</u>
Leased assets, net (Note 6)	<u>2,284</u>	<u>(194)</u>	<u>-</u>	<u>-</u>	<u>2,090</u>
Business-type activities capital assets, net	<u>\$ 1,823,443</u>	<u>\$ 310,834</u>	<u>\$ (284,180)</u>	<u>\$ -</u>	<u>\$ 1,850,097</u>
Depreciation/amortization expense was charged to functions as follows:					
Water		\$ 27,147			
Wastewater		4,879			
Storm drainage		11,180			
Solid waste		1,226			
Community center		1,384			
Parking		1,372			
Child development		63 ⁽¹⁾			
Total business-type activities depreciation/amortization expense		<u>\$ 47,251</u>			

(1) \$9 of depreciation/amortization expense reported in the Other Enterprise Funds Financials 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, 2022
(dollar amounts expressed in thousands)

NOTE 5 – PAYABLES

Payables as of June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Employees</u>	<u>Interest</u>	<u>Deposits</u>	<u>Total</u>
Governmental activities					
General Fund	\$ 21,065	\$ 20,511	\$ -	\$ 119	\$ 41,695
Measure U Fund	4,607	1,534	-	-	6,141
2015 Golden 1 Center Lease					
Revenue Bond Fund	-	-	3,572	-	3,572
Operating Grants Fund	4,082	-	-	297	4,379
Other governmental funds	12,576	48	1,496	2,736	16,856
Internal service funds	5,856	329	2	-	6,187
Total governmental activities	<u>\$ 48,186</u>	<u>\$ 22,422</u>	<u>\$ 5,070</u>	<u>\$ 3,152</u>	<u>\$ 78,830</u>
Business-type activities					
Water Fund	\$ 4,723	\$ 922	\$ 3,177	\$ 5	\$ 8,827
Wastewater Fund	14,562	199	642	-	15,403
Storm Drainage Fund	1,375	356	30	487	2,248
Solid Waste Fund	2,888	502	41	-	3,431
Community Center Fund	5,350	194	1,277	-	6,821
Other enterprise funds	2,238	317	41	502	3,098
Total business-type activities	<u>\$ 31,136</u>	<u>\$ 2,490</u>	<u>\$ 5,208</u>	<u>\$ 994</u>	<u>\$ 39,828</u>

Included in the Interest Payable amount related to 2015 Golden 1 Center Lease Revenue Bond Fund above is the interest payable accrual of \$3,572, 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 \$1,496, 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, 2022

(dollar amounts expressed in thousands)

NOTE 6 – LEASES

City as a Lessee

As discussed in Note 1, the City is a lessee for various non-cancellable leases of land, buildings, and equipment. Leases of land have initial terms of 5 to 35 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 5 years, and contain one or more renewal provisions, generally in 1 or 5-year periods. The City's lease arrangements generally do not include termination options reasonably certain to be exercised by either party to the lease or restrictive financial or other covenants. The City's lease arrangements do not contain any material residual value guarantees.

A summary of leased assets activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Leased assets:				
Land	\$ 188	\$ -	\$ -	\$ 188
Buildings	1,789	-	-	1,789
Total leased assets	<u>1,977</u>	<u>-</u>	<u>-</u>	<u>1,977</u>
Less accumulated amortization for:				
Leased assets:				
Land	-	(6)	-	(6)
Buildings	-	(418)	-	(418)
Total accumulated amortization	<u>-</u>	<u>(424)</u>	<u>-</u>	<u>(424)</u>
Governmental activities leased assets, net	<u>\$ 1,977</u>	<u>\$ (424)</u>	<u>\$ -</u>	<u>\$ 1,553</u>
Business-type activities				
Leased assets:				
Land	\$ 1,978	\$ -	\$ -	\$ 1,978
Buildings	177	-	-	177
Equipment	184	-	-	184
Total leased assets	<u>2,339</u>	<u>-</u>	<u>-</u>	<u>2,339</u>
Less accumulated amortization for:				
Leased assets:				
Land	-	(122)	-	(122)
Buildings	-	(35)	-	(35)
Equipment	(55)	(37)	-	(92)
Total accumulated amortization	<u>(55)</u>	<u>(194)</u>	<u>-</u>	<u>(249)</u>
Business-type activities leased assets, net	<u>\$ 2,284</u>	<u>\$ (194)</u>	<u>\$ -</u>	<u>\$ 2,090</u>

Leased asset amortization expense was charged to functions as follows:

	Governmental activities	Business-type activities
General Government	\$ 69	\$ -
Police	72	-
Fire	144	-
Public works	42	-
Convention and cultural services	56	-
Youth, parks, and community enrichment	41	-
Water	-	37
Storm drainage	-	35
Parking	-	122
	<u>\$ 424</u>	<u>\$ 194</u>

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 6 – LEASES (Continued)

City as a Lessee (Continued)

A summary of changes in the related lease liabilities for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	\$ 2,176	\$ -	\$ (533)	\$ 1,643
Business-type activities	2,216	-	(204)	2,012
Total lease liabilities	<u>\$ 4,392</u>	<u>\$ -</u>	<u>\$ (737)</u>	<u>\$ 3,655</u>

The June 30, 2021 beginning balance of governmental activities and business-type activities have been restated to reflect the leased assets and lease liabilities required by GASB Statement No. 87. Governmental activities leased assets and lease liabilities have been restated in the amount of \$1,977. Business-type activities leased assets and lease liabilities have been restated in the amount of \$2,284 and \$2,216, respectively.

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 478	\$ 14	\$ 142	\$ 29
2024	289	11	146	28
2025	195	10	150	26
2026	137	9	154	25
2027	64	8	120	24
2028-2032	251	28	155	109
2033-2037	125	12	152	95
2038-2042	32	8	166	81
2043-2047	34	5	182	66
2048-2052	38	2	199	49
2053-2057	-	-	217	30
2058-2062	-	-	229	10
Totals	<u>\$ 1,643</u>	<u>\$ 107</u>	<u>\$ 2,012</u>	<u>\$ 572</u>

Variable lease payments - Variable lease payments, other than those that are fixed in substance, are excluded from the measurement of the lease liability. Such amounts are recognized as lease 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 these variable lease payments not included in the measurement of lease liabilities was \$384 for the fiscal year ended June 30, 2022. 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 \$124 of expense associated with this lease with the State Lands Commission during the fiscal year ended June 30, 2022.

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 these variable lease payments not included in the measurement of lease liabilities was \$933 during the fiscal year ended June 30, 2022.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 6 – LEASES (Continued)

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 five or ten-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
2023	\$ 1,891	\$ 614	\$ 481	\$ 138
2024	2,263	408	544	216
2025	2,185	381	647	149
2026	1,982	356	681	141
2027	1,956	331	693	132
2028-2032	9,412	1,263	2,951	527
2033-2037	6,775	678	1,835	341
2038-2042	3,547	282	1,744	198
2043-2047	562	153	1,221	59
2048-2052	547	107	144	1
2053-2057	646	53	-	-
2058-2062	263	5	-	-
Totals	<u>\$ 32,029</u>	<u>\$ 4,631</u>	<u>\$ 10,941</u>	<u>\$ 1,902</u>

Lease related revenue recognized during the fiscal year ended June 30, 2022, excluding variable lease receipts, is as follows:

	Governmental Activities	Business-type Activities
Lease revenue	\$ 2,544	\$ 763
Interest revenue	441	165

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 payments not included in the measurement of lease receivable was \$2,180 during the fiscal year ended June 30, 2022.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2022. 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
GOVERNMENTAL ACTIVITIES:					
Revenue and Other Bonds, Direct Placements:					
2016 Lease Financing	\$ 6,555	\$ -	\$ (490)	\$ 6,065	\$ 505
Revenue and Other Bonds, Public Offerings:					
2006 Capital Improvement Revenue Bonds, Series B	40,380	-	(1,575)	38,805	1,670
2006 Capital Improvement Revenue Bonds, Series E	79,822	-	(1,760)	78,062	5,549
2015 Refunding Revenue Bonds	74,390	-	(6,375)	68,015	3,735
2015 Lease Revenue Bonds - Golden 1 Center	258,510	-	(3,945)	254,565	4,005
Subtotal, revenue and other bonds, public offerings	453,102	-	(13,655)	439,447	14,959
Direct Borrowing Notes Payable:					
1985 Marina Phase I	1,234	-	(59)	1,175	62
1985 Marina Phase II	1,959	-	(79)	1,880	83
2008 Sacramento Marina South Basin	13,716	-	(69)	13,647	172
Subtotal, direct borrowing notes payable	16,909	-	(207)	16,702	317
Plus deferred amounts:					
For issuance premiums	15,625	-	(1,141)	14,484	1,136
Subtotal, debt governmental activities	492,191	-	(15,493)	476,698	16,917
Other Long-term Liabilities:					
Accrued claims and judgments	106,186	31,723	(21,211)	116,698	33,638
Accrued compensated absences	43,570	44,796	(40,897)	47,469	2,831
Lease liabilities	2,176	-	(533)	1,643	478
Net OPEB liability	203,319	-	(41,604)	161,715	-
Net pension liability	952,894	32,095	(327,077)	657,912	-
Pollution remediation obligations	573	234	(211)	596	76
Financing plan fee credits:					
Delta Shores	-	39,909	-	39,909	-
Jacinto Creek	978	25	-	1,003	25
North Natomas	26,609	7,758	(6,339)	28,028	3,396
Park Development	1,885	580	(906)	1,559	451
Railyards	8,024	3,642	(11,666)	-	-
Willowcreek	130	-	(81)	49	-
Subtotal, other long-term liabilities	1,346,344	160,762	(450,525)	1,056,581	40,895
Total governmental activities	\$ 1,838,535	\$ 160,762	\$ (466,018)	\$ 1,533,279	\$ 57,812

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Activity (Continued)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and Other Bonds, Public Offerings:					
2006 Capital Improvement Revenue Bonds, Series E	\$ 92,277	\$ -	\$ -	\$ 92,277	\$ 6,412
Water Revenue Bonds, Series 2013	20,775	-	(4,815)	15,960	5,065
Water Revenue Bonds, Series 2017	50,130	-	(915)	49,215	960
Water Revenue Refunding Bonds, Series 2020	185,500	-	(2,015)	183,485	2,050
Wastewater Revenue Bonds, Series 2013	2,295	-	(725)	1,570	765
Wastewater Revenue Bonds, Series 2019	25,960	-	(840)	25,120	880
Wastewater Revenue Refunding Bonds, Series 2020	27,440	-	(335)	27,105	335
2015 Refunding Revenue Bonds	29,186	-	(8,761)	20,425	2,145
2018 TOT Revenue Bonds, Senior Series A	195,815	-	-	195,815	-
2018 TOT Revenue Bonds, Senior Series B	16,680	-	(4,070)	12,610	4,215
2018 TOT Revenue Bonds, Subordinate Series C	65,740	-	(1,200)	64,540	1,266
2019 STID Assessment Revenue Bonds	49,620	-	(880)	48,740	915
Subtotal, revenue and other bonds, public offerings	<u>761,418</u>	<u>-</u>	<u>(24,556)</u>	<u>736,862</u>	<u>25,008</u>
Direct Borrowing Notes Payable:					
California Department of Public Health	6,347	-	(483)	5,864	495
California Infrastructure and Economic Development Bank (I-Bank)	2,031	-	(92)	1,939	95
Drinking Water State Revolving Fund	115,695	22,646	(2,933)	135,408	2,942
Subtotal, direct borrowing notes payable	<u>124,073</u>	<u>22,646</u>	<u>(3,508)</u>	<u>143,211</u>	<u>3,532</u>
Less deferred amounts:					
For issuance premiums	60,979	-	(3,629)	57,350	3,631
Subtotal, debt, business type activities	<u>946,470</u>	<u>22,646</u>	<u>(31,693)</u>	<u>937,423</u>	<u>32,171</u>
Other Long-term Liabilities:					
Accrued compensated absences	8,225	9,286	(7,834)	9,677	637
Lease liabilities	2,216	-	(204)	2,012	142
Net OPEB liability	40,930	-	(5,840)	35,090	-
Net pension liability	116,810	13,061	(47,192)	82,679	-
Accrued claims and judgments	635	25	-	660	660
Water fee credits	531	-	(339)	192	-
Wastewater fee credits	13,912	-	(3,140)	10,772	-
Liability for landfill post closure	4,336	-	(298)	4,038	298
Subtotal, other long-term liabilities	<u>187,595</u>	<u>22,372</u>	<u>(64,847)</u>	<u>145,120</u>	<u>1,737</u>
Total business-type activities	<u>1,134,065</u>	<u>45,018</u>	<u>(96,540)</u>	<u>1,082,543</u>	<u>33,908</u>
Total long-term liabilities	<u>\$ 2,972,600</u>	<u>\$ 205,780</u>	<u>\$ (562,558)</u>	<u>\$ 2,615,822</u>	<u>\$ 91,720</u>

The June 30, 2021 beginning balance of governmental activities and business-type activities have been restated to reflect the lease liabilities required by GASB Statement No. 87, in the amounts of \$1,977 and \$2,216, respectively.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2022, 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 | <p>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.</p> |
| \$186,950 | <p>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.</p> |
| \$215,195 | <p>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. 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 \$17,159 as of June 30, 2022. Current year principal and interest paid was \$5,717 and water fee revenue was \$136,613.</p> |
| \$30,855 | <p>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. 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 \$1,650 as of June 30, 2022. Current year principal and interest paid was \$822 and wastewater fee revenue was \$44,327.</p> |

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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
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
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)
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
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 \$87,798 as of June 30, 2022. Current year principal and interest paid was \$3,379 and water fee revenue was \$136,613.</p> |
| \$195,815 | <p>2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series A
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 \$362,909 as of June 30, 2022. Current year interest paid was \$9,791 and TOT revenue was \$26,843. Principal payments begin June 2025.</p> |

City of Sacramento
Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2022
 (dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

\$20,610	<p>2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series B (Taxable) 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 \$13,559 as of June 30, 2022. Current year principal and interest paid was \$4,690 and TOT revenue was \$26,843.</p>
\$66,890	<p>2018 Transient Occupancy Tax (TOT) Revenue Bonds, Subordinate Series C 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 \$116,729 as of June 30, 2022. Current year principal and interest paid was \$4,487 and TOT revenue was \$26,843.</p>
\$25,960	<p>2019 Wastewater Revenue Bonds 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 \$38,095 as of June 30, 2022. Current year principal and interest paid was \$2,117 and wastewater fee revenue was \$44,327.</p>
\$50,465	<p>2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds 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 \$76,746 as of June 30, 2022. Current year principal and interest paid was \$2,741 and STID fee revenue was \$3,292.</p>

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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. 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 \$249,503 as of June 30, 2022. Current year principal and interest paid was \$6,976 and water fee revenue was \$136,613.
- \$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 .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. 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 \$35,059 as of June 30, 2022. Current year principal and interest paid was \$926 and wastewater fee revenue was \$44,327.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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 \$136,613.
- \$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 \$2,524. Current year principal and interest paid was \$161 and storm drainage fee revenue was \$41,901. 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 December 2022. 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 \$10,248. The City has pledged future water fee revenues to repay the note. Current year water fee revenues were \$136,613. The amount claimed and reimbursed by the City as of June 30, 2022 was \$138,341.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Other Long-term Liabilities

Accrued claims and judgments – 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 liabilities – The City has entered into various agreements for the intangible right-to-use leased assets. Lease 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. 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 \$161,715 and \$35,090 for governmental activities and business-type activities, respectively, at June 30, 2022. 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 \$657,912 and \$82,679 for governmental activities and business-type activities, respectively, at June 30, 2022. 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, 2022
(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, 2022.

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
2023	\$ 505	\$ 169	\$ 14,959	\$ 23,652
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
2028-2032	3,070	292	102,741	86,064
2033-2037	330	4	90,622	59,180
2038-2042	-	-	50,160	41,241
2043-2047	-	-	65,960	25,420
2048-2050	-	-	49,168	5,646
Subtotals	6,065	992	439,447	327,675
Plus: Issuance premiums	-	-	14,484	-
Totals	\$ 6,065	\$ 992	\$ 453,931	\$ 327,675

Fiscal Year Ending June 30,	Direct Borrowing Notes Payable	
	Principal	Interest
2023	\$ 317	\$ 766
2024	431	751
2025	474	733
2026	547	710
2027	572	685
2028-2032	3,385	3,001
2033-2037	4,331	2,146
2038-2042	6,645	983
Totals	\$ 16,702	\$ 9,775

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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
2023	\$ 25,008	\$ 30,783	\$ 3,532	\$ 1,360
2024	26,130	29,644	6,565	2,420
2025	27,309	28,460	6,683	2,302
2026	28,443	27,309	6,803	2,182
2027	29,596	26,143	6,925	2,060
2028-2032	161,084	111,328	36,534	8,384
2033-2037	139,398	79,823	36,917	5,116
2038-2042	152,775	51,236	39,252	1,856
2043-2047	118,015	21,856	-	-
2048-2050	29,104	1,460	-	-
Subtotals	736,862	408,042	143,211	25,680
Plus: Issuance premiums	57,350	-	-	-
Totals	<u>\$ 794,212</u>	<u>\$ 408,042</u>	<u>\$ 143,211</u>	<u>\$ 25,680</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, 2022.

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$207,935 at June 30, 2022. 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 special facility and redevelopment agency revenue bonds total \$148,575 at June 30, 2022. Special facility revenue bonds were issued to provide administrative and service facilities for four non-profit organizations and for offices leased to the State of California Department of General Services (State). The bonds issued are special limited obligations of the City, payable solely from and secured by a pledge of revenue to be received from loan or lease agreements between the City and the non-profit organizations or the State. 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 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, 2022
 (dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS

Defined Benefit Plan Description

The City of Sacramento provides defined benefit 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, 2022, 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	\$ 241,724	\$ 50,840	\$ 121,620
Safety Plan	482,497	119,183	168,518
SCERS	16,370	9,882	-
Total	<u>\$ 740,591</u>	<u>\$ 179,905</u>	<u>\$ 290,138</u>

For the fiscal year ended June 30, 2022, the City recognized total pension expense of \$59,018 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, 2022
(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, 2022, 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	7.10%	7.50%
Required employer contribution rates	23.93%	23.93%

	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	9.99%	13.00%
Required employer contribution rates	53.03%	53.03%

Employees Covered – At June 30, 2020, 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	3,044	1,360
Inactive employees entitled to but not yet receiving benefits	4,501	483
Active employees	2,650	1,304
Total	10,195	3,147

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, 2022, the contributions for the miscellaneous and safety plans were \$47,627 and \$74,528, respectively.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. 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, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾	3.3% - 14.2% ⁽¹⁾
Investment Rate of Return	7.00% ⁽²⁾	7.00% ⁽²⁾
Mortality	2017 CalPERS Experience Study	2017 CalPERS Experience Study

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period of 1997 to 2015. 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-2017.pdf>.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions 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 as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Public Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	100%		

(1) An expected inflation of 2% used for this period.

(2) An expected inflation of 2.92% used for this period.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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, 2021 are as follows:

<u>Miscellaneous Plan:</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2021	\$ 1,481,334	\$ 1,076,422	\$ 404,912
Changes in the year:			
Service cost	31,307	-	31,307
Interest on the total pension liability	105,037	-	105,037
Difference between expected and actual experience	3,743	-	3,743
Contribution - employer	-	43,930	(43,930)
Contribution - employee	-	15,899	(15,899)
Net investment income	-	244,522	(244,522)
Benefit payments, including refunds of employee contributions	(63,352)	(63,352)	-
Administrative expense	-	(1,076)	1,076
Net changes	<u>76,735</u>	<u>239,923</u>	<u>(163,188)</u>
Balance at June 30, 2022	<u>\$ 1,558,069</u>	<u>\$ 1,316,345</u>	<u>\$ 241,724</u>
<u>Safety Plan:</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2021	\$ 2,129,490	\$ 1,435,924	\$ 693,566
Changes in the year:			
Service cost	44,416	-	44,416
Interest on the total pension liability	151,131	-	151,131
Difference between expected and actual experience	12,441	-	12,441
Contribution - employer	-	67,242	(67,242)
Contribution - employee	-	25,904	(25,904)
Net investment income	-	327,345	(327,345)
Benefit payments, including refunds of employee contributions	(100,827)	(100,827)	-
Administrative expense	-	(1,434)	1,434
Net changes	<u>107,161</u>	<u>318,230</u>	<u>(211,069)</u>
Balance at June 30, 2022	<u>\$ 2,236,651</u>	<u>\$ 1,754,154</u>	<u>\$ 482,497</u>
Totals of both Miscellaneous and Safety Plans	<u>\$ 3,794,720</u>	<u>\$ 3,070,499</u>	<u>\$ 724,221</u>

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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 position 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	6.15%	6.15%	6.15%
Net Pension Liability	\$ 457,463	\$ 793,646	\$ 1,251,109
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 241,724	\$ 482,497	\$ 724,221
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 64,044	\$ 227,715	\$ 291,759

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, 2022, the City recognized pension expense of \$13,757 and \$46,952 for the Miscellaneous and Safety Plans, respectively. At June 30, 2022, 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	\$ 47,627	\$ -	\$ 74,528	\$ -	\$ 122,155	\$ -
Changes of assumption	-	-	6,059	(4,229)	6,059	(4,229)
Differences between actual and expected experience	3,213	-	38,596	(854)	41,809	(854)
Net differences between projected and actual earnings on plan investments	-	(121,620)	-	(163,435)	-	(285,055)
Total	<u>\$ 50,840</u>	<u>\$ (121,620)</u>	<u>\$ 119,183</u>	<u>\$ (168,518)</u>	<u>\$ 170,023</u>	<u>\$ (290,138)</u>

The amount of \$122,155 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, 2023. 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>
2023	\$ (28,522)	\$ (25,407)	\$ (53,929)
2024	(27,111)	(25,364)	(52,475)
2025	(29,211)	(31,524)	(60,735)
2026	(33,563)	(42,272)	(75,835)
2027	-	704	704
Total	<u>\$ (118,407)</u>	<u>\$ (123,863)</u>	<u>\$ (242,270)</u>

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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, 2022
(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	Section 175	Section 399 and Equal Share
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, 2022, the following employees were covered by the benefit terms for each Plan:

	Section 399	Equal Shares	Section 175	Total
Inactive members or beneficiaries receiving benefits	750	34	37	821
Inactive members entitled to but not yet receiving benefits	4	-	1	5
Active plan members	2	-	-	2
Total plan members	756	34	38	828

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 1.7% for fiscal year 2022. 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, 2022, the average active employee contribution rate was 4.76% of annual pay, and the City’s average contribution rate was 0.88% of annual payroll. For the fiscal year ended June 30, 2022, the contributions for the SCERS plan were \$3,479.

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
 (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, 2022 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, 2022 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	32.5%	2.6%
Large Cap Growth	32.5%	7.1%
Equity Income	30.0%	7.1%
International Equity	5.0%	7.3%
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, 2022
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability (Asset) – The changes in the Net Pension Liability (Asset) for the SCERS Plan for the measurement date of June 30, 2022 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021	\$ 282,359	\$ 311,133	\$ (28,774)
Changes in the year:			
Service cost	6	-	6
Interest on the total pension liability	16,098	-	16,098
Change of assumptions	218	-	218
Differences between expected and actual experience	5	-	5
Contribution - employer	-	3,479	(3,479)
Contribution - employee	-	9	(9)
Net investment loss	-	(32,305)	32,305
Benefit payments, including refunds of employee contributions	(28,145)	(28,145)	-
Net changes	(11,818)	(56,962)	45,144
Balance at June 30, 2022	\$ 270,541	\$ 254,171	\$ 16,370

Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date – Mortality tables were changed from the CalPERS 1997-2015 experience study tables to the CalPERS 2000-2019 experience study tables. Mortality improvement was changed from fully generational projection with Society of Actuaries Scale MP-2020 to fully generational projection with Society of Actuaries Scale MP-2021. 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	Current	1% increase
	(5%)	Discount Rate (6%)	(7%)
SCERS net pension liability (asset)	\$ 37,244	\$ 16,370	\$ (1,916)

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, 2022
 (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, 2022, the City recognized pension expense (income) of \$(1,691) attributable to the SCERS plans. At June 30, 2022, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net differences between projected and actual earnings on plan investments	<u>\$ 9,882</u>

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
2023	\$ 515
2024	647
2025	(1,324)
2026	10,044
Total	<u>\$ 9,882</u>

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, 2022, employees contributed \$5,106 and the City contributed \$4,205 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 \$889 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 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.

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.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

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

General Information (Continued)

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	2,991
Inactive employees entitled to but not yet receiving benefits	383
Active employees	<u>3,899</u>
Total	<u><u>7,273</u></u>

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, 2022 were \$24,675.

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, 2021, using an annual actuarial valuation as of June 30, 2021. 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, 2021
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 and later. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to 3.75% for 2076 and later. 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 under Forms and Publications.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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	59%	4.56%
Fixed Income	25%	0.78%
Treasury Inflation-Protected Securities (TIPS)	5%	-0.08%
Commodities	3%	1.22%
Real Estate Investment Trusts (REITs)	8%	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, 2022 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 297,704	\$ 53,455	\$ 244,249
Changes in the year:			
Service cost	5,919	-	5,919
Interest on the total OPEB liability	19,968	-	19,968
Difference between expected and actual experience	(40,332)	-	(40,332)
Changes of assumptions	3,978	-	3,978
Contribution - employer	-	21,687	(21,687)
Contribution - employee	-	-	-
Net investment income	-	15,311	(15,311)
Benefit payments, including refunds	(15,625)	(15,625)	-
Administrative expense	-	(21)	21
Net changes	(26,092)	21,352	(47,444)
Balance at June 30, 2022	\$ 271,612	\$ 74,807	\$ 196,805

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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	\$ 228,974	\$ 196,805	\$ 169,776

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	\$ 174,884	\$ 196,805	\$ 223,251

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, 2022, the City recognized OPEB expense (income) of \$(14,897). At June 30, 2022, 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	\$ 24,675	\$ -
Changes of assumption	3,356	(65,425)
Differences between actual and expected experience	-	(48,971)
Net differences between projected and actual earnings on plan investments	-	(7,972)
Total	<u>\$ 28,031</u>	<u>\$ (122,368)</u>

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

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

Net OPEB Liability (Continued)

The amount of \$24,675 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, 2023. 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
2023	\$ (36,872)
2024	(33,215)
2025	(28,284)
2026	(12,556)
2027	(5,811)
Thereafter	(2,274)
Total	<u>\$ (119,012)</u>

NOTE 10 – FUND EQUITY AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2022, the government-wide statement of net position reported restricted net position of \$393,619 in governmental activities. Of this amount, \$52,710 is restricted for enabling legislation.

The Capital Grants Fund, a capital projects fund, had a deficit fund balance of \$3,889 as of June 30, 2022. 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 \$2,885 as of June 30, 2022. It is anticipated that this deficit will be funded by future operating subsidies.

For the fiscal year ended June 30, 2022, General Fund expenditures for the Fire Department and citywide community support exceeded appropriations by \$6,201 and \$2,356, respectively. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2022, Measure U Fund expenditures for citywide and community support exceeded appropriations by \$512. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2022, Culture and Leisure Fund expenditures for convention and cultural services exceeded appropriations by \$350. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2022, Special Districts Fund expenditures for general government exceeded appropriations by \$571, convention and cultural services by \$2,295, and library by \$2. 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, 2022
(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, 2022:

	Description	Transfers In	Transfers Out	Net Transfers
Governmental activities:				
General Fund	Debt service	\$ 308	\$ (16,710)	\$ (16,402)
General Fund	In-lieu tax transfers	35,451	-	35,451
General Fund	Program support	12,425	(19,300)	(6,875)
Measure U Fund	Program support	33	(3,676)	(3,643)
2015 Golden 1 Center				
Lease Revenue Bond Fund	Debt service	10,600	-	10,600
Operating Grants Fund	Program support	-	(2,930)	(2,930)
Other Governmental Funds	Debt service	18,107	(5,259)	12,848
Other Governmental Funds	Program support	9,166	(11,170)	(2,004)
Internal Service Funds	Debt service	21	(45)	(24)
Internal Service Funds	Program support	-	(1,026)	(1,026)
Total governmental activities		<u>86,111</u>	<u>(60,116)</u>	<u>25,995</u>
Business-type activities:				
Water Fund	Debt service	-	(34)	(34)
Water Fund	In-lieu tax transfers	-	(14,576)	(14,576)
Water Fund	Program support	117	(486)	(369)
Wastewater Fund	Debt service	-	(46)	(46)
Wastewater Fund	In-lieu tax transfers	-	(4,719)	(4,719)
Wastewater Fund	Program support	62	-	62
Storm Drainage Fund	Debt service	-	(74)	(74)
Storm Drainage Fund	In-lieu tax transfers	-	(4,369)	(4,369)
Storm Drainage Fund	Program support	53	(159)	(106)
Solid Waste Fund	Debt service	-	(108)	(108)
Solid Waste Fund	In-lieu tax transfers	-	(8,306)	(8,306)
Solid Waste Fund	Program support	349	-	349
Community Center Fund	Debt service	2,741	-	2,741
Community Center Fund	In-lieu tax transfers	-	(1,993)	(1,993)
Community Center Fund	Program support	6,720	(637)	6,083
Other Enterprise Funds	Debt service	-	(9,500)	(9,500)
Other Enterprise Funds	In-lieu tax transfers	-	(1,488)	(1,488)
Other Enterprise Funds	Program support	10,458	-	10,458
Total business-type activities		<u>20,500</u>	<u>(46,495)</u>	<u>(25,995)</u>
Total government-wide statements		<u>\$ 106,611</u>	<u>\$ (106,611)</u>	<u>\$ -</u>

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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, 2022:

	Receivables	Payables	Interfund Balances
General Fund	\$ -	\$ (1,873)	\$ (1,873)
Other Governmental Funds	-	(7,628)	(7,628)
Internal Service Funds	14,532	-	14,532
Total governmental activities	<u>14,532</u>	<u>(9,501)</u>	<u>5,031</u>
Community Center Fund	-	(5,031)	(5,031)
Total business-type activities	<u>-</u>	<u>(5,031)</u>	<u>(5,031)</u>
Total	<u>\$ 14,532</u>	<u>\$ (14,532)</u>	<u>\$ -</u>

\$14,532 was loaned by the City's internal service funds to cover short-term operating deficits (approximately \$6,093) and to assist in development of community resources (approximately \$8,439). Included in the \$14,532 of interfund loans is \$11,002 that is not expected to be repaid within one year.

\$1,657 was borrowed by the Capital Grants Fund for short-term loans.

\$5,971 was borrowed by the Culture and Leisure Fund for the Haggin Oaks renovation project and operating deficit.

\$5,031 was borrowed by the Community Center Fund for operational requirements.

\$1,873 was borrowed by the General Fund for the acquisition of Habitat Conservation Plan mitigation lands by the Natomas Basin Conservancy.

City of Sacramento
Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
(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 \$35,000 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 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, 2022, 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, 2022, the Risk Management Internal Service Fund had a net position of \$13,780.

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:

	<u>2022</u>	<u>2021</u>
Accrued claims and judgments, July 1	\$ 102,410	\$ 91,911
Incurred claims and adjustment expenses	30,617	25,781
Claim payments	<u>(21,211)</u>	<u>(15,282)</u>
Accrued claims and judgments, June 30	<u>\$ 111,816</u>	<u>\$ 102,410</u>

City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2022
 (dollar amounts expressed in thousands)

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Commitment of 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, a subfund of the Special Districts Special Revenue 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 \$105,975 for contracts awarded but not completed as of June 30, 2022. The following table shows the distribution of those commitments among major and nonmajor funds.

Governmental Activities:		Business-type Activities:	
General Fund	\$ 11,708	Water Fund	\$ 21,368
Measure U Fund	12,060	Wastewater Fund	4,575
Other governmental funds	28,787	Storm Drainage Fund	2,872
Internal service funds	17,499	Solid Waste Fund	3,287
		Community Center Fund	2,688
		Other enterprise funds	1,131
Total governmental activities	\$ 70,054	Total business-type activities	\$ 35,921

The major contracts outstanding are \$3,666 for installation of motor-controlled valves and drainage system as part of the Ground Water Flush-to-Waste project; \$3,325 for AWMP installations tracking and investigation and contract compliance; \$3,190 for Hope Cooperative outreach services within the Department of Community Response; \$3,048 for providing support to businesses affected by COVID-19; \$2,811 for the operation of Outreach and Engagement Center for providing respite resources for the most vulnerable members of the community; \$2,631 for Oak Park Broadway development; \$2,175 for support services and public outreach for youth development; \$2,062 for the Sacramento River Water Treatment Plant Expansion Project; \$2,000 for assisting La Familia Counseling Center with property acquisition, site readiness work and overall project support; and \$17,087 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 the American Rescue Plan Act and the Emergency Rental Assistance Program. 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, 2022 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, 2022. 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, 2022
(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 engineering report estimated that \$4,336 was required for future post closure monitoring costs as of June 30, 2021. The estimate was based on actual costs for the fiscal years ended June 30, 2018, 2019, and 2020, and may change due to inflation or deflation, technology, or applicable laws and regulations. The estimated liability was amortized to \$4,038 as of June 30, 2022.

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 \$573 at June 30, 2021 and \$596 at June 30, 2022. Pollution remediation outlays totaled approximately \$59 for the fiscal year ended June 30, 2022. 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, 2022, 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, 2022
(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 12th 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, 2022, 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, 2022, were \$13,572. In addition, the City paid cost reimbursements and program support of \$18 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 \$8,777 for the fiscal year ended June 30, 2022. 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 \$4,880 of support to SRFECC during the fiscal year ended June 30, 2022. 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, 2022, the City provided \$558 of annual support to the NCRPSTA. Payments for rent and training during the fiscal year ended June 30, 2022 were \$8. 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, 2022
(dollar amounts expressed in thousands)

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

California Fire and Rescue Training Authority

The City is a participant with the Sacramento Metropolitan Fire District and the California Governor’s Office of Emergency Services in the California Fire and Rescue Training Authority which provides training for fire and rescue personnel throughout the region as well as operating the California Regional Fire Academy. During the fiscal year ended June 30, 2022, the City provided general support of \$45, paid \$283 for training courses for City staff and provided staff support. Financial statements may be obtained from the California Fire and Rescue Training Authority Business Office, 10545 Armstrong Avenue, Suite 320, Mather, CA 95655.

Riverfront Joint Powers Authority

The City is a participant with the City of West Sacramento in the Riverfront Joint Powers Authority, formed in March 2017, to create, own and operate a fixed-rail streetcar system that would have operated within and between the two Cities. Initial bids for the project were received and exceeded the available project budget. A resolution was passed by City Council in October 2019 to develop an alternative plan with partnering agencies for a successor light rail transit project in place of the streetcar and sought collaboration with the City of West Sacramento to identify the necessary steps to dissolve the Riverfront Joint Powers Authority. A motion was passed by the City, in August 2020, to dissolve the Riverfront Joint Powers Authority. Subsequently, another motion was passed by the City to terminate the subrecipient agreement signed in 2017 with West Sacramento on February 1, 2022.

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, 2022:

The City provided \$130 in annual support and \$105 in project/program expenses to the Regional Water Authority.

The City provided \$230 in annual support to the Sacramento Groundwater Authority.

The City provided \$177 in annual support and \$34 in program expenses to the Sacramento Area Council of Governments.

The City received \$285 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 said projects is remitted directly to SAFCA or other suppliers of services.

The City received \$68 in Workforce Investment Act grants from the Sacramento Employee and Training Agency.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

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 (as modified by the California Supreme Court on December 29, 2011), 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 serve as the successor agency to the Redevelopment Agency of the City of Sacramento (Agency) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB x1 26 (Chapter 5, Statutes of 2011). Also, on January 1, 2012, the City Council elected not to serve as the successor agency for the former redevelopment agency’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 former Agency 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 former Agency liabilities exceeded its assets. Therefore, the Agency 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 successor agency on February 1, 2012. At June 30, 2022, the successor agency had a deficit net position of \$168,420 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

On June 27, 2012, Assembly Bill 1484 was enacted. Under AB 1484 (Chapter 16, Statutes of 2012; Health and Safety Code section 34173, subdivision (g)), the dissolution law was clarified to provide that the Agency is a separate legal entity from the City. Also, AB 1484 provided that the Agency’s bond fund assets can be expended in a manner consistent with the bond’s covenants after compliance with certain requirements.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

On September 20, 2013, the Agency received its Finding of Completion from the State Department of Finance (DOF) and is now able to spend the unencumbered bond funds in a manner consistent with the original bond covenants. Pursuant to Health and Safety Code (HSC) section 34179.7, the DOF has verified that the former Redevelopment Agency Successor Agency of the City of Sacramento (RASA) does not owe any amounts to the taxing entities as determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

On August 25, 2015, the State Department of Finance (DOF) approved the Agency’s Oversight Board action authorizing the Agency to refund certain outstanding tax-allocation obligations of the former Redevelopment Agency in accordance with Assembly Bill Nos. x1 26 and 1484. The RASA 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) and RASA 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable) were issued under the Indenture of Trust, dated as of October 1, 2015, to refund certain obligations of the former Redevelopment Agency of the City of Sacramento currently outstanding in the aggregate principal amount of \$119,360, to purchase a Municipal Bond Debt Service Reserve Insurance Policy from Build America Mutual Assurance Company for deposit in the Reserve Account, and to pay certain costs of issuance of the Bonds.

On October 6, 2015, the DOF approved the Agency’s Oversight Board action approving the Excess Bond Expenditure Plan, approving the Master Excess Bond Expenditure Agreement between the Agency and the City, authorizing the transfer of the unspent non-housing bond proceeds to the City, approving an Excess Housing Bond Expenditure Agreement between RASA and the Housing Authority, and authorizing the transfer of the housing bond proceeds to the Housing Authority as the Housing Successor.

The City is to finance public and private development projects previously planned by the Agency; and the Housing Authority is to use the funds for low-moderate income housing projects.

On December 31, 2015, 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, 2022, contracts payable of \$12,059 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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 4,969	\$ -	\$ -	\$ 4,969
Depreciable capital assets				
Buildings and improvements	141	-	-	141
Less accumulated depreciation for:				
Buildings and improvements	(44)	(4)	-	(48)
Depreciable capital assets, net	100	(4)	-	93
Total capital assets, net	\$ 5,069	\$ (4)	\$ -	\$ 5,062

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
2015 Tax Allocation Refunding Bonds TE, Series A	\$ 36,911	\$ -	\$ (3,040)	\$ 33,871	\$ 2,560
Subtotal, revenue bonds	36,911	-	(3,040)	33,871	2,560
Notes Payable:					
2003 Del Paso TE TABS, Series A	6,182	26 ⁽¹⁾	(478)	5,730	770
2005 Merged Downtown TE, Series A	137,761	3,883 ⁽¹⁾	(7,834)	133,810	16,468
2005 Oak Park TE, Series A	4,047	13 ⁽¹⁾	(990)	3,070	497
2006 65th Street TX Master Lease, Series B	3,070	-	(120)	2,950	125
2006 North Sacramento TX Master Lease, Series B	3,585	-	(140)	3,445	150
2006 Stockton Blvd Master Lease	1,948	-	(1)	1,947	153
2008 BOA Public Capital Corporation	1,462	38	(193)	1,307	204
2009 Army Depot TX Swap	2,469	-	(96)	2,373	103
2009 River District TX Swap	2,311	-	(89)	2,222	97
City of Sacramento CIEDB - Utilities/Detention Basin	1,015	-	(46)	969	48
Globe Mills	2,388	-	(340)	2,048	361
North Sacramento CIEDB Loan	2,628	-	(141)	2,487	146
Stockton Blvd CIEDB Loan	2,189	-	(119)	2,070	122
Subtotal, notes payable	171,055	3,960	(10,587)	164,428	19,244
Total, long-term debt	\$ 207,966	\$ 3,960	\$ (13,627)	\$ 198,299	\$ 21,804

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

As of June 30, 2022, accumulated accretion for the 2003 Del Paso TE TABS, Series A, is \$3,628, and accumulated accretion for the 2005 Merged Downtown and Oak Park TE, Series A, is \$77,869.

City of Sacramento
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

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
2023	\$ 2,560	\$ 1,461	\$ 19,244	\$ 1,039
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
2028-2032	8,730	3,879	87,244	2,610
2033-2037	11,020	920	26,149	880
2038	-	-	76	1
Subtotal	31,085	10,824	208,323	7,921
Less: Unaccreted interest	-	-	(43,895)	-
Plus: Issuance premiums	2,786	-	-	-
Total	<u>\$ 33,871</u>	<u>\$ 10,824</u>	<u>\$ 164,428</u>	<u>\$ 7,921</u>

NOTE 16 – SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSES

Effective July 1, 2019, the City entered into a new 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 lease period. The present value of the installment payments was initially estimated to be \$9,180. The City reports a loan receivable and deferred inflows of resources of \$6,492 in the government-wide statement of net position as of June 30, 2022.

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Required Supplementary Information

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

Notes to the Required Supplementary Information

* Fiscal year 2015 was the first year of implementation, therefore, only eight 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			
	2019	2020	2021	2022
Total pension liability				
Service cost	\$ 28,404	\$ 29,053	\$ 30,236	\$ 31,307
Interest on the total pension liability	89,060	94,760	99,810	105,037
Changes of assumptions	(7,898)	-	-	-
Differences between expected and actual experience	6,909	12,970	2,600	3,743
Benefit payments, including refunds of employee contributions	(48,384)	(53,695)	(59,069)	(63,352)
Net change in total pension liability	68,091	83,088	73,577	76,735
Total pension liability -- beginning	1,256,578	1,324,669	1,407,757	1,481,334
Total pension liability -- ending (a)	<u>\$ 1,324,669</u>	<u>\$ 1,407,757</u>	<u>\$ 1,481,334</u>	<u>\$ 1,558,069</u>
Plan fiduciary net position				
Contributions - employer	\$ 29,514	\$ 34,102	\$ 39,118	\$ 43,930
Contributions - employee	12,634	14,289	15,018	15,899
Net investment income	76,768	64,092	51,632	244,522
Benefit payments, including refunds of employee contributions	(48,384)	(53,695)	(59,069)	(63,352)
Plan to plan resource movement	(2)	-	-	-
Administrative expense	(1,413)	(694)	(1,454)	(1,076)
Other miscellaneous expense	(2,683)	2	-	-
Net change in fiduciary net position	66,434	58,096	45,245	239,923
Plan fiduciary net position -- beginning	906,647	973,081	1,031,177	1,076,422
Plan fiduciary net position -- ending (b)	<u>\$ 973,081</u>	<u>\$ 1,031,177</u>	<u>\$ 1,076,422</u>	<u>\$ 1,316,345</u>
Net pension liability -- ending (a) - (b)	<u>\$ 351,588</u>	<u>\$ 376,580</u>	<u>\$ 404,912</u>	<u>\$ 241,724</u>
Plan fiduciary net position as a percentage of the total pension liability	73.46%	73.25%	72.67%	84.49%
Covered payroll **	<u>\$ 181,331</u>	<u>\$ 185,823</u>	<u>\$ 195,700</u>	<u>\$ 203,030</u>
Net pension liability as a percentage of covered payroll	193.89%	202.66%	206.90%	119.06%
Measurement date	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021

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
Actuarially determined contributions	\$ 22,711	\$ 26,156	\$ 30,084	\$ 26,947
Contributions in relation to the actuarially determined contribution	22,711	26,156	30,084	26,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 157,449	\$ 166,403	\$ 176,795	\$ 181,331
Contributions as a percentage of covered payroll	14.42%	15.72%	17.02%	14.86%

Notes to the Required Supplementary Information

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

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 market
Inflation	2.5%
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 eight 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			
	2019	2020	2021	2022
Actuarially determined contributions	\$ 33,664	\$ 39,797	\$ 43,941	\$ 47,627
Contributions in relation to the actuarially determined contribution	33,664	39,797	43,941	47,627
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 185,823	\$ 195,700	\$ 203,030	\$ 214,528
Contributions as a percentage of covered payroll	18.12%	20.34%	21.64%	22.20%
<u>Notes to the Required Supplementary Information</u>				
Valuation date:	6/30/2016	6/30/2017	6/30/2018	6/30/2019

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

Notes to the Required Supplementary Information

* Fiscal year 2015 was the first year of implementation, therefore, only eight 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			
	2019	2020	2021	2022
Total pension liability				
Service cost	\$ 38,386	\$ 40,221	\$ 42,306	\$ 44,416
Interest on the total pension liability	127,930	136,323	143,878	151,131
Changes of assumptions	(17,242)	-	-	-
Differences between expected and actual experience	3,954	35,991	20,246	12,441
Benefit payments, including refunds of employee contributions	(82,999)	(88,688)	(95,642)	(100,827)
Net change in total pension liability	<u>70,029</u>	<u>123,847</u>	<u>110,788</u>	<u>107,161</u>
Total pension liability -- beginning	1,824,826	1,894,855	2,018,702	2,129,490
Total pension liability -- ending (a)	<u>\$ 1,894,855</u>	<u>\$ 2,018,702</u>	<u>\$ 2,129,490</u>	<u>\$ 2,236,651</u>
Plan fiduciary net position				
Contributions - employer	\$ 41,588	\$ 49,875	\$ 58,584	\$ 67,242
Contributions - employee	21,564	22,752	23,832	25,904
Net investment income	104,661	86,282	69,226	327,345
Benefit payments, including refunds of employee contributions	(82,999)	(88,688)	(95,642)	(100,827)
Plan to plan resource movement	(4)	-	-	-
Administrative expense	(1,922)	(937)	(1,947)	(1,434)
Other miscellaneous expense	(3,650)	3	-	-
Net change in fiduciary net position	<u>79,238</u>	<u>69,287</u>	<u>54,053</u>	<u>318,230</u>
Plan fiduciary net position -- beginning	1,233,346	1,312,584	1,381,871	1,435,924
Plan fiduciary net position -- ending (b)	<u>\$ 1,312,584</u>	<u>\$ 1,381,871</u>	<u>\$ 1,435,924</u>	<u>\$ 1,754,154</u>
Net pension liability -- ending (a) - (b)	<u>\$ 582,271</u>	<u>\$ 636,831</u>	<u>\$ 693,566</u>	<u>\$ 482,497</u>
Plan fiduciary net position as a percentage of the total pension liability	69.27%	68.45%	67.43%	78.43%
Covered payroll **	<u>\$ 132,206</u>	<u>\$ 138,718</u>	<u>\$ 147,409</u>	<u>\$ 157,333</u>
Net pension liability as a percentage of covered payroll	440.43%	459.08%	470.50%	306.67%
Measurement date	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021

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
Actuarially determined contributions	\$ 36,638	\$ 40,959	\$ 47,222	\$ 49,102
Contributions in relation to the actuarially determined contribution	36,638	40,959	47,222	49,102
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 112,067	\$ 120,120	\$ 126,438	\$ 132,206
Contributions as a percentage of covered payroll	32.69%	34.10%	37.35%	37.14%

Notes to the Required Supplementary Information

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015
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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 market
Inflation	2.5%
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 eight 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			
	2019	2020	2021	2022
Actuarially determined contributions	\$ 56,327	\$ 66,147	\$ 66,915	\$ 74,528
Contributions in relation to the actuarially determined contribution	56,327	66,147	66,915	74,528
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 138,718	\$ 147,409	\$ 157,333	\$ 163,228
Contributions as a percentage of covered payroll	40.61%	44.87%	42.53%	45.66%
<u>Notes to the Required Supplementary Information</u>				
Valuation date:	6/30/2016	6/30/2017	6/30/2018	6/30/2019

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

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

For the fiscal year ended June 30, 2022, the calculation of the total pension liability was affected by the change in mortality tables used to the CalPERS 2000-2019 experience study tables, and change in assumption of mortality improvement to use Society of Actuaries Scale MP-2021.

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			
	2019	2020	2021	2022
Total pension liability				
Service cost	\$ 66	\$ 49	\$ 18	\$ 6
Interest on the total pension liability	20,095	19,363	18,342	16,098
Changes of assumptions	(927)	(1,593)	2,673	218
Differences between expected and actual experience	304	(3,768)	(6,349)	5
Benefit payments, including refunds of employee contributions	(31,134)	(30,457)	(28,992)	(28,145)
Net change in total pension liability	(11,596)	(16,406)	(14,308)	(11,818)
Total pension liability -- beginning	324,669	313,073	296,667	282,359
Total pension liability -- ending (a)	\$ 313,073	\$ 296,667	\$ 282,359	\$ 270,541
Plan fiduciary net position				
Contributions - employer	\$ 7,507	\$ 4,410	\$ 3,822	\$ 3,479
Contributions - employee	49	25	16	9
Net investment income (loss)	18,537	7,591	73,150	(32,305)
Benefits payments, including refunds of employee contributions	(31,134)	(30,457)	(28,992)	(28,145)
Net change in fiduciary net position	(5,041)	(18,431)	47,996	(56,962)
Plan fiduciary net position -- beginning	286,609	281,568	263,137	311,133
Plan fiduciary net position -- ending (b)	\$ 281,568	\$ 263,137	\$ 311,133	\$ 254,171
Net pension liability (asset)-- ending (a) - (b)	\$ 31,505	\$ 33,530	\$ (28,774)	\$ 16,370
Plan fiduciary net position as a percentage of the total pension liability	89.94%	88.70%	110.19%	93.95%
Covered payroll **	\$ 678	\$ 362	\$ 270	\$ 189
Net pension liability (asset) as a percentage of covered payroll	4646.76%	9262.43%	-10657.04%	8661.38%
Measurement date	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022

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
Actuarially determined contributions	\$ 9,183	\$ 8,645	\$ 8,330	\$ 8,267
Contributions in relation to the actuarially determined contribution	9,183	8,645	8,645	8,645
Contribution deficiency (excess)	\$ -	\$ -	\$ (315)	\$ (378)
Covered payroll **	\$ 1,180	\$ 1,020	\$ 1,049	\$ 921
Contributions as a percentage of covered payroll	778%	848%	824%	939%

Notes to the Required Supplementary Information

Valuation date: 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
Amortization method	Level dollar payments over 12 years, open period
Asset valuation method	3 year smoothed market value
Inflation	2.75%
Salary increases	2.75% CPI plus 0.5% merit
Investment rate of return	6.50%
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-2019

* Fiscal year 2015 was the first year of implementation, therefore, only eight 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			
	2019	2020	2021	2022
Actuarially determined contributions	\$ 5,268	\$ 4,410	\$ 3,822	\$ 3,479
Contributions in relation to the actuarially determined contribution	7,507	4,410	3,822	3,479
Contribution deficiency (excess)	\$ (2,239)	\$ -	\$ -	\$ -
Covered payroll **	\$ 678	\$ 362	\$ 270	\$ 189
Contributions as a percentage of covered payroll	1107%	1218%	1416%	1841%
<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
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years* (in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 11,872	\$ 11,052	\$ 9,931	\$ 5,809	\$ 5,919
Interest on the total OPEB liability	15,313	16,612	18,106	19,582	19,968
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)
Net change in total OPEB liability	(9,809)	(16,084)	(107,699)	5,530	(26,092)
Total OPEB liability -- beginning	425,766	415,957	399,873	292,174	297,704
Total OPEB liability -- ending (a)	\$ 415,957	\$ 399,873	\$ 292,174	\$ 297,704	\$ 271,612
Plan fiduciary net position					
Contributions - employer	\$ 21,605	\$ 21,072	\$ 18,406	\$ 24,598	\$ 21,687
Contributions - employee	297	308	303	310	-
Net investment income	2,034	2,156	2,432	1,064	15,311
Benefit payments	(12,565)	(12,903)	(14,890)	(15,764)	(15,625)
Administrative expense	(10)	(51)	(8)	(23)	(21)
Net change in fiduciary net position	11,361	10,582	6,243	10,185	21,352
Plan fiduciary net position -- beginning	15,084	26,445	37,027	43,270	53,455
Plan fiduciary net position -- ending (b)	\$ 26,445	\$ 37,027	\$ 43,270	\$ 53,455	\$ 74,807
Net OPEB liability -- ending (a) - (b)	\$ 389,512	\$ 362,846	\$ 248,904	\$ 244,249	\$ 196,805
Plan fiduciary net position as a percentage of the total OPEB liability	6.36%	9.26%	14.81%	17.96%	27.54%
Covered-employee payroll	\$ 237,926	\$ 236,885	\$ 245,622	\$ 261,187	\$ 249,162
Net OPEB liability as a percentage of covered payroll	163.71%	153.17%	101.34%	93.51%	78.99%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021

Notes to the Required Supplementary Information

* Fiscal year 2018 was the first year of implementation, therefore, only five 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
Actuarially determined contributions	\$ 36,393	\$ 34,454	\$ 36,155	\$ 25,548	\$ 26,879
Contributions in relation to the actuarially determined contribution	21,072	18,406	24,598	21,687	24,675
Contribution deficiency (excess)	<u>15,321</u>	<u>16,048</u>	<u>11,557</u>	<u>3,861</u>	<u>2,204</u>
Covered-employee payroll	\$ 236,885	\$ 245,622	\$ 261,187	\$ 249,162	\$ 244,497
Contributions as a percentage of covered-employee payroll	8.90%	7.49%	9.42%	8.70%	10.09%

Notes to the Required Supplementary Information

Valuation date:	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
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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 17 year period
Asset valuation method	Investment gains and losses spread over 5 year rolling period
Inflation	2.75%
Salary Increase	2.75%
Investment rate of return	6.75%
Healthcare cost trend rate	Non- Medicare - 7.5% for 2020, decreasing to 4% for 2076 and later Medicare - 6.5% for 2020, decreasing to 4% for 2076 and later
Mortality	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.

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

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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, 2022
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS					
Cash and investments held by City	\$ 133,252	\$ 3,302	\$ 196,316	\$ 6,616	\$ 339,486
Cash and investments held by fiscal agent	-	2	-	-	2
Receivables, net:					
Taxes	6,104	-	-	-	6,104
Accounts	2,570	7	12,488	-	15,065
Loans	19,266	-	-	-	19,266
Intergovernmental	1,627	11,803	13,118	-	26,548
Leases	123	2,970	-	-	3,093
Interest	121	26	163	15	325
Restricted assets:					
Cash and investments held by City	175	-	10,936	-	11,111
Cash and investments held by fiscal agent	-	5,085	-	-	5,085
Total assets	\$ 163,238	\$ 23,195	\$ 233,021	\$ 6,631	\$ 426,085
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,778	\$ -	\$ 4,793	\$ 5	\$ 12,576
Accrued payroll	48	-	-	-	48
Due to other funds	-	-	1,657	-	1,657
Deposits	2,308	428	-	-	2,736
Unearned revenue	710	-	3,568	-	4,278
Advances from other funds	5,971	-	-	-	5,971
Total liabilities	16,815	428	10,018	5	27,266
Deferred inflows of resources:					
Unavailable revenue	1,339	11,803	17,277	-	30,419
Leases	123	2,930	-	-	3,053
Total deferred inflows of resources	1,462	14,733	17,277	-	33,472
Fund balances:					
Nonspendable:					
Leases	-	40	-	-	40
Permanent fund principal	-	-	-	578	578
Restricted:					
Capital projects	27,366	-	213,852	-	241,218
Debt service	175	4,657	-	-	4,832
Public works programs	21,293	-	-	-	21,293
Economic development programs	55,545	-	-	-	55,545
Other programs	22,180	-	905	6,048	29,133
Committed:					
Capital projects	795	-	-	-	795
Debt service	-	1,351	-	-	1,351
OPEB	1	-	-	-	1
Other programs	20,238	-	-	-	20,238
Assigned:					
Debt service	-	1,986	-	-	1,986
Unassigned	(2,632)	-	(9,031)	-	(11,663)
Total fund balances	144,961	8,034	205,726	6,626	365,347
Total liabilities, deferred inflows of resources and fund balances	\$ 163,238	\$ 23,195	\$ 233,021	\$ 6,631	\$ 426,085

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

For the Fiscal Year Ended June 30, 2022
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	\$ 11,258	\$ -	\$ 3,066	\$ -	\$ 14,324
Intergovernmental	19,201	446	45,390	-	65,037
Charges for services	18,519	-	260	-	18,779
Fines, forfeits and penalties	207	-	-	-	207
Interest, rents, and concessions	(24)	1,725	(1,782)	124	43
Community service fees	564	-	24,512	-	25,076
Assessment levies	55,983	-	49	-	56,032
Contributions and donations	445	-	5,861	-	6,306
Miscellaneous	-	-	11,890	-	11,890
Total revenues	106,153	2,171	89,246	124	197,694
Expenditures:					
Current:					
General government	16,616	-	630	178	17,424
Public works	27,372	-	8,136	-	35,508
Convention and cultural services	8,262	-	-	-	8,262
Youth, parks, and community enrichment	9,584	-	737	-	10,321
Community development	14,911	-	9,356	-	24,267
Library	8,777	-	-	-	8,777
Utilities	278	-	-	-	278
Capital outlay	3,556	-	95,369	-	98,925
Debt service:					
Principal	501	10,090	18,992	-	29,583
Interest and fiscal charges	1,002	9,958	20	-	10,980
Total expenditures	90,859	20,048	133,240	178	244,325
Excess (deficiency) of revenues over (under) expenditures	15,294	(17,877)	(43,994)	(54)	(46,631)
Other financing sources (uses):					
Transfers in	9,349	17,765	159	-	27,273
Transfers out	(14,987)	-	(1,442)	-	(16,429)
Issuance of long-term debt	-	-	51,914	-	51,914
Total other financing sources (uses)	(5,638)	17,765	50,631	-	62,758
Changes in fund balances	9,656	(112)	6,637	(54)	16,127
Fund balances, beginning of year	135,305	8,146	199,089	6,680	349,220
Fund balances, end of year	<u>\$ 144,961</u>	<u>\$ 8,034</u>	<u>\$ 205,726</u>	<u>\$ 6,626</u>	<u>\$ 365,347</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).

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.

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City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2022

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
ASSETS				
Cash and investments held by City	\$ 61,842	\$ 6,736	\$ 8,498	\$ 30,331
Receivables, net:				
Taxes	-	-	-	6,104
Accounts	577	70	10	4
Loans	-	-	-	19,266
Intergovernmental	-	-	231	-
Leases	-	123	-	-
Interest	117	-	4	-
Restricted assets:				
Cash and investments held by City	-	175	-	-
Total assets	\$ 62,536	\$ 7,104	\$ 8,743	\$ 55,705
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 993	\$ 102	\$ 199	\$ 159
Accrued payroll	-	8	21	1
Deposits	2,140	168	-	-
Unearned revenue	690	20	-	-
Advances from other funds	-	5,971	-	-
Total liabilities	3,823	6,269	220	160
Deferred inflows of resources:				
Unavailable revenue	125	9	229	-
Leases	-	123	-	-
Total deferred inflows of resources	125	132	229	-
Fund balances:				
Restricted:				
Capital projects	19,013	-	4,219	-
Debt service	-	175	-	-
Public works programs	21,293	-	-	-
Economic development programs	-	-	-	55,545
Other programs	-	1,471	4,102	-
Committed:				
Capital projects	169	626	-	-
OPEB	-	1	-	-
Other programs	18,113	758	277	-
Unassigned	-	(2,328)	(304)	-
Total fund balances	58,588	703	8,294	55,545
Total liabilities, deferred inflows of resources and fund balances	\$ 62,536	\$ 7,104	\$ 8,743	\$ 55,705

City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2022

(in thousands)

	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
ASSETS				
Cash and investments held by City	\$ 186	\$ 24,607	\$ 1,052	\$ 133,252
Receivables, net:				
Taxes	-	-	-	6,104
Accounts	-	1,871	38	2,570
Loans	-	-	-	19,266
Intergovernmental	1,396	-	-	1,627
Leases	-	-	-	123
Interest	-	-	-	121
Restricted assets:				
Cash and investments held by City	-	-	-	175
Total assets	\$ 1,582	\$ 26,478	\$ 1,090	\$ 163,238
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 509	\$ 5,816	\$ -	\$ 7,778
Accrued payroll	18	-	-	48
Deposits	-	-	-	2,308
Unearned revenue	-	-	-	710
Advances from other funds	-	-	-	5,971
Total liabilities	527	5,816	-	16,815
Deferred inflows of resources:				
Unavailable revenue	976	-	-	1,339
Leases	-	-	-	123
Total deferred inflows of resources	976	-	-	1,462
Fund balances:				
Restricted:				
Capital projects	-	4,134	-	27,366
Debt service	-	-	-	175
Public works programs	-	-	-	21,293
Economic development programs	-	-	-	55,545
Other programs	79	16,528	-	22,180
Committed:				
Capital projects	-	-	-	795
OPEB	-	-	-	1
Other programs	-	-	1,090	20,238
Unassigned	-	-	-	(2,632)
Total fund balances	79	20,662	1,090	144,961
Total liabilities, deferred inflows of resources and fund balances	\$ 1,582	\$ 26,478	\$ 1,090	\$ 163,238

City of Sacramento
Other Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 11,258
Intergovernmental	16,147	-	490	-
Charges for services	16,366	2,153	-	-
Fines, forfeits and penalties	202	-	-	5
Interest, rents, and concessions	(1,957)	1,148	255	345
Community service fees	236	-	328	-
Assessment levies	155	-	-	-
Contributions and donations	-	92	353	-
Total revenues	<u>31,149</u>	<u>3,393</u>	<u>1,426</u>	<u>11,608</u>
Expenditures:				
Current:				
General government	-	-	-	1,072
Public works	10,795	-	-	-
Convention and cultural services	-	1,789	-	-
Youth, parks, and community enrichment	-	-	1,832	-
Community development	14,774	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Capital outlay	1,143	174	619	7
Debt service:				
Principal	-	449	-	-
Interest and fiscal charges	-	1,001	-	-
Total expenditures	<u>26,712</u>	<u>3,413</u>	<u>2,451</u>	<u>1,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,437</u>	<u>(20)</u>	<u>(1,025)</u>	<u>10,529</u>
Other financing sources (uses):				
Transfers in	-	591	501	7,329
Transfers out	(396)	-	-	(11,850)
Total other financing sources (uses)	<u>(396)</u>	<u>591</u>	<u>501</u>	<u>(4,521)</u>
Changes in fund balances	4,041	571	(524)	6,008
Fund balances, beginning of year	<u>54,547</u>	<u>132</u>	<u>8,818</u>	<u>49,537</u>
Fund balances, end of year	<u>\$ 58,588</u>	<u>\$ 703</u>	<u>\$ 8,294</u>	<u>\$ 55,545</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, 2022

(in thousands)

	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 11,258
Intergovernmental	2,357	-	207	19,201
Charges for services	-	-	-	18,519
Fines, forfeits and penalties	-	-	-	207
Interest, rents, and concessions	7	171	7	(24)
Community service fees	-	-	-	564
Assessment levies	-	55,828	-	55,983
Contributions and donations	-	-	-	445
Total revenues	<u>2,364</u>	<u>55,999</u>	<u>214</u>	<u>106,153</u>
Expenditures:				
Current:				
General government	4,200	11,344	-	16,616
Public works	-	16,577	-	27,372
Convention and cultural services	-	6,473	-	8,262
Youth, parks, and community enrichment	-	7,752	-	9,584
Community development	-	137	-	14,911
Library	-	8,777	-	8,777
Utilities	-	278	-	278
Capital outlay	-	1,613	-	3,556
Debt service:				
Principal	52	-	-	501
Interest and fiscal charges	1	-	-	1,002
Total expenditures	<u>4,253</u>	<u>52,951</u>	<u>-</u>	<u>90,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,889)</u>	<u>3,048</u>	<u>214</u>	<u>15,294</u>
Other financing sources (uses):				
Transfers in	486	442	-	9,349
Transfers out	-	(2,741)	-	(14,987)
Total other financing sources (uses)	<u>486</u>	<u>(2,299)</u>	<u>-</u>	<u>(5,638)</u>
Changes in fund balances	(1,403)	749	214	9,656
Fund balances, beginning of year	<u>1,482</u>	<u>19,913</u>	<u>876</u>	<u>135,305</u>
Fund balances, end of year	<u>\$ 79</u>	<u>\$ 20,662</u>	<u>\$ 1,090</u>	<u>\$ 144,961</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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,042	\$ 12,042	\$ 16,147	\$ 4,105
Charges for services	3,451	4,818	4,639	(179)
Fines, forfeits and penalties	400	400	202	(198)
Interest, rents, and concessions	40	40	(2,046)	(2,086)
Total revenues	15,933	17,300	18,942	1,642
Expenditures:				
Current:				
Public works	12,206	12,206	10,795	1,411
Community development	3,451	4,818	2,689	2,129
Capital outlay	1,065	1,078	1,077	1
Total expenditures	16,722	18,102	14,561	3,541
Excess (deficiency) of revenues over (under) expenditures	(789)	(802)	4,381	5,183
Other financing uses:				
Transfers out	-	-	(313)	(313)
Changes in fund balance for budgeted activities	(789)	(802)	4,068	4,870
Fund balance, beginning of year for budgeted activities	45,871	45,871	45,871	-
Fund balance, end of year for budgeted activities	<u>\$ 45,082</u>	<u>\$ 45,069</u>	49,939	<u>\$ 4,870</u>
Change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted			(27)	
Fund balance, beginning of year for non-budgeted activities			<u>8,676</u>	
Fund balance, end of year			<u>\$ 58,588</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, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,701	\$ 1,701	\$ 2,153	\$ 452
Interest, rents and concessions	1,003	1,003	1,148	145
Contributions and donations	45	45	92	47
Total revenues	2,749	2,749	3,393	644
Expenditures:				
Current:				
Convention and cultural services	1,420	1,439	1,789	(350)
Capital outlay	774	821	174	647
Debt service:				
Principal	902	902	449	453
Interest and fiscal charges	1,039	1,039	1,001	38
Total expenditures	4,135	4,201	3,413	788
Deficiency of revenues under expenditures	(1,386)	(1,452)	(20)	1,432
Other financing sources:				
Transfers in	628	628	591	(37)
Changes in fund balance	(758)	(824)	571	1,395
Fund balance, beginning of year	132	132	132	-
Fund balance (deficit), end of year	\$ (626)	\$ (692)	\$ 703	\$ 1,395

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, 2022
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 658	\$ 754	\$ 490	\$ (264)
Interest, rents and concessions	23	23	99	76
Community service fees	-	-	60	60
Total revenues	<u>681</u>	<u>777</u>	<u>649</u>	<u>(128)</u>
Expenditures:				
Current:				
Youth, parks, and community enrichment	<u>1,475</u>	<u>1,571</u>	<u>1,498</u>	<u>73</u>
Deficiency of revenues under expenditures	(794)	(794)	(849)	(55)
Other financing sources:				
Transfers in	<u>-</u>	<u>501</u>	<u>501</u>	<u>-</u>
Changes in fund balance for budgeted activities	(794)	(293)	(348)	(55)
Fund balance, beginning of year for budgeted activities	<u>321</u>	<u>321</u>	<u>321</u>	<u>-</u>
Fund balance (deficit), end of year for budgeted activities	<u>\$ (473)</u>	<u>\$ 28</u>	<u>(27)</u>	<u>\$ (55)</u>
Change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			(176)	
Fund balance, beginning of year for non-budgeted activities			<u>8,497</u>	
Fund balance, end of year			<u>\$ 8,294</u>	

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, 2022
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,127	\$ 6,127	\$ 2,357	\$ (3,770)
Interest, rents and concessions	-	-	7	7
Total revenues	<u>1,127</u>	<u>6,127</u>	<u>2,364</u>	<u>(3,763)</u>
Expenditures:				
Current:				
General government	2,020	6,987	4,200	2,787
Debt service:				
Principal	-	52	52	-
Interest and fiscal charges	-	1	1	-
Total expenditures	<u>-</u>	<u>1</u>	<u>4,253</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,127	6,126	(1,889)	(3,763)
Other financing sources:				
Transfers in	-	-	486	486
Changes in fund balance	1,127	6,126	(1,403)	(3,277)
Fund balance, beginning of year	<u>1,482</u>	<u>1,482</u>	<u>1,482</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,609</u>	<u>\$ 7,608</u>	<u>\$ 79</u>	<u>\$ (3,277)</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, 2022
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest, rents, and concessions	\$ -	\$ -	\$ 171	\$ 171
Assessment levies	50,911	52,671	55,828	3,157
Total revenues	50,911	52,671	55,999	3,328
Expenditures:				
Current:				
General government	10,402	10,773	11,344	(571)
Public works	17,399	17,516	16,577	939
Convention and cultural services	3,635	4,178	6,473	(2,295)
Youth, parks, and community enrichment	10,132	10,194	7,752	2,442
Community development	330	240	137	103
Library	8,775	8,775	8,777	(2)
Utilities	679	679	278	401
Capital outlay	5,086	5,106	1,613	3,493
Total expenditures	56,438	57,461	52,951	4,510
Excess (deficiency) of revenues over (under) expenditures	(5,527)	(4,790)	3,048	7,838
Other financing sources (uses):				
Transfers in	442	442	442	-
Transfers out	(2,741)	(2,744)	(2,741)	3
Total other financing sources (uses)	(2,299)	(2,302)	(2,299)	3
Changes in fund balance	(7,826)	(7,092)	749	7,841
Fund balance, beginning of year	19,913	19,913	19,913	-
Fund balance, end of year	\$ 12,087	\$ 12,821	\$ 20,662	\$ 7,841

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, 2022

(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 188	\$ 188	\$ 207	\$ 19
Interest, rents, and concessions	-	-	7	7
Total revenues	188	188	214	26
Fund balance, beginning of year	876	876	876	-
Fund balance, end of year	<u>\$ 1,064</u>	<u>\$ 1,064</u>	<u>\$ 1,090</u>	<u>\$ 26</u>

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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.

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City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2022

(in thousands)

	2006 Series B Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue Bond Fund
<u>ASSETS</u>			
Assets:			
Cash and investments held by City	\$ 1,317	\$ -	\$ 1,984
Cash and investments held by fiscal agent	-	1	1
Receivables, net:			
Accounts	7	-	-
Intergovernmental	9,856	1,947	-
Leases	2,970	-	-
Interest	26	-	-
Restricted assets:			
Cash and investments held by fiscal agent	3,925	-	-
Total assets	<u>\$ 18,101</u>	<u>\$ 1,948</u>	<u>\$ 1,985</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred inflows of resources:			
Unavailable revenue	9,856	1,947	-
Leases	2,930	-	-
Total deferred inflows of resources	<u>12,786</u>	<u>1,947</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Leases	40	-	-
Restricted:			
Debt service	3,925	-	-
Committed:			
Debt service	1,350	1	-
Assigned:			
Debt service	-	-	1,985
Total fund balances	<u>5,315</u>	<u>1</u>	<u>1,985</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,101</u>	<u>\$ 1,948</u>	<u>\$ 1,985</u>

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2022

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
<u>ASSETS</u>			
Assets:			
Cash and investments held by City	\$ -	\$ 1	\$ 3,302
Cash and investments held by fiscal agent	-	-	2
Receivables, net:			
Accounts	-	-	7
Intergovernmental	-	-	11,803
Leases	-	-	2,970
Interest	-	-	26
Restricted assets:			
Cash and investments held by fiscal agent	1,160	-	5,085
Total assets	<u>\$ 1,160</u>	<u>\$ 1</u>	<u>\$ 23,195</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ 428	\$ -	\$ 428
Deferred inflows of resources:			
Unavailable revenue	-	-	11,803
Leases	-	-	2,930
Total deferred inflows of resources	-	-	14,733
Fund balances:			
Nonspendable:			
Leases	-	-	40
Restricted:			
Debt service	732	-	4,657
Committed:			
Debt service	-	-	1,351
Assigned:			
Debt service	-	1	1,986
Total fund balances	732	1	8,034
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,160</u>	<u>\$ 1</u>	<u>\$ 23,195</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, 2022

(in thousands)

	2006 Series B Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue Bond Fund
Revenues:			
Intergovernmental	\$ 445	\$ 1	\$ -
Interest, rents, and concessions	442	103	16
Total revenues	887	104	16
Expenditures:			
Debt service:			
Principal	1,575	1,760	6,265
Interest and fiscal charges	2,366	4,040	3,369
Total expenditures	3,941	5,800	9,634
Excess (deficiency) of revenues over (under) expenditures	(3,054)	(5,696)	(9,618)
Other financing sources:			
Transfers in	2,435	5,697	9,633
Changes in fund balances	(619)	1	15
Fund balances, beginning of year	5,934	-	1,970
Fund balances, end of year	\$ 5,315	\$ 1	\$ 1,985

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 446
Interest, rents, and concessions	1,164	-	1,725
Total revenues	1,164	-	2,171
Expenditures:			
Debt service:			
Principal	490	-	10,090
Interest and fiscal charges	183	-	9,958
Total expenditures	673	-	20,048
Excess (deficiency) of revenues over (under) expenditures	491	-	(17,877)
Other financing sources:			
Transfers in	-	-	17,765
Changes in fund balances	491	-	(112)
Fund balances, beginning of year	241	1	8,146
Fund balances, end of year	\$ 732	\$ 1	\$ 8,034

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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.

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City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2022
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
ASSETS				
Cash and investments held by City	\$ -	\$ 92,982	\$ -	\$ -
Receivables, net:				
Accounts	-	976	-	485
Intergovernmental	-	2,835	-	10,283
Interest	-	84	-	-
Restricted assets:				
Cash and investments held by City	30	-	152	32
Total assets	<u>\$ 30</u>	<u>\$ 96,877</u>	<u>\$ 152</u>	<u>\$ 10,800</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,366	\$ -	\$ 2,391
Due to other funds	-	-	-	1,657
Unearned revenue	-	83	-	1,655
Total liabilities	<u>-</u>	<u>1,449</u>	<u>-</u>	<u>5,703</u>
Deferred inflows of resources:				
Unavailable revenue	-	993	-	8,986
Fund balances:				
Restricted:				
Capital projects	30	94,480	152	5,097
Other programs	-	-	-	-
Unassigned	-	(45)	-	(8,986)
Total fund balances (deficit)	<u>30</u>	<u>94,435</u>	<u>152</u>	<u>(3,889)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30</u>	<u>\$ 96,877</u>	<u>\$ 152</u>	<u>\$ 10,800</u>

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2022
(in thousands)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
ASSETS				
Cash and investments held by City	\$ 88,832	\$ 14,502	\$ -	\$ 196,316
Receivables, net:				
Accounts	11,027	-	-	12,488
Intergovernmental	-	-	-	13,118
Interest	79	-	-	163
Restricted assets:				
Cash and investments held by City	-	-	10,722	10,936
Total assets	<u>\$ 99,938</u>	<u>\$ 14,502</u>	<u>\$ 10,722</u>	<u>\$ 233,021</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 754	\$ -	\$ 282	\$ 4,793
Due to other funds	-	-	-	1,657
Unearned revenue	1,830	-	-	3,568
Total liabilities	<u>2,584</u>	<u>-</u>	<u>282</u>	<u>10,018</u>
Deferred inflows of resources:				
Unavailable revenue	7,298	-	-	17,277
Fund balances:				
Restricted:				
Capital projects	89,151	14,502	10,440	213,852
Other programs	905	-	-	905
Unassigned	-	-	-	(9,031)
Total fund balances (deficit)	<u>90,056</u>	<u>14,502</u>	<u>10,440</u>	<u>205,726</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99,938</u>	<u>\$ 14,502</u>	<u>\$ 10,722</u>	<u>\$ 233,021</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, 2022
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
Revenues:				
Taxes	\$ -	\$ 3,066	\$ -	\$ -
Intergovernmental	-	28,895	-	16,495
Charges for services	-	260	-	-
Interest, rents, and concessions	1	(1,057)	1	23
Community service fees	-	-	-	-
Assessment levies	-	-	-	-
Contributions and donations	-	-	-	2,856
Miscellaneous	-	-	-	-
	<u>1</u>	<u>31,164</u>	<u>1</u>	<u>19,374</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	8,055	-	-
Youth, parks, and community enrichment	-	-	-	-
Community development	-	-	-	-
Capital outlay	76	9,718	-	18,101
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>76</u>	<u>17,773</u>	<u>-</u>	<u>18,101</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(75)</u>	<u>13,391</u>	<u>1</u>	<u>1,273</u>
Other financing sources (uses):				
Transfers in	-	159	-	-
Transfers out	-	-	-	(23)
Issuance of long-term debt	-	-	-	-
	<u>-</u>	<u>159</u>	<u>-</u>	<u>(23)</u>
Total other financing sources (uses)				
Changes in fund balances	(75)	13,550	1	1,250
Fund balances (deficit) , beginning of year	<u>105</u>	<u>80,885</u>	<u>151</u>	<u>(5,139)</u>
Fund balances (deficit) , end of year	<u>\$ 30</u>	<u>\$ 94,435</u>	<u>\$ 152</u>	<u>\$ (3,889)</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, 2022
(in thousands)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 3,066
Intergovernmental	-	-	-	45,390
Charges for services	-	-	-	260
Interest, rents, and concessions	(959)	131	78	(1,782)
Community service fees	24,512	-	-	24,512
Assessment levies	28	21	-	49
Contributions and donations	-	3,005	-	5,861
Miscellaneous	11,890	-	-	11,890
Total revenues	35,471	3,157	78	89,246
Expenditures:				
Current:				
General government	-	-	630	630
Public works	81	-	-	8,136
Youth, parks, and community enrichment	737	-	-	737
Community development	8,963	393	-	9,356
Capital outlay	53,973	12,647	854	95,369
Debt service:				
Principal	18,992	-	-	18,992
Interest and fiscal charges	20	-	-	20
Total expenditures	82,766	13,040	1,484	133,240
Excess (deficiency) of revenues over (under) expenditures	(47,295)	(9,883)	(1,406)	(43,994)
Other financing sources (uses):				
Transfers in	-	-	-	159
Transfers out	(1,419)	-	-	(1,442)
Issuance of long-term debt	51,914	-	-	51,914
Total other financing sources (uses)	50,495	-	-	50,631
Changes in fund balances	3,200	(9,883)	(1,406)	6,637
Fund balances (deficit) , beginning of year	86,856	24,385	11,846	199,089
Fund balances (deficit) , end of year	<u>\$ 90,056</u>	<u>\$ 14,502</u>	<u>\$ 10,440</u>	<u>\$ 205,726</u>

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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, 2022
(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>
<u>ASSETS</u>					
Cash and investments held by City	\$ 1,190	\$ 3,568	\$ 1,811	\$ 47	\$ 6,616
Receivables, net:					
Interest	3	10	2	-	15
Total assets	<u>\$ 1,193</u>	<u>\$ 3,578</u>	<u>\$ 1,813</u>	<u>\$ 47</u>	<u>\$ 6,631</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 5	\$ -	\$ 5
Fund balances:					
Nonspendable:					
Permanent fund principal	272	278	25	3	578
Restricted:					
Other programs	921	3,300	1,783	44	6,048
Total fund balances	<u>1,193</u>	<u>3,578</u>	<u>1,808</u>	<u>47</u>	<u>6,626</u>
Total liabilities and fund balances	<u>\$ 1,193</u>	<u>\$ 3,578</u>	<u>\$ 1,813</u>	<u>\$ 47</u>	<u>\$ 6,631</u>

City of Sacramento
Permanent Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022
(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	\$ 15	\$ 46	\$ 63	\$ -	\$ 124
Expenditures:					
Current:					
General government	38	116	24	-	178
Changes in fund balances	(23)	(70)	39	-	(54)
Fund balances, beginning of year	1,216	3,648	1,769	47	6,680
Fund balances, end of year	<u>\$ 1,193</u>	<u>\$ 3,578</u>	<u>\$ 1,808</u>	<u>\$ 47</u>	<u>\$ 6,626</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.

4th R CHILD DEVELOPMENT FUND is used to account for a program that provides school age childcare services at various locations throughout the City.

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City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2022

(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 22,960	\$ 1,927	\$ 24,887
Receivables, net:			
Accounts	548	166	714
Leases	262	-	262
Interest	41	-	41
Prepaid items	12	-	12
Intangible asset, current portion	-	8	8
Total current assets	<u>23,823</u>	<u>2,101</u>	<u>25,924</u>
Noncurrent assets:			
Leases receivable	8,042	-	8,042
Intangible assets	-	104	104
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	5,966	-	5,966
Software	32	-	32
Leased land	1,978	-	1,978
Less: accumulated depreciation/amortization	<u>(44,025)</u>	<u>(1,393)</u>	<u>(45,418)</u>
Total noncurrent assets	<u>45,949</u>	<u>353</u>	<u>46,302</u>
Total assets	<u>69,772</u>	<u>2,454</u>	<u>72,226</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	749	552	1,301
OPEB	215	80	295
Total deferred outflows of resources	<u>964</u>	<u>632</u>	<u>1,596</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2022

(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,207	31	2,238
Accrued payroll	94	223	317
Accrued compensated absences	18	24	42
Interest payable	41	-	41
Deposits	502	-	502
Unearned revenue	219	143	362
Accrued claims and judgments	9	6	15
Lease liabilities	108	-	108
Revenue and other bonds payable, net	1,191	-	1,191
Total current liabilities	4,389	427	4,816
Noncurrent liabilities:			
Accrued compensated absences	456	349	805
Net OPEB liability	1,368	(8)	1,360
Lease liabilities	1,762	-	1,762
Revenue and other bonds payable, net	9,808	-	9,808
Net pension liability	3,541	3,688	7,229
Total noncurrent liabilities	16,935	4,029	20,964
Total liabilities	21,324	4,456	25,780
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Gain on debt refundings	170	-	170
Pensions	1,702	1,273	2,975
OPEB	934	242	1,176
Leases	7,966	-	7,966
Total deferred inflows of resources	10,772	1,515	12,287
<u>NET POSITION</u>			
Net investment in capital assets	24,474	249	24,723
Unrestricted	14,166	(3,134)	11,032
Total net position (deficit)	\$ 38,640	\$ (2,885)	\$ 35,755

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City of Sacramento
Other Enterprise Funds
Combining Statement of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 13,049	\$ 4,325	\$ 17,374
Rents and concessions	875	15	890
Miscellaneous	53	16	69
Total operating revenues	<u>13,977</u>	<u>4,356</u>	<u>18,333</u>
Operating expenses:			
Employee services	3,447	4,513	7,960
Services and supplies	5,368	1,037	6,405
Depreciation/amortization	1,494	72	1,566
Claims and judgments	29	4	33
Total operating expenses	<u>10,338</u>	<u>5,626</u>	<u>15,964</u>
Operating income (loss)	<u>3,639</u>	<u>(1,270)</u>	<u>2,369</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	296	17	313
Revenue from other agencies	-	123	123
Interest expense	(337)	-	(337)
Total nonoperating revenues (expenses)	<u>(41)</u>	<u>140</u>	<u>99</u>
Income (loss) before transfers	3,598	(1,130)	2,468
Transfers in	10,448	10	10,458
Transfers out	(10,988)	-	(10,988)
Changes in net position	3,058	(1,120)	1,938
Total net position (deficit), beginning of year	<u>35,582</u>	<u>(1,765)</u>	<u>33,817</u>
Total net position (deficit), end of year	<u>\$ 38,640</u>	<u>\$ (2,885)</u>	<u>\$ 35,755</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 13,469	\$ 4,245	\$ 17,714
Payments to suppliers	(5,067)	(1,023)	(6,090)
Payments to employees	(4,162)	(4,771)	(8,933)
Claims and judgments paid	(21)	(3)	(24)
Net cash provided by (used for) operating activities	4,219	(1,552)	2,667
Cash flows from noncapital financing activities:			
Transfers in from other funds	10,448	10	10,458
Transfers out to other funds	(1,488)	-	(1,488)
Intergovernmental revenue received	-	123	123
Net cash provided by noncapital financing activities	8,960	133	9,093
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,051)	(96)	(1,147)
Principal payments on capital debt	(990)	-	(990)
Interest payments on capital debt	(486)	-	(486)
Principal payments on lease liabilities	(108)	-	(108)
Interest payments on lease liabilities	(28)	-	(28)
Transfers out to other funds	(9,500)	-	(9,500)
Receipts from leases	201	-	201
Collection of interest from leases	84	-	84
Net cash used for capital and related financing activities	(11,878)	(96)	(11,974)
Cash flows from investing activities:			
Collection of interest and investment revenue	171	17	188
Net increase (decrease) in cash and cash equivalents	1,472	(1,498)	(26)
Cash and cash equivalents, beginning of year	21,488	3,425	24,913
Cash and cash equivalents, end of year	\$ 22,960	\$ 1,927	\$ 24,887

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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)	\$ 3,639	\$ (1,270)	\$ 2,369
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,494	63	1,557
Amortization of intangible assets	-	9	9
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	124	(118)	6
Prepaid items	-	1	1
Accounts payable	301	13	314
Accrued payroll	2	97	99
Accrued compensated absences	94	104	198
Accrued claims and judgments	8	1	9
Deposits	(32)	-	(32)
Unearned revenue	(61)	7	(54)
Net pension liability and related deferred outflows/inflows of resources	(508)	(345)	(853)
Net OPEB liability and related deferred outflows/inflows of resources	(303)	(114)	(417)
Deferred inflows related to leases	(539)	-	(539)
Net cash provided by (used for) operating activities	<u>\$ 4,219</u>	<u>\$ (1,552)</u>	<u>\$ 2,667</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	394	-	394

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WATER FUND

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City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2022
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
ASSETS					
Current assets:					
Cash and investments held by City	\$ -	\$ 189,894	\$ -	\$ -	\$ -
Receivables, net:					
Accounts	551	19,228	-	-	-
Intergovernmental	-	-	462	-	-
Leases	-	66	-	-	-
Interest	-	752	-	-	-
Due from other funds	-	1,279	-	-	-
Inventories	-	1,163	-	-	-
Prepaid items	-	219	-	-	-
	<u>551</u>	<u>212,601</u>	<u>462</u>	<u>-</u>	<u>-</u>
Total current assets					
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	45,964	21,191	-	-	-
Cash and investments held by fiscal agent	-	602	-	2,848	-
Leases receivable	-	822	-	-	-
Capital assets:					
Land	1,729	1,170	-	-	-
Buildings and improvements	820	53,654	559	94,403	-
Machinery and equipment	680	23,818	641	77,305	8,624
Transmission and distribution systems	3,429	643,576	3,354	97,906	53,775
Construction in progress	19,711	22,465	2,534	7,836	614
Software	-	3,491	-	-	-
Easement	-	134	-	-	-
Leased equipment	-	184	-	-	-
Less: accumulated depreciation/amortization	(478)	(337,996)	(1,498)	(18,810)	(4,686)
	<u>71,855</u>	<u>433,111</u>	<u>5,590</u>	<u>261,488</u>	<u>58,327</u>
Total noncurrent assets					
Total assets					
	<u>72,406</u>	<u>645,712</u>	<u>6,052</u>	<u>261,488</u>	<u>58,327</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding of debt	-	3,605	-	-	-
Pensions	-	6,468	-	-	-
OPEB	-	1,022	-	-	-
	<u>-</u>	<u>11,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources					

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2022
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
ASSETS				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 189,894
Receivables, net:				
Accounts	-	-	-	19,779
Intergovernmental	-	-	-	462
Leases	-	-	-	66
Interest	-	-	-	752
Due from other funds	-	-	(1,279)	-
Inventories	-	-	-	1,163
Prepaid items	-	-	-	219
	<u>-</u>	<u>-</u>	<u>(1,279)</u>	<u>212,335</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	-	-	-	67,155
Cash and investments held by fiscal agent	-	-	-	3,450
Leases receivable	-	-	-	822
Capital assets:				
Land	-	-	-	2,899
Buildings and improvements	15,947	-	-	165,383
Machinery and equipment	3,259	-	-	114,327
Transmission and distribution systems	115,813	-	-	917,853
Construction in progress	3,963	-	-	57,123
Software	-	-	-	3,491
Easement	-	-	-	134
Leased equipment	-	-	-	184
Less: accumulated depreciation/amortization	(5,646)	-	-	(369,114)
	<u>133,336</u>	<u>-</u>	<u>-</u>	<u>963,707</u>
Total noncurrent assets				
Total assets	<u>133,336</u>	<u>-</u>	<u>(1,279)</u>	<u>1,176,042</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding of debt	-	3,960	-	7,565
Pensions	-	-	-	6,468
OPEB	-	-	-	1,022
	<u>-</u>	<u>3,960</u>	<u>-</u>	<u>15,055</u>
Total deferred outflows of resources				

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2022
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
LIABILITIES					
Current liabilities:					
Accounts payable	116	4,478	55	-	-
Due to other funds	-	-	387	-	-
Accrued payroll	-	922	-	-	-
Accrued compensated absences	-	260	-	-	-
Interest payable	-	454	-	261	814
Deposits	-	5	-	-	-
Unearned revenue	561	1,869	20	-	-
Accrued claims and judgments	-	77	-	-	-
Revenue and other bonds payable, net	-	7,035	-	5,833	1,290
Notes payable	-	495	-	-	-
Total current liabilities	<u>677</u>	<u>15,595</u>	<u>462</u>	<u>6,094</u>	<u>2,104</u>
Noncurrent liabilities:					
Accrued compensated absences	-	3,594	-	-	-
Water fee credits	12	180	-	-	-
Net OPEB liability	-	10,290	-	-	-
Revenue and other bonds payable, net	-	92,101	-	11,792	56,474
Notes payable	-	5,369	-	-	-
Net pension liability	-	24,533	-	-	-
Total noncurrent liabilities	<u>12</u>	<u>136,067</u>	<u>-</u>	<u>11,792</u>	<u>56,474</u>
Total liabilities	<u>689</u>	<u>151,662</u>	<u>462</u>	<u>17,886</u>	<u>58,578</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	-	14,375	-	-	-
OPEB	-	5,587	-	-	-
Leases	-	854	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>20,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	25,775	310,139	5,590	245,851	563
Restricted for:					
Capital projects	45,942	-	-	-	-
Unrestricted	-	174,190	-	(2,249)	(814)
Total net position (deficit)	<u>\$ 71,717</u>	<u>\$ 484,329</u>	<u>\$ 5,590</u>	<u>\$ 243,602</u>	<u>\$ (251)</u>

(continued)

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2022
(in thousands)

	Drinking Water SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
LIABILITIES				
Current liabilities:				
Accounts payable	74	-	-	4,723
Due to other funds	892	-	(1,279)	-
Accrued payroll	-	-	-	922
Accrued compensated absences	-	-	-	260
Interest payable	-	1,648	-	3,177
Deposits	-	-	-	5
Unearned revenue	-	-	-	2,450
Accrued claims and judgments	-	-	-	77
Revenue and other bonds payable, net	-	2,050	-	16,208
Notes payable	2,942	-	-	3,437
	<u>3,908</u>	<u>3,698</u>	<u>(1,279)</u>	<u>31,259</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	3,594
Water fee credits	-	-	-	192
Net OPEB liability	-	-	-	10,290
Revenue and other bonds payable, net	-	181,435	-	341,802
Notes payable	132,466	-	-	137,835
Net pension liability	-	-	-	24,533
	<u>132,466</u>	<u>181,435</u>	<u>-</u>	<u>518,246</u>
Total noncurrent liabilities				
	<u>136,374</u>	<u>185,133</u>	<u>(1,279)</u>	<u>549,505</u>
Total liabilities				
	<u>136,374</u>	<u>185,133</u>	<u>(1,279)</u>	<u>549,505</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	-	-	14,375
OPEB	-	-	-	5,587
Leases	-	-	-	854
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,816</u>
Total deferred inflows of resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,816</u>
NET POSITION				
Net investment in capital assets	(2,146)	(179,525)	-	406,247
Restricted for:				
Capital projects	-	-	-	45,942
Unrestricted	(892)	(1,648)	-	168,587
	<u>(892)</u>	<u>(1,648)</u>	<u>-</u>	<u>168,587</u>
Total net position (deficit)	<u>\$ (3,038)</u>	<u>\$ (181,173)</u>	<u>\$ -</u>	<u>\$ 620,776</u>

City of Sacramento
Water Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ 136,493	\$ -	\$ -	\$ -
Rent and concessions	-	60	-	-	-
Miscellaneous	-	60	-	-	-
Total operating revenues	<u>-</u>	<u>136,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Employee services	-	35,291	2	-	-
Services and supplies	-	24,635	56	-	-
Depreciation/amortization	148	17,874	203	5,221	1,097
Claims and judgments	-	33	-	-	-
Total operating expenses	<u>148</u>	<u>77,833</u>	<u>261</u>	<u>5,221</u>	<u>1,097</u>
Operating income (loss)	<u>(148)</u>	<u>58,780</u>	<u>(261)</u>	<u>(5,221)</u>	<u>(1,097)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue (loss)	327	(13,716)	-	(16)	-
Revenue from other agencies	-	64	488	-	-
Interest expense	-	(4,816)	-	(54)	(2,120)
Amortization of bond prepaid insurance	-	(23)	-	-	-
Total nonoperating revenues (expenses)	<u>327</u>	<u>(18,491)</u>	<u>488</u>	<u>(70)</u>	<u>(2,120)</u>
Income (loss) before capital contributions and transfers	179	40,289	227	(5,291)	(3,217)
Capital contributions	4,374	2,682	-	-	-
Transfers in	-	117	-	5,717	3,379
Transfers out	-	(41,731)	-	-	-
Changes in net position	4,553	1,357	227	426	162
Total net position (deficit), beginning of year	<u>67,164</u>	<u>482,972</u>	<u>5,363</u>	<u>243,176</u>	<u>(413)</u>
Total net position (deficit), end of year	<u>\$ 71,717</u>	<u>\$ 484,329</u>	<u>\$ 5,590</u>	<u>\$ 243,602</u>	<u>\$ (251)</u>

City of Sacramento
Water Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ -	\$ 136,493
Rent and concessions	-	-	-	60
Miscellaneous	-	-	-	60
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,613</u>
Operating expenses:				
Employee services	-	-	-	35,293
Services and supplies	-	-	-	24,691
Depreciation/amortization	2,641	-	-	27,184
Claims and judgments	-	-	-	33
Total operating expenses	<u>2,641</u>	<u>-</u>	<u>-</u>	<u>87,201</u>
Operating income (loss)	<u>(2,641)</u>	<u>-</u>	<u>-</u>	<u>49,412</u>
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	(198)	-	-	(13,603)
Revenue from other agencies	-	-	-	552
Interest expense	(2,185)	(5,147)	-	(14,322)
Amortization of bond prepaid insurance	-	-	-	(23)
Total nonoperating revenues (expenses)	<u>(2,383)</u>	<u>(5,147)</u>	<u>-</u>	<u>(27,396)</u>
Income (loss) before capital contributions and transfers	(5,024)	(5,147)	-	22,016
Capital contributions	-	-	-	7,056
Transfers in	10,563	6,976	(26,635)	117
Transfers out	-	-	26,635	(15,096)
Changes in net position	5,539	1,829	-	14,093
Total net position (deficit), beginning of year	<u>(8,577)</u>	<u>(183,002)</u>	<u>-</u>	<u>606,683</u>
Total net position (deficit), end of year	<u>\$ (3,038)</u>	<u>\$ (181,173)</u>	<u>\$ -</u>	<u>\$ 620,776</u>

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ 139,475	\$ -	\$ -	\$ -
Payments to suppliers	-	(24,573)	(61)	-	-
Payments to employees	-	(40,880)	(2)	-	-
Claims and judgments paid	-	(40)	-	-	-
Net cash provided by (used for) operating activities	-	73,982	(63)	-	-
Cash flows from noncapital financing activities:					
Interfund cash flow loans	-	(1,279)	387	-	-
Transfers in from other funds	-	117	-	-	-
Transfers out to other funds	-	(14,576)	-	-	-
Interfund loan repayments	-	24,151	(302)	-	-
Intergovernmental revenue received	-	64	360	-	-
Net cash provided by (used for) noncapital financing activities	-	8,477	445	-	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,352)	(5,297)	(382)	(4,276)	(609)
Proceeds from issuance of debt	-	(7,197)	-	(4,815)	(915)
Principal payments on capital debt	-	(5,140)	-	(901)	(2,464)
Interest payments on capital debt	-	(61)	-	-	-
Principal payments on lease liabilities	-	-	-	5,717	3,379
Transfers in from other funds	-	(27,155)	-	-	-
Transfers out to other funds	-	48	-	-	-
Capital contributions received	4,699	27	-	-	-
Receipts from leases	-	5	-	-	-
Collection of interest from leases	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	2,347	(44,770)	(382)	(4,275)	(609)
Cash flows from investing activities:					
Collection (loss) of interest and investment revenue	327	(13,818)	-	(16)	-
Net increase (decrease) in cash and cash equivalents	2,674	23,871	-	(4,291)	(609)
Cash and cash equivalents, beginning of year	43,290	187,816	-	7,139	609
Cash and cash equivalents, end of year	\$ 45,964	\$ 211,687	\$ -	\$ 2,848	\$ -
Reconciliation of cash and cash equivalents to the Schedule of Net Position:					
Cash and investments held by City	\$ -	\$ 189,894	\$ -	\$ -	\$ -
Restricted cash and investments held by City	45,964	21,191	-	-	-
Restricted cash and investments held by fiscal agent	-	602	-	2,848	-
Total cash and cash equivalents, end of year	\$ 45,964	\$ 211,687	\$ -	\$ 2,848	\$ -

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ -	\$ 139,475
Payments to suppliers	-	-	-	(24,634)
Payments to employees	-	-	-	(40,882)
Claims and judgments paid	-	-	-	(40)
Net cash provided by (used for) operating activities	-	-	-	73,919
Cash flows from noncapital financing activities:				
Interfund cash flow loans	892	-	-	-
Transfers in from other funds	-	-	-	117
Transfers out to other funds	-	-	-	(14,576)
Interfund loan repayments	(23,849)	-	-	-
Intergovernmental revenue received	-	-	-	424
Net cash provided by (used for) noncapital financing activities	(22,957)	-	-	(14,035)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(4,088)	-	-	(17,004)
Proceeds from issuance of debt	22,646	-	-	22,646
Principal payments on capital debt	(2,933)	(2,015)	-	(17,875)
Interest payments on capital debt	(3,033)	(4,961)	-	(16,499)
Principal payments on lease liabilities	-	-	-	(61)
Transfers in from other funds	10,563	6,976	(26,635)	-
Transfers out to other funds	-	-	26,635	(520)
Capital contributions received	-	-	-	4,747
Receipts from leases	-	-	-	27
Collection of interest from leases	-	-	-	5
Net cash provided by (used for) capital and related financing activities	23,155	-	-	(24,534)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	(198)	-	-	(13,705)
Net increase (decrease) in cash and cash equivalents	-	-	-	21,645
Cash and cash equivalents, beginning of year	-	-	-	238,854
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ 260,499
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 189,894
Restricted cash and investments held by City	-	-	-	67,155
Restricted cash and investments held by fiscal agent	-	-	-	3,450
Total cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ 260,499

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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)	\$ (148)	\$ 58,780	\$ (261)	\$ (5,221)	\$ (1,097)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	148	17,585	203	5,221	1,097
Amortization of intangible assets	-	289	-	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
Accounts receivable, net		3,492	-	-	-
Inventories		(391)	-	-	-
Prepaid items		(6)	-	-	-
Accounts payable		459	(5)	-	-
Accrued payroll		(66)	-	-	-
Accrued compensated absences		404	-	-	-
Accrued claims and judgments		(7)	-	-	-
Deposits		(1)	-	-	-
Unearned revenue		(535)	-	-	-
Water fee credits		(34)	-	-	-
Net pension liability and related deferred outflows/inflows of resources	-	(4,484)	-	-	-
Net OPEB liability and related deferred outflows/inflows of resources	-	(1,443)	-	-	-
Deferred inflows related to leases		(60)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 73,982</u>	<u>\$ (63)</u>	<u>\$ -</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ -	\$ 2,634	\$ -	\$ -	\$ -
Amortization of bond premium and discount	-	624	-	767	329
Amortization of bond loss on refunding	-	(328)	-	-	-
Amortization of bond prepaid insurance	-	(23)	-	-	-
Capital asset acquisitions on accounts payable	116	1,116	48	-	-

(continued)

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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)	\$ (2,641)	\$ -	\$ -	\$ 49,412
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,641	-	-	26,895
Amortization of intangible assets	-	-	-	289
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	-	-	3,492
Inventories	-	-	-	(391)
Prepaid items	-	-	-	(6)
Accounts payable	-	-	-	454
Accrued payroll	-	-	-	(66)
Accrued compensated absences	-	-	-	404
Accrued claims and judgments	-	-	-	(7)
Deposits	-	-	-	(1)
Unearned revenue	-	-	-	(535)
Water fee credits	-	-	-	(34)
Net pension liability and related deferred outflows/inflows of resources	-	-	-	(4,484)
Net OPEB liability and related deferred outflows/inflows of resources	-	-	-	(1,443)
Deferred inflows related to leases	-	-	-	(60)
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,919</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 2,634
Amortization of bond premium and discount	-	-	-	1,720
Amortization of bond loss on refunding	-	197	-	(131)
Amortization of bond prepaid insurance	-	-	-	(23)
Capital asset acquisitions on accounts payable	74	-	-	1,354

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City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2022
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ -	\$ 54,001	\$ -	\$ -
Receivables, net:				
Accounts	768	10,280	-	-
Intergovernmental	-	-	434	-
Interest	-	183	-	-
Due from other funds	-	434	-	-
Inventories	-	37	-	-
	<u>768</u>	<u>64,935</u>	<u>434</u>	<u>-</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	5,339	1,174	-	-
Cash and investments held by fiscal agent	-	-	-	411
Capital assets:				
Land	-	1,138	-	-
Buildings and improvements	20,339	42,057	127	12,041
Machinery and equipment	-	5,233	146	301
Transmission and distribution systems	1,013	171,108	6,679	21,135
Construction in progress	2,224	846	-	364
Software	-	604	-	97
Less: accumulated depreciation/amortization	(388)	(92,434)	(319)	(3,366)
	<u>28,527</u>	<u>129,726</u>	<u>6,633</u>	<u>30,983</u>
Total noncurrent assets				
	<u>29,295</u>	<u>194,661</u>	<u>7,067</u>	<u>30,983</u>
Total assets				
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	-	-
Pensions	-	2,070	-	-
OPEB	-	390	-	-
	<u>-</u>	<u>2,460</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources				

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2022
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 54,001
Receivables, net:				
Accounts	-	-	-	11,048
Intergovernmental	-	-	-	434
Interest	-	-	-	183
Due from other funds	-	-	(434)	-
Inventories	-	-	-	37
	<u>-</u>	<u>-</u>	<u>(434)</u>	<u>65,703</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	2,612	-	-	9,125
Cash and investments held by fiscal agent	-	-	-	411
Capital assets:				
Land	-	-	-	1,138
Buildings and improvements	4,432	-	-	78,996
Machinery and equipment	140	-	-	5,820
Transmission and distribution systems	16,131	-	-	216,066
Construction in progress	5,833	-	-	9,267
Software	2,746	-	-	3,447
Less: accumulated depreciation/amortization	(1,358)	-	-	(97,865)
	<u>30,536</u>	<u>-</u>	<u>-</u>	<u>226,405</u>
Total noncurrent assets				
Total assets	<u>30,536</u>	<u>-</u>	<u>(434)</u>	<u>292,108</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	2,337	-	2,337
Pensions	-	-	-	2,070
OPEB	-	-	-	390
	<u>-</u>	<u>2,337</u>	<u>-</u>	<u>4,797</u>
Total deferred outflows of resources				

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2022
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	1,512	12,679	-	-
Due to other funds	-	-	434	-
Accrued payroll	-	199	-	-
Accrued compensated absences	-	73	-	-
Interest payable	-	-	-	26
Accrued claims and judgments	-	162	-	-
Revenue and other bonds payable, net	-	-	-	809
Total current liabilities	1,512	13,113	434	835
Noncurrent liabilities:				
Accrued compensated absences	-	959	-	-
Wastewater fee credits	10,772	-	-	-
Net OPEB liability	-	3,922	-	-
Revenue and other bonds payable, net	-	-	-	812
Net pension liability	-	8,909	-	-
Total noncurrent liabilities	10,772	13,790	-	812
Total liabilities	12,284	26,903	434	1,647
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	-	4,274	-	-
OPEB	-	1,781	-	-
Total deferred inflows of resources	-	6,055	-	-
<u>NET POSITION</u>				
Net investment in capital assets	12,413	128,494	6,633	29,966
Unrestricted	4,598	35,669	-	(630)
Total net position (deficit)	\$ 17,011	\$ 164,163	\$ 6,633	\$ 29,336

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2022
(in thousands)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	371	-	-	14,562
Due to other funds	-	-	(434)	-
Accrued payroll	-	-	-	199
Accrued compensated absences	-	-	-	73
Interest payable	419	197	-	642
Accrued claims and judgments	-	-	-	162
Revenue and other bonds payable, net	1,176	335	-	2,320
Total current liabilities	1,966	532	(434)	17,958
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	959
Wastewater fee credits	-	-	-	10,772
Net OPEB liability	-	-	-	3,922
Revenue and other bonds payable, net	29,026	26,770	-	56,608
Net pension liability	-	-	-	8,909
Total noncurrent liabilities	29,026	26,770	-	81,170
Total liabilities	30,992	27,302	(434)	99,128
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	-	-	-	4,274
OPEB	-	-	-	1,781
Total deferred inflows of resources	-	-	-	6,055
<u>NET POSITION</u>				
Net investment in capital assets	(37)	(24,768)	-	152,701
Unrestricted	(419)	(197)	-	39,021
Total net position (deficit)	\$ (456)	\$ (24,965)	\$ -	\$ 191,722

City of Sacramento
Wastewater Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ 43,141	\$ -	\$ -
Charge to other agencies for contract services	-	1,186	-	-
Total operating revenues	-	44,327	-	-
Operating expenses:				
Employee services	-	10,493	50	-
Services and supplies	-	13,012	258	-
Depreciation/amortization	213	3,650	79	521
Claims and judgments	-	150	-	-
Total operating expenses	213	27,305	387	521
Operating income (loss)	(213)	17,022	(387)	(521)
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	41	(3,393)	-	(2)
Revenue from other agencies	-	65	-	-
Interest expense	-	-	-	(42)
Total nonoperating revenues (expenses)	41	(3,328)	-	(44)
Income (loss) before capital contributions and transfers	(172)	13,694	(387)	(565)
Capital contributions	2,497	1,187	306	-
Transfers in	-	62	-	822
Transfers out	-	(8,630)	-	-
Changes in net position	2,325	6,313	(81)	257
Total net position (deficit), beginning of year	14,686	157,850	6,714	29,079
Total net position (deficit), end of year	\$ 17,011	\$ 164,163	\$ 6,633	\$ 29,336

City of Sacramento
Wastewater Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ -	\$ 43,141
Charge to other agencies for contract services	-	-	-	1,186
Total operating revenues	-	-	-	44,327
Operating expenses:				
Employee services	-	-	-	10,543
Services and supplies	271	-	-	13,541
Depreciation/amortization	416	-	-	4,879
Claims and judgments	-	-	-	150
Total operating expenses	687	-	-	29,113
Operating income (loss)	(687)	-	-	15,214
Nonoperating revenues (expenses):				
Interest and investment revenue (loss)	16	-	-	(3,338)
Revenue from other agencies	-	-	-	65
Interest expense	(967)	(706)	-	(1,715)
Total nonoperating revenues (expenses)	(951)	(706)	-	(4,988)
Income (loss) before capital contributions and transfers	(1,638)	(706)	-	10,226
Capital contributions				3,990
Transfers in	2,117	926	(3,865)	62
Transfers out			3,865	(4,765)
Changes in net position	479	220	-	9,513
Total net position (deficit), beginning of year	(935)	(25,185)	-	182,209
Total net position (deficit), end of year	\$ (456)	\$ (24,965)	\$ -	\$ 191,722

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ 46,218	\$ -	\$ -
Payments to suppliers	-	(12,440)	(258)	-
Payments to employees	-	(12,178)	(50)	-
Claims and judgments paid	-	(118)	-	-
Net cash provided by (used for) operating activities	-	21,482	(308)	-
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	(434)	434	-
Transfers in from other funds	-	62	-	-
Transfers out to other funds	-	(4,719)	-	-
Interfund loan repayments	-	293	(293)	-
Intergovernmental revenue received	-	65	-	-
Net cash provided by (used for) noncapital financing activities	-	(4,733)	141	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,460)	(6,617)	2	(252)
Principal payments on capital debt	-	-	-	(725)
Interest payments on capital debt	-	-	-	(97)
Transfers in from other funds	-	-	-	822
Transfers out to other funds	-	(3,911)	-	-
Capital contributions received	3,036	-	165	-
Loan repayments received	-	-	-	-
Cash reimbursement for fee credits	(1,631)	-	-	-
Net cash provided by (used for) capital and related financing activities	(1,055)	(10,528)	167	(252)
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	41	(3,378)	-	(2)
Net increase (decrease) in cash and cash equivalents	(1,014)	2,843	-	(254)
Cash and cash equivalents, beginning of year	6,353	52,332	-	665
Cash and cash equivalents, end of year	\$ 5,339	\$ 55,175	\$ -	\$ 411
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ 54,001	\$ -	\$ -
Restricted cash and investments held by City	5,339	1,174	-	-
Restricted cash and investments held by fiscal agent	-	-	-	411
Total cash and cash equivalents, end of year	\$ 5,339	\$ 55,175	\$ -	\$ 411

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ -	\$ 46,218
Payments to suppliers	(271)	-	-	(12,969)
Payments to employees	-	-	-	(12,228)
Claims and judgments paid	-	-	-	(118)
Net cash provided by (used for) operating activities	<u>(271)</u>	<u>-</u>	<u>-</u>	<u>20,903</u>
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	-	-	-
Transfers in from other funds	-	-	-	62
Transfers out to other funds	-	-	-	(4,719)
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	-	-	-	65
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,592)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(9,620)	-	-	(18,947)
Principal payments on capital debt	(840)	(335)	-	(1,900)
Interest payments on capital debt	(1,277)	(591)	-	(1,965)
Transfers in from other funds	2,117	926	(3,865)	-
Transfers out to other funds	-	-	3,865	(46)
Capital contributions received	-	-	-	3,201
Loan repayments received	-	-	-	-
Cash reimbursement for fee credits	-	-	-	(1,631)
Net cash provided by (used for) capital and related financing activities	<u>(9,620)</u>	<u>-</u>	<u>-</u>	<u>(21,288)</u>
Cash flows from investing activities:				
Collection (loss) of interest and investment revenue	16	-	-	(3,323)
Net increase (decrease) in cash and cash equivalents	(9,875)	-	-	(8,300)
Cash and cash equivalents, beginning of year	12,487	-	-	71,837
Cash and cash equivalents, end of year	<u>\$ 2,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,537</u>
Reconciliation of cash and cash equivalents to the Schedule of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 54,001
Restricted cash and investments held by City	2,612	-	-	9,125
Restricted cash and investments held by fiscal agent	-	-	-	411
Total cash and cash equivalents, end of year	<u>\$ 2,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,537</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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 (used for) operating activities:				
Operating income (loss)	\$ (213)	\$ 17,022	\$ (387)	\$ (521)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	213	3,596	79	502
Amortization of intangible assets	-	54	-	19
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	1,891	-	-
Inventories	-	10	-	-
Accounts payable	-	562	-	-
Accrued payroll	-	(42)	-	-
Accrued compensated absences	-	151	-	-
Accrued claims and judgments	-	32	-	-
Net pension liability and related deferred outflows/inflows of resources	-	(1,244)	-	-
Net OPEB liability and related deferred outflows/inflows of resources	-	(550)	-	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 21,482</u>	<u>\$ (308)</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ 1,187	\$ -	\$ -
Amortization of bond premium and discount	-	-	-	43
Amortization of bond loss on refunding	-	-	-	-
Capital asset acquisitions on accounts payable	3	58	-	-
Fee credit reimbursement accounts payable	1,509	-	-	-

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2022
(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 (used for) operating activities:				
Operating income (loss)	\$ (687)	\$ -	\$ -	\$ 15,214
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	233	-	-	4,623
Amortization of intangible assets	183	-	-	256
Changes in assets, liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	-	-	1,891
Inventories	-	-	-	10
Accounts payable	-	-	-	562
Accrued payroll	-	-	-	(42)
Accrued compensated absences	-	-	-	151
Accrued claims and judgments	-	-	-	32
Net pension liability and related deferred outflows/inflows of resources	-	-	-	(1,244)
Net OPEB liability and related deferred outflows/inflows of resources	-	-	-	(550)
Net cash provided by (used for) operating activities	<u>\$ (271)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,903</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 1,187
Amortization of bond premium and discount	296	-	-	339
Amortization of bond loss on refunding	-	-	(116)	(116)
Capital asset acquisitions on accounts payable	371	-	-	432
Fee credit reimbursement accounts payable	-	-	-	1,509

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COMMUNITY CENTER FUND

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City of Sacramento
Community Center Fund
Combining Schedule of Net Position
June 30, 2022
(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
ASSETS					
Current assets:					
Cash and investments held by City	\$ 33,376	\$ -	\$ -	\$ -	\$ 33,376
Receivables, net:					
Taxes	2,998	-	-	-	2,998
Accounts	419	-	-	-	419
Interest	126	-	-	-	126
Prepaid items	1	-	-	-	1
Total current assets	36,920	-	-	-	36,920
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	-	9,360	2,327	907	12,594
Cash and investments held by fiscal agent	1,934	2,383	781	1,826	6,924
Capital assets:					
Land	20,071	-	-	-	20,071
Buildings and improvements	113,040	-	-	-	113,040
Machinery and equipment	4,913	-	-	-	4,913
Construction in progress	6,255	291,214	17,732	48,754	363,955
Software	46	-	-	-	46
Less: accumulated depreciation/amortization	(72,617)	-	-	-	(72,617)
Total noncurrent assets	73,642	302,957	20,840	51,487	448,926
Total assets	110,562	302,957	20,840	51,487	485,846
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	1,229	-	-	-	1,229
OPEB	386	-	-	-	386
Total deferred outflows of resources	1,615	-	-	-	1,615

City of Sacramento
Community Center Fund
Combining Schedule of Net Position
June 30, 2022
(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
LIABILITIES					
Current liabilities:					
Accounts payable	3,264	2,086	-	-	5,350
Due to other funds	250	-	-	-	250
Accrued payroll	194	-	-	-	194
Accrued compensated absences	41	-	-	-	41
Interest payable	-	1,085	40	152	1,277
Unearned revenue	819	-	-	-	819
Accrued claims and judgments	5	-	-	-	5
Revenue and other bonds payable, net	-	2,366	4,215	1,074	7,655
Total current liabilities	4,573	5,537	4,255	1,226	15,591
Noncurrent liabilities:					
Accrued compensated absences	561	-	-	-	561
Advances from other funds	4,781	-	-	-	4,781
Net OPEB liability	193	-	-	-	193
Revenue and other bonds payable, net	-	286,509	8,395	52,108	347,012
Net pension liability	6,120	-	-	-	6,120
Total noncurrent liabilities	11,655	286,509	8,395	52,108	358,667
Total liabilities	16,228	292,046	12,650	53,334	374,258
DEFERRED INFLOWS OF RESOURCES					
Pensions	1,914	-	-	-	1,914
OPEB	917	-	-	-	917
Total deferred inflows of resources	2,831	-	-	-	2,831
NET POSITION					
Net investment in capital assets	73,603	14,283	8,401	(803)	95,484
Unrestricted	19,515	(3,372)	(211)	(1,044)	14,888
Total net position (deficit)	\$ 93,118	\$ 10,911	\$ 8,190	\$ (1,847)	\$ 110,372

City of Sacramento
Community Center Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(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	\$ 2,837	\$ -	\$ -
Rents and concessions	7,303	-	-
Total operating revenues	<u>10,140</u>	<u>-</u>	<u>-</u>
Operating expenses:			
Employee services	5,225	-	-
Services and supplies	8,530	-	-
Depreciation/amortization	1,384	-	-
Total operating expenses	<u>15,139</u>	<u>-</u>	<u>-</u>
Operating loss	<u>(4,999)</u>	<u>-</u>	<u>-</u>
Nonoperating revenues (expenses):			
Interest and investment revenue (loss)	(2,433)	63	27
Transient occupancy taxes	26,843	-	-
Interest expense	(37)	(11,973)	(608)
Total nonoperating revenues (expenses)	<u>24,373</u>	<u>(11,910)</u>	<u>(581)</u>
Income (loss) before transfers	19,374	(11,910)	(581)
Transfers in	6,720	15,468	5,080
Transfers out	(23,178)	-	-
Changes in net position	2,916	3,558	4,499
Total net position (deficit), beginning of year	<u>90,202</u>	<u>7,353</u>	<u>3,691</u>
Total net position (deficit), end of year	<u>\$ 93,118</u>	<u>\$ 10,911</u>	<u>\$ 8,190</u>

City of Sacramento
Community Center Fund
Combining Schedule of Revenues,
Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(in thousands)

	2019 STID Assessment Revenue Bonds Fund	Eliminations	Total Community Center Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ -	\$ 2,837
Rents and concessions	-	-	7,303
Total operating revenues	-	-	10,140
Operating expenses:			
Employee services	-	-	5,225
Services and supplies	-	-	8,530
Depreciation/amortization	-	-	1,384
Total operating expenses	-	-	15,139
Operating loss	-	-	(4,999)
Nonoperating revenues (expenses):			
Interest and investment revenue (loss)	4	-	(2,339)
Transient occupancy taxes	-	-	26,843
Interest expense	(1,699)	-	(14,317)
Total nonoperating revenues (expenses)	(1,695)	-	10,187
Income (loss) before transfers	(1,695)	-	5,188
Transfers in	2,741	(20,548)	9,461
Transfers out	-	20,548	(2,630)
Changes in net position	1,046	-	12,019
Total net position (deficit), beginning of year	(2,893)	-	98,353
Total net position (deficit), end of year	\$ (1,847)	\$ -	\$ 110,372

City of Sacramento
Community Center Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2022
(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	\$ 9,990	\$ -	\$ -
Payments to suppliers	(6,971)	-	-
Payments to employees	(6,256)	-	-
Net cash used for operating activities	(3,237)	-	-
Cash flows from noncapital financing activities:			
Transient occupancy taxes	26,522	-	-
Transfers in from other funds	6,720	-	-
Transfers out to other funds	(2,630)	-	-
Interfund loan repayments	(250)	-	-
Net cash provided by noncapital financing activities	30,362	-	-
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	317	(19,532)	(13,206)
Principal payments on capital debt	-	(1,200)	(4,070)
Interest payments on capital debt	-	(13,078)	(620)
Transfers in from other funds	-	15,468	5,080
Transfers out to other funds	(20,548)	-	-
Net cash used for capital and related financing activities	(20,231)	(18,342)	(12,816)
Cash flows from investing activities:			
Collection (loss) of interest and investment revenue	(2,357)	63	27
Net increase (decrease) in cash and cash equivalents	4,537	(18,279)	(12,789)
Cash and cash equivalents, beginning of year	30,773	30,022	15,897
Cash and cash equivalents, end of year	\$ 35,310	\$ 11,743	\$ 3,108
Reconciliation of cash and cash equivalents to the Schedule of Net Position:			
Cash and investments held by City	\$ 33,376	\$ -	\$ -
Restricted cash and investments held by City	-	9,360	2,327
Restricted cash and investments held by fiscal agent	1,934	2,383	781
Total cash and cash equivalents, end of year	\$ 35,310	\$ 11,743	\$ 3,108

City of Sacramento
Community Center Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2022
(in thousands)

	2019 STID Assessment Revenue Bonds Fund	Eliminations	Total Community Center Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ -	\$ 9,990
Payments to suppliers	-	-	(6,971)
Payments to employees	-	-	(6,256)
Net cash used for operating activities	-	-	(3,237)
Cash flows from noncapital financing activities:			
Transient occupancy taxes	-	-	26,522
Transfers in from other funds	-	-	6,720
Transfers out to other funds	-	-	(2,630)
Interfund loan repayments	-	-	(250)
Net cash provided by noncapital financing activities	-	-	30,362
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	-	(32,421)
Principal payments on capital debt	(880)	-	(6,150)
Interest payments on capital debt	(1,861)	-	(15,559)
Transfers in from other funds	2,741	(20,548)	2,741
Transfers out to other funds	-	20,548	-
Net cash used for capital and related financing activities	-	-	(51,389)
Cash flows from investing activities:			
Collection (loss) of interest and investment revenue	4	-	(2,263)
Net increase (decrease) in cash and cash equivalents	4	-	(26,527)
Cash and cash equivalents, beginning of year	2,729	-	79,421
Cash and cash equivalents, end of year	<u>\$ 2,733</u>	<u>\$ -</u>	<u>\$ 52,894</u>
Reconciliation of cash and cash equivalents to the Schedule of Net Position:			
Cash and investments held by City	\$ -	\$ -	\$ 33,376
Restricted cash and investments held by City	907	-	12,594
Restricted cash and investments held by fiscal agent	1,826	-	6,924
Total cash and cash equivalents, end of year	<u>\$ 2,733</u>	<u>\$ -</u>	<u>\$ 52,894</u>

(continued)

City of Sacramento
Community Center Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2022
(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	\$ (4,999)	\$ -	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation/amortization expense	1,384	-	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(418)	-	-
Prepaid items	(1)	-	-
Accounts payable	1,560	-	-
Accrued payroll	84	-	-
Accrued compensated absences	183	-	-
Unearned revenue	268	-	-
Net pension liability and related deferred outflows/inflows of resources	(753)	-	-
Net OPEB liability and related deferred outflows/inflows of resources	(545)	-	-
Net cash used for operating activities	<u>\$ (3,237)</u>	<u>\$ -</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ -	\$ 1,100	\$ -
Capital asset acquisitions on accounts payable	39	2,086	-

(continued)

City of Sacramento
Community Center Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2022
(in thousands)

	2019 STID Assessment Revenue Bonds Fund	Eliminations	Total Community Center Fund
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ -	\$ -	\$ (4,999)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation/amortization expense	-	-	1,384
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	-	(418)
Prepaid items	-	-	(1)
Accounts payable	-	-	1,560
Accrued payroll	-	-	84
Accrued compensated absences	-	-	183
Unearned revenue	-	-	268
Net pension liability and related deferred outflows/inflows of resources	-	-	(753)
Net OPEB liability and related deferred outflows/inflows of resources	-	-	(545)
Net cash used for operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,237)</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 159	\$ -	\$ 1,259
Capital asset acquisitions on accounts payable	-	-	2,125

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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.

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City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2022

(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 21,727	\$ 111,353	\$ 133,080
Cash and investments held by fiscal agent	-	884	884
Receivables, net:			
Accounts	39	5,135	5,174
Interest	-	298	298
Due from other funds	-	1,907	1,907
Prepaid items	4,695	222	4,917
	<u>26,461</u>	<u>119,799</u>	<u>146,260</u>
Total current assets			
Noncurrent assets:			
Advances to other funds	-	12,625	12,625
Capital assets:			
Buildings and improvements	7,454	-	7,454
Machinery and equipment	543	-	543
Vehicles	204,106	-	204,106
Construction in progress	144	-	144
Software	256	-	256
Leased building	-	35	35
Less: accumulated depreciation/amortization	(119,136)	(14)	(119,150)
	<u>93,367</u>	<u>12,646</u>	<u>106,013</u>
Total noncurrent assets			
Total assets			
	<u>119,828</u>	<u>132,445</u>	<u>252,273</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	1,069	692	1,761
OPEB	307	131	438
	<u>1,376</u>	<u>823</u>	<u>2,199</u>
Total deferred outflows of resources			

City of Sacramento
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	5,302	554	5,856
Accrued payroll	233	96	329
Accrued compensated absences	29	33	62
Interest payable	2	-	2
Unearned revenue	-	228	228
Accrued claims and judgments	78	28,756	28,834
Lease liabilities	-	14	14
Revenue and other bonds payable, net	411	-	411
	<u>6,055</u>	<u>29,681</u>	<u>35,736</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	755	488	1,243
Net OPEB liability	4,301	452	4,753
Accrued claims and judgments	-	83,060	83,060
Lease liabilities	-	8	8
Net pension liability	6,174	3,679	9,853
	<u>11,230</u>	<u>87,687</u>	<u>98,917</u>
Total noncurrent liabilities			
Total liabilities	<u>17,285</u>	<u>117,368</u>	<u>134,653</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pensions	3,113	1,723	4,836
OPEB	1,804	397	2,201
	<u>4,917</u>	<u>2,120</u>	<u>7,037</u>
Total deferred inflows of resources			
<u>NET POSITION</u>			
Net investment in capital assets	90,591	-	90,591
Unrestricted	8,411	13,780	22,191
	<u>\$ 99,002</u>	<u>\$ 13,780</u>	<u>\$ 112,782</u>
Total net position			

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City of Sacramento
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Net Position

For the Fiscal Year Ended June 30, 2022
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 52,445	\$ 52,423	\$ 104,868
Miscellaneous	125	-	125
Total operating revenues	<u>52,570</u>	<u>52,423</u>	<u>104,993</u>
Operating expenses:			
Employee services	6,867	4,466	11,333
Services and supplies	26,536	7,375	33,911
Depreciation/amortization	15,288	14	15,302
Insurance premiums	-	12,336	12,336
Claims and judgments	149	30,617	30,766
Total operating expenses	<u>48,840</u>	<u>54,808</u>	<u>103,648</u>
Operating income (loss)	<u>3,730</u>	<u>(2,385)</u>	<u>1,345</u>
Nonoperating revenues (expenses):			
Interest and investment revenue (loss)	155	(4,866)	(4,711)
Insurance and other claim recoveries	-	2,374	2,374
Interest expense	(16)	-	(16)
Gain on disposition of capital assets	151	-	151
Total nonoperating revenues (expenses)	<u>290</u>	<u>(2,492)</u>	<u>(2,202)</u>
Income (loss) before transfers	4,020	(4,877)	(857)
Transfers in	21	-	21
Transfers out	(1,071)	-	(1,071)
Changes in net position	2,970	(4,877)	(1,907)
Total net position, beginning of year	<u>96,032</u>	<u>18,657</u>	<u>114,689</u>
Total net position, end of year	<u>\$ 99,002</u>	<u>\$ 13,780</u>	<u>\$ 112,782</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 52,574	\$ 126,435	\$ 179,009
Payments to suppliers	(26,181)	(93,627)	(119,808)
Payments to employees	(7,994)	(5,104)	(13,098)
Claims and judgments paid	(114)	(23,887)	(24,001)
Net cash provided by operating activities	<u>18,285</u>	<u>3,817</u>	<u>22,102</u>
Cash flows from noncapital financing activities:			
Transfers out to other funds	(1,026)	-	(1,026)
Collections on interfund loans	-	4,179	4,179
Loans made to other funds	-	(1,657)	(1,657)
Net cash used for noncapital financing activities	<u>(1,026)</u>	<u>2,522</u>	<u>1,496</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(19,148)	-	(19,148)
Proceeds from sale of capital assets	870	-	870
Principal payments on capital debt	-	(13)	(13)
Interest payments on capital debt	(21)	-	(21)
Transfers in from other funds	21	-	21
Transfers out to other funds	(45)	-	(45)
Net cash used for capital and related financing activities	<u>(18,323)</u>	<u>(13)</u>	<u>(18,336)</u>
Cash flows from investing activities:			
Collection (loss) of interest and investment revenue	155	(4,908)	(4,753)
Net increase (decrease) in cash and cash equivalents	(909)	1,418	509
Cash and cash equivalents, beginning of year	<u>22,636</u>	<u>110,819</u>	<u>133,455</u>
Cash and cash equivalents, end of year	<u>\$ 21,727</u>	<u>\$ 112,237</u>	<u>\$ 133,964</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 21,727	\$ 111,353	\$ 133,080
Cash and investments held by fiscal agent	-	884	884
Total cash and cash equivalents, end of year	<u>\$ 21,727</u>	<u>\$ 112,237</u>	<u>\$ 133,964</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 3,730	\$ (2,385)	\$ 1,345
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	15,288	14	15,302
Nonoperating claims and judgments	-	(2,676)	(2,676)
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	4	-	4
Prepaid items	(1)	177	176
Accounts payable	356	(46)	310
Accrued payroll	(5)	(14)	(19)
Accrued compensated absences	103	46	149
Accrued claims and judgments	35	9,406	9,441
Deposits	-	(5)	(5)
Unearned revenue	-	(29)	(29)
Net pension liability and related deferred outflows/inflows of resources	(792)	(486)	(1,278)
Net OPEB liability and related deferred outflows/inflows of resources	(433)	(185)	(618)
Net cash provided by operating activities	<u>\$ 18,285</u>	<u>\$ 3,817</u>	<u>\$ 22,102</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 5	\$ -	\$ 5
Increase in prepaid items for capital assets	1,347	-	1,347
Capital asset acquisitions on accounts payable	2,365	-	2,365

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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, 2022
(in thousands)

	Individual Investment Accounts	Assessment Districts & Community Facilities Districts	Total Other Custodial Funds
<u>ASSETS</u>			
Cash and investments held by City	\$ 141,823	\$ 13,605	\$ 155,428
Cash and investments held by fiscal agent	-	4,201	4,201
Receivables, net:			
Interest	266	21	287
Special assessments	-	316	316
Restricted assets:			
Cash and investments held by City	-	5,228	5,228
Cash and investments held by fiscal agent	-	21,095	21,095
Total assets	<u>142,089</u>	<u>44,466</u>	<u>186,555</u>
<u>LIABILITIES</u>			
Accounts payable	-	46	46
Due to bondholders	-	44,420	44,420
Total liabilities	<u>-</u>	<u>44,466</u>	<u>44,466</u>
<u>NET POSITION</u>			
Held for external pool participants	<u>\$ 142,089</u>	<u>\$ -</u>	<u>\$ 142,089</u>

City of Sacramento
Other Custodial Funds
Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2022
(in thousands)

	<u>Individual Investment Accounts</u>	<u>Assessment Districts & Community Facilities Districts</u>	<u>Total Other Custodial Funds</u>
Additions:			
Deposits	\$ 6,579	\$ -	\$ 6,579
Special assessments	-	26,038	26,038
Fines, forfeits, and penalties	-	3	3
Investment income:			
From investment activities:			
Net depreciation in fair value of investments	(6,477)	(1,216)	(7,693)
Interest	1,208	-	1,208
Total investment loss	(5,269)	(1,216)	(6,485)
Less investment expenses:			
Banking, interest, and fiscal agent expenses	-	-	-
Net loss from investment activities	(5,269)	(1,216)	(6,485)
Total additions	1,310	24,825	26,135
Deductions:			
Withdrawals	29,008	-	29,008
Paid to bondholders	-	23,496	23,496
Administrative expenses	-	1,243	1,243
Developer reimbursements	-	86	86
Total deductions	29,008	24,825	53,833
Changes in net position	(27,698)	-	(27,698)
Net position, beginning of year	169,787	-	169,787
Net position, end of year	<u>\$ 142,089</u>	<u>\$ -</u>	<u>\$ 142,089</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 ^{(1) (2) (3) (4) (5) (6)}
Last Ten Fiscal Years

(accrual basis accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 1,369,377	\$ 1,393,447	\$ 1,445,139	\$ 1,497,796	\$ 1,296,493
Restricted for:					
Capital projects	131,822	116,271	116,910	80,054	119,131
Debt service	641	652	665	1,203	872
Public works programs	16,756	16,462	19,027	20,521	18,866
Economic development programs	23,979	22,493	17,280	16,888	16,251
Ambulance services	-	-	1,085	1,085	-
Other programs	21,087	22,315	26,735	28,381	23,645
Trust and endowments:					
Expendable	7,225	7,928	7,789	8,008	8,545
Nonexpendable	878	878	878	878	878
Unrestricted	1,837	30,170	(591,896)	(581,697)	(443,845)
Total governmental activities net position	<u>\$ 1,573,602</u>	<u>\$ 1,610,616</u>	<u>\$ 1,043,612</u>	<u>\$ 1,073,117</u>	<u>\$ 1,040,836</u>
Business-type activities					
Net investment in capital assets	\$ 720,039	\$ 733,980	\$ 748,312	\$ 785,353	\$ 807,004
Restricted for:					
Capital projects	33,168	33,255	33,914	40,772	39,155
Debt service	-	-	-	-	-
Other programs	349	1,215	1,730	2,203	2,607
Unrestricted	140,385	177,814	107,305	123,842	150,049
Total business-type activities net position	<u>\$ 893,941</u>	<u>\$ 946,264</u>	<u>\$ 891,261</u>	<u>\$ 952,170</u>	<u>\$ 998,815</u>
Primary government					
Net investment in capital assets	\$ 2,089,416	\$ 2,127,427	\$ 2,193,451	\$ 2,283,149	\$ 2,103,497
Restricted for:					
Capital projects	164,990	149,526	150,824	120,826	158,286
Debt service	641	652	665	1,203	872
Public works programs	16,756	16,462	19,027	20,521	18,866
Economic development programs	23,979	22,493	17,280	16,888	16,251
Ambulance services	-	-	1,085	1,085	-
Other programs	21,436	23,530	28,465	30,584	26,252
Trust and endowments:					
Expendable	7,225	7,928	7,789	8,008	8,545
Nonexpendable	878	878	878	878	878
Unrestricted	142,222	207,984	(484,591)	(457,855)	(293,796)
Total primary government net position	<u>\$ 2,467,543</u>	<u>\$ 2,556,880</u>	<u>\$ 1,934,873</u>	<u>\$ 2,025,287</u>	<u>\$ 2,039,651</u>

- Notes: (1) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
- (2) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (3) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.
- (4) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.
- (5) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.
- (6) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

Source: City of Sacramento Annual Comprehensive Financial Reports

City of Sacramento
Net Position by Component ^{(1) (2) (3) (4) (5) (6)}
Last Ten Fiscal Years

(accrual basis accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 1,335,576	\$ 1,267,837	\$ 1,318,817	\$ 1,360,966	\$ 1,370,530
Restricted for:					
Capital projects	136,831	166,705	191,919	214,188	223,243
Debt service	606	686	537	401	907
Public works programs	24,750	27,792	29,972	29,598	35,497
Economic development programs	44,920	48,878	46,954	49,537	55,545
Ambulance services	-	-	-	-	-
Other programs	26,786	39,380	60,466	61,142	67,600
Trust and endowments:					
Expendable	8,656	9,197	8,547	9,934	10,249
Nonexpendable	878	878	878	878	578
Unrestricted	(667,254)	(606,222)	(612,827)	(596,900)	(407,418)
Total governmental activities net position	\$ 911,749	\$ 955,131	\$ 1,045,263	\$ 1,129,744	\$ 1,356,731
Business-type activities					
Net investment in capital assets	\$ 869,183	\$ 925,128	\$ 1,166,785	\$ 1,167,408	\$ 937,751
Restricted for:					
Capital projects	38,473	40,411	47,256	43,253	45,942
Debt service	-	-	401	-	-
Other programs	2,633	2,963	2,929	2,200	2,594
Unrestricted	124,001	138,742	(44,579)	1,279	268,651
Total business-type activities net position	\$ 1,034,290	\$ 1,107,244	\$ 1,172,792	\$ 1,214,140	\$ 1,254,938
Primary government					
Net investment in capital assets	\$ 2,204,759	\$ 2,192,965	\$ 2,485,602	\$ 2,528,374	\$ 2,308,281
Restricted for:					
Capital projects	175,304	207,116	239,175	257,441	269,185
Debt service	606	686	938	401	907
Public works programs	24,750	27,792	29,972	29,598	35,497
Economic development programs	44,920	48,878	46,954	49,537	55,545
Ambulance services	-	-	-	-	-
Other programs	29,419	42,343	63,395	63,342	70,194
Trust and endowments:					
Expendable	8,656	9,197	8,547	9,934	10,249
Nonexpendable	878	878	878	878	578
Unrestricted	(543,253)	(467,480)	(657,406)	(595,621)	(138,767)
Total primary government net position	\$ 1,946,039	\$ 2,062,375	\$ 2,218,055	\$ 2,343,884	\$ 2,611,669

- Notes: (1) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
- (2) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (3) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.
- (4) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.
- (5) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.
- (6) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

Source: City of Sacramento Annual Comprehensive Financial Reports

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
<i>Governmental activities</i>					
General government	\$ 36,681	\$ 41,190	\$ 52,474	\$ 59,037	\$ 59,033
Police	157,432	157,248	166,797	164,750	176,955
Fire	117,451	125,461	127,561	137,859	146,693
Public works	126,636	103,632	103,088	121,184	106,328
General services ⁽³⁾	15,343	13,807	15,619	-	-
Economic development ⁽⁴⁾	10,468	17,080	11,075	13,049	13,397
Convention and cultural services	19,537	17,916	19,441	24,139	20,380
Youth, parks, and community enrichment	48,457	52,336	56,573	53,911	50,156
Community development	29,253	26,484	30,221	36,251	41,726
Community response ⁽⁵⁾	-	-	-	-	-
Library	13,753	13,720	15,629	16,294	16,122
Interest on long-term debt	22,420	22,178	29,046	30,404	27,626
Total governmental activities expenses	<u>597,431</u>	<u>591,052</u>	<u>627,524</u>	<u>656,878</u>	<u>658,416</u>
<i>Business-type activities</i>					
Water	68,643	66,627	69,428	73,150	80,176
Wastewater	22,776	25,673	25,432	25,348	29,075
Storm drainage	36,755	36,664	41,830	40,971	40,479
Solid waste	49,794	49,014	47,149	47,703	51,693
Community center	17,251	17,204	17,690	17,277	16,607
Parking	15,358	15,238	13,704	14,451	11,955
Child development	6,116	6,297	6,151	5,519	5,743
Total business-type activities expenses	<u>216,693</u>	<u>216,717</u>	<u>221,384</u>	<u>224,419</u>	<u>235,728</u>
Total primary government expenses	<u>\$ 814,124</u>	<u>\$ 807,769</u>	<u>\$ 848,908</u>	<u>\$ 881,297</u>	<u>\$ 894,144</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

(3) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(4) The Economic Development function was reallocated to the General Government function in FY18.

(5) The Department of Community Response was created in FY22.

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
Expenses					
<i>Governmental activities</i>					
General government	\$ 100,625	\$ 116,282	\$ 152,791	\$ 259,529	\$ 228,155
Police	199,746	203,303	233,686	233,883	214,867
Fire	160,216	169,819	179,626	191,814	165,526
Public works	122,340	132,958	125,025	115,565	116,113
General services ⁽³⁾	-	-	-	-	-
Economic development ⁽⁴⁾	-	-	-	-	-
Convention and cultural services	21,066	30,907	20,615	18,398	21,421
Youth, parks, and community enrichment	55,518	61,225	66,885	57,345	67,602
Community development	50,879	60,466	74,398	71,473	64,151
Community response ⁽⁵⁾	-	-	-	-	10,703
Library	17,376	18,687	19,822	22,173	23,304
Interest on long-term debt	23,144	23,454	24,341	20,635	18,800
Total governmental activities expenses	750,910	817,101	897,189	990,815	930,642
<i>Business-type activities</i>					
Water	87,745	99,029	104,542	102,538	101,546
Wastewater	28,251	33,059	32,461	32,436	30,828
Storm drainage	41,199	40,186	44,786	40,942	41,238
Solid waste	56,698	57,408	59,176	64,060	63,228
Community center	17,795	27,058	31,298	25,257	29,456
Parking	13,475	14,354	13,997	11,454	10,675
Child development	6,589	6,766	5,594	3,422	5,626
Total business-type activities expenses	251,752	277,860	291,854	280,109	282,597
Total primary government expenses	\$ 1,002,662	\$ 1,094,961	\$ 1,189,043	\$ 1,270,924	\$ 1,213,239

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

(3) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(4) The Economic Development function was reallocated to the General Government function in FY18.

(5) The Department of Community Response was created in FY22.

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 6,924	\$ 7,270	\$ 6,436	\$ 7,103	\$ 6,573
Police	9,693	10,804	11,583	11,022	13,068
Fire	24,288	26,155	32,264	31,204	30,897
Public works	28,321	30,337	32,840	37,179	42,897
General services ⁽³⁾	3,175	1,756	1,251	-	-
Economic development ⁽⁴⁾	8,685	8,205	7,659	7,889	9,140
Convention and cultural services	8,817	9,311	9,303	10,085	10,860
Youth, parks, and community enrichment	10,604	13,359	15,004	13,792	12,954
Community development	15,423	17,141	25,069	27,025	32,428
Library	33	59	29	-	-
Total charge for services	<u>115,963</u>	<u>124,397</u>	<u>141,438</u>	<u>145,299</u>	<u>158,817</u>
Operating grants and contributions	81,822	47,430	52,306	35,442	36,938
Capital grants and contributions	<u>69,323</u>	<u>89,539</u>	<u>115,354</u>	<u>122,528</u>	<u>86,856</u>
Total governmental activities program revenues	<u>267,108</u>	<u>261,366</u>	<u>309,098</u>	<u>303,269</u>	<u>282,611</u>
<i>Business-type activities</i>					
Charge for services					
Water	88,754	94,382	100,523	98,533	108,867
Wastewater	25,134	28,493	32,223	31,532	34,311
Storm drainage	35,682	38,049	37,646	40,166	40,124
Solid waste	60,295	58,561	59,095	60,253	61,548
Community center	7,130	7,718	8,748	8,782	9,488
Parking	18,823	18,643	16,595	17,646	18,374
Child development	5,426	5,632	5,553	6,073	5,713
Total charge for services	<u>241,244</u>	<u>251,478</u>	<u>260,383</u>	<u>262,985</u>	<u>278,425</u>
Operating grants and contributions	1,095	1,963	2,142	3,435	3,967
Capital grants and contributions	<u>7,480</u>	<u>4,403</u>	<u>7,292</u>	<u>7,433</u>	<u>6,229</u>
Total business-type activities program revenues	<u>249,819</u>	<u>257,844</u>	<u>269,817</u>	<u>273,853</u>	<u>288,621</u>
Total primary government program revenues	<u>\$ 516,927</u>	<u>\$ 519,210</u>	<u>\$ 578,915</u>	<u>\$ 577,122</u>	<u>\$ 571,232</u>
Net (Expense) Revenue					
Governmental activities	\$ (330,323)	\$ 261,366	\$ (318,426)	\$ (353,609)	\$ (375,805)
Business-type activities	<u>33,126</u>	<u>208,830</u>	<u>48,433</u>	<u>49,434</u>	<u>52,893</u>
Total primary government net expenses	<u>\$ (297,197)</u>	<u>\$ 470,196</u>	<u>\$ (269,993)</u>	<u>\$ (304,175)</u>	<u>\$ (322,912)</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

(3) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(4) The Economic Development function was reallocated to the General Government function in FY18.

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 19,438	\$ 22,908	\$ 26,527	\$ 28,247	\$ 30,628
Police	12,586	14,550	13,490	10,468	12,626
Fire	42,898	42,866	44,851	46,867	54,968
Public works	50,159	52,901	50,216	43,245	55,885
General services ⁽³⁾	-	-	-	-	-
Economic development ⁽⁴⁾	-	-	-	-	-
Convention and cultural services	12,456	12,622	10,385	8,823	10,901
Youth, parks, and community enrichment	13,065	13,365	12,429	8,952	12,470
Community development	36,019	38,218	38,646	34,287	35,516
Library	-	-	-	-	-
Total charge for services	186,621	197,430	196,544	180,889	212,994
Operating grants and contributions	41,811	55,535	75,897	185,641	234,294
Capital grants and contributions	101,476	98,903	160,395	141,760	110,961
Total governmental activities program revenues	329,908	351,868	432,836	508,290	558,249
<i>Business-type activities</i>					
Charge for services					
Water	119,379	127,868	142,041	144,070	136,613
Wastewater	37,596	42,275	44,562	43,829	44,327
Storm drainage	39,512	39,969	40,871	40,848	41,901
Solid waste	63,556	63,664	67,086	73,465	76,221
Community center	9,848	8,726	2,458	196	10,140
Parking	19,003	19,735	17,140	10,403	13,977
Child development	6,419	6,547	5,328	552	4,356
Total charge for services	295,313	308,784	319,486	313,363	327,535
Operating grants and contributions	2,179	3,300	1,693	501	1,864
Capital grants and contributions	23,726	20,457	32,726	18,445	17,162
Total business-type activities program revenues	321,218	332,541	353,905	332,309	346,561
Total primary government program revenues	<u>\$ 651,126</u>	<u>\$ 684,409</u>	<u>\$ 786,741</u>	<u>\$ 840,599</u>	<u>\$ 904,810</u>
Net (Expense) Revenue					
Governmental activities	\$ (421,002)	\$ (465,233)	\$ (464,353)	\$ (482,525)	\$ (372,393)
Business-type activities	69,466	54,681	62,051	52,200	63,964
Total primary government net expenses	<u>\$ (351,536)</u>	<u>\$ (410,552)</u>	<u>\$ (402,302)</u>	<u>\$ (430,325)</u>	<u>\$ (308,429)</u>

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

(3) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works in FY16.

(4) The Economic Development function was reallocated to the General Government function in FY18.

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 114,451	\$ 122,477	\$ 129,714	\$ 138,354	\$ 146,697
Utility user taxes	59,066	59,613	59,947	61,404	62,997
Other taxes	27,943	61,584	66,205	70,761	77,608
Sales taxes shared state revenue	52,300	56,575	58,476	67,983	81,296
In-lieu sales tax	16,113	16,823	16,632	14,387	-
Investment earnings (loss)	10,101	10,136	8,769	11,328	9,178
Miscellaneous	9,749	8,853	11,060	12,954	14,221
Contributions to permanent fund	1	1	1	-	-
Gain (loss) on disposition of capital assets	-	4,567	5,340	-	(79,916)
Special items	26,208	(2,500)	-	(8,830)	-
Transfers	19,002	28,571	32,148	14,773	31,443
Total governmental activities	334,934	366,700	388,292	383,114	343,524
<i>Business-type activities</i>					
Taxes:					
Other taxes	16,555	17,943	20,108	21,800	23,866
Investment earnings (loss)	1,299	3,294	1,567	4,428	1,292
Miscellaneous	-	3	5	20	20
Gain (loss) on disposition of capital assets	-	-	-	-	17
Special items	-	18,527	4,554	-	-
Transfers	(19,002)	(28,571)	(32,148)	(14,773)	(31,443)
Total business-type activities	(1,148)	11,196	(5,914)	11,475	(6,248)
Total primary government	\$ 333,786	\$ 377,896	\$ 382,378	\$ 394,589	\$ 337,276
Change in Net Position					
Governmental activities	\$ 4,611	\$ 366,700	\$ 69,866	\$ 29,505	\$ (32,281)
Business-type activities	31,978	11,196	42,519	60,909	47,180
Total primary government	\$ 36,589	\$ 377,896	\$ 112,385	\$ 90,414	\$ 14,899

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

City of Sacramento
Changes in Net Position ^{(1) (2)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 156,710	\$ 170,439	\$ 184,142	\$ 198,380	\$ 211,331
Utility user taxes	62,989	60,128	60,039	62,164	65,461
Other taxes	83,981	105,997	148,998	171,808	193,912
Sales taxes shared state revenue	82,987	93,770	90,970	99,325	115,260
In-lieu sales tax	-	-	-	-	-
Investment earnings (loss)	5,593	20,923	19,646	4,618	(27,883)
Miscellaneous	17,328	14,834	15,743	12,064	15,304
Contributions to permanent fund	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	-	-	-	-
Special items	-	7,000	-	-	-
Transfers	34,525	35,524	34,947	18,647	25,995
Total governmental activities	444,113	508,615	554,485	567,006	599,380
<i>Business-type activities</i>					
Taxes:					
Other taxes	26,839	29,477	21,504	15,545	26,843
Investment earnings (loss)	1,013	20,020	16,940	5	(24,014)
Miscellaneous	37	-	-	-	-
Gain (loss) on disposition of capital assets	424	1,747	-	27	-
Special items	-	2,553	-	-	-
Transfers	(34,525)	(35,524)	(34,947)	(18,647)	(25,995)
Total business-type activities	(6,212)	18,273	3,497	(3,070)	(23,166)
Total primary government	\$ 437,901	\$ 526,888	\$ 557,982	\$ 563,936	\$ 576,214
Change in Net Position					
Governmental activities	\$ 23,111	\$ 43,382	\$ 90,132	\$ 84,481	\$ 226,987
Business-type activities	63,254	72,954	65,548	49,130	40,798
Total primary government	\$ 86,365	\$ 116,336	\$ 155,680	\$ 133,611	\$ 267,785

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.

City of Sacramento
Fund Balances, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable:					
Prepaid items	\$ 24	\$ 66	\$ 7	\$ 2	\$ 12
Leases	-	-	-	-	-
Due from other funds	-	-	-	-	3,800
Noncurrent assets	48	-	4	-	-
Restricted:					
Capital projects	-	3,401	2,562	1,860	-
Ambulance service	-	-	1,085	1,085	-
Other programs	40	21	7	17	17
Committed:					
Economic uncertainty	27,765	33,714	38,967	46,950	49,644
Capital projects	21,789	21,728	32,987	37,526	49,265
Community center theater renovation	8,500	8,500	8,500	8,500	-
Housing trust fund	-	-	-	-	-
B Street Theater project	-	-	2,500	-	-
Fire programs	-	-	4,420	5,720	1,386
Pension	-	-	-	-	-
OPEB	2,000	-	6,717	6,752	5,324
Set-aside for FY23 Budget	-	-	-	-	-
SCXEA labor for FY2020	-	-	-	-	-
Homeless programs	-	1,000	750	250	-
Gas tax	-	-	-	-	2,087
Other programs	9,347	12,909	8,860	13,953	19,280
Assigned:					
Unrealized investment gains	-	173	50	732	-
Next year's budget	10,446	-	-	-	-
Unassigned	-	17,395	16,028	26,649	24,739
Total general fund	\$ 79,959	\$ 98,907	\$ 123,444	\$ 149,996	\$ 155,554
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ 44	\$ 24	\$ 24	\$ -	\$ -
Leases	-	-	-	-	-
Noncurrent assets	530	451	369	283	193
Permanent fund principal	878	878	878	878	878
Restricted:					
Capital projects	135,069	126,262	124,790	138,562	149,664
Debt service	17,472	17,548	20,218	51,691	58,904
Public works programs	13,781	11,830	-	14,522	13,152
Ambulance service	-	-	13,842	-	-
Economic development programs	23,970	22,484	17,271	16,887	41,548
Other programs	31,115	29,924	27,029	27,793	28,818
Committed:					
Economic uncertainty	-	-	-	-	-
Capital projects	3,666	4,024	3,355	7,017	9,359
Grant retention	-	4,049	500	-	-
Debt service	2,278	6,583	5,660	8,733	19,110
Housing trust fund	-	-	-	-	-
B Street Theater project	-	-	16,391	21,360	-
Economic development programs	-	5,125	-	-	-
OPEB	-	-	-	-	-
Set-aside for FY23 Budget	-	-	-	-	-
Other programs	6,266	25,486	50,001	51,024	56,715
Assigned:					
Debt service	1,805	973	717	2,547	2,406
Unrealized investment gains	100	47	15	40	-
Other programs	3,758	4,047	2,344	60	-
Unassigned	(29,711)	(22,121)	(26,554)	(19,657)	(18,037)
Total all other governmental funds	\$ 211,021	\$ 237,614	\$ 256,850	\$ 321,740	\$ 362,710

Notes: (1) FY13 amounts have been restated for the effects of Marina fund reclassification to a governmental activity.

Source: City of Sacramento Annual Comprehensive Financial Reports

City of Sacramento
Fund Balances, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
General Fund					
Nonspendable:					
Prepaid items	\$ 45	\$ -	\$ 1,279	\$ 1,084	\$ 1,767
Leases	-	-	-	-	1,032
Due from other funds	3,800	-	-	-	-
Noncurrent assets	-	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	-	-	-
Committed:					
Economic uncertainty	52,700	55,200	55,200	58,499	61,310
Capital projects	37,583	39,995	57,689	57,417	50,410
Community center theater renovation	-	-	-	-	-
Housing trust fund	-	-	-	-	1,000
B Street Theater project	-	-	-	-	-
Fire programs	6,189	9,568	5,635	7,438	8,426
Pension	5,000	13,500	-	-	-
OPEB	2,619	6,644	4,264	6,828	5,727
Set-aside for FY23 Budget	-	-	-	5,500	20,891
SCXEA labor for FY2020	-	4,256	-	-	-
Homeless programs	-	-	-	-	-
Gas tax	2,087	2,087	-	-	-
Other programs	37,325	46,052	49,405	72,809	133,367
Assigned:					
Unrealized investment gains	-	381	1,960	103	-
Next year's budget	-	-	-	-	-
Unassigned	25,021	32,923	50,007	30,315	44,080
Total general fund	\$ 172,369	\$ 210,606	\$ 225,439	\$ 239,993	\$ 328,010
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ -	\$ -	\$ 5,715	\$ 8,783	\$ 10,267
Leases	-	-	-	-	40
Noncurrent assets	98	-	-	-	-
Permanent fund principal	878	878	878	578	578
Restricted:					
Capital projects	159,439	183,772	208,205	230,323	241,218
Debt service	28,539	28,119	27,884	22,722	21,629
Public works programs	18,857	22,071	23,618	21,141	21,293
Ambulance service	-	-	-	-	-
Economic development programs	44,920	48,878	46,954	49,537	55,545
Other programs	35,025	48,003	63,026	60,517	65,955
Committed:					
Economic uncertainty	-	-	-	449	1,046
Capital projects	18,245	14,407	15,369	23,523	19,180
Grant retention	-	-	-	-	-
Debt service	21,543	17,291	11,401	12,157	11,802
Housing trust fund	-	-	-	15,000	904
B Street Theater project	-	-	-	-	-
Economic development programs	-	-	-	-	-
OPEB	-	-	-	-	290
Set-aside for FY23 Budget	-	-	-	-	1,971
Other programs	40,683	48,473	62,167	55,672	86,392
Assigned:					
Debt service	2,008	2,700	2,968	2,270	2,017
Unrealized investment gains	-	51	675	51	-
Other programs	360	18	170	63	-
Unassigned	(22,656)	(18,503)	(33,465)	(32,460)	(29,423)
Total all other governmental funds	\$ 347,939	\$ 396,158	\$ 435,565	\$ 470,326	\$ 510,704

Notes: (1) FY13 amounts have been restated for the effects of Marina fund reclassification to a governmental activity.

Source: City of Sacramento Annual Comprehensive Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 265,605	\$ 320,832	\$ 334,649	\$ 365,482	\$ 382,155
Intergovernmental	154,556	105,172	111,017	128,190	73,082
Charges for services	66,369	71,889	86,061	89,765	105,446
Fines, forfeits and penalties	9,892	11,221	11,403	12,720	11,429
Interest, rents, and concessions	13,909	14,417	12,681	15,221	14,220
Community service fees	7,136	4,693	7,869	16,460	29,740
Assessment levies	37,621	38,668	41,884	43,475	44,339
Contributions and donations	14,269	43,018	45,177	35,820	33,637
Miscellaneous	3,441	570	501	2,761	383
Total revenues	572,798	610,480	651,242	709,894	694,431
Expenditures					
General government	22,712	26,170	28,491	34,197	41,413
Police	138,779	138,653	149,448	152,245	159,572
Fire	99,630	107,538	110,585	119,814	127,970
Public works	34,995	34,706	35,502	42,194	45,457
General services ⁽²⁾	10,306	9,564	10,058	-	-
Convention and cultural services	9,804	10,481	10,978	11,738	12,838
Economic development ⁽³⁾	10,221	12,418	10,797	9,871	13,270
Youth, parks, and community enrichment ⁽⁴⁾	32,257	35,632	38,894	37,801	38,707
Community development	23,568	23,902	26,819	34,110	40,499
Community response ⁽⁵⁾	-	-	-	-	-
Library	12,362	12,482	14,496	14,771	14,903
Utilities	979	607	522	701	1,583
Citywide and community support	33,105	36,965	37,216	47,961	48,435
Capital outlay	116,705	106,840	128,805	337,817	82,465
Debt service					
Principal	19,470	26,218	23,699	16,481	28,677
Interest and fiscal charges	22,949	22,772	33,493	24,822	28,555
Bond issuance costs	-	-	-	5,483	49
Subtotal - debt service	42,419	48,990	57,192	44,786	57,281
Total Expenditures	587,842	604,948	659,803	928,058	684,393
Excess (deficiency) of revenues over (under) expenditures	(15,044)	5,532	(8,561)	(218,164)	10,038
Other financing sources (uses)					
Transfers in	55,166	63,584	69,117	306,810	66,386
Transfers out	(27,450)	(34,527)	(33,267)	(270,358)	(31,871)
Issuance of long-term debt	2,837	6,050	3,984	401,943	1,976
Premium on long-term debt	-	-	-	13,972	-
Proceeds from sale of property	-	4,902	12,500	-	-
Payments to refunded bond escrow	-	-	-	(133,931)	-
Total other financing sources (uses)	30,553	40,009	52,334	318,436	36,491
Special items	31,208	-	-	(8,830)	-
Changes in fund balances	\$ 46,717	\$ 45,541	\$ 43,773	\$ 91,442	\$ 46,529
Debt services as a percentage of noncapital expenditures	8.35%	9.49%	10.46%	12.71%	9.27%

- Note: (1) FY13 amounts have been restated for the effects of Marina fund reclassification to a governmental activity.
(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 Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.
(5) The Department of Community Response was created in FY22.

City of Sacramento
Changes in Fund Balances, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2018	2019	2020	2021	2022
Revenues					
Taxes	\$ 406,011	\$ 434,759	\$ 489,569	\$ 533,811	\$ 587,137
Intergovernmental	80,415	97,658	114,274	237,428	292,186
Charges for services	121,368	131,609	131,135	120,468	133,686
Fines, forfeits and penalties	12,643	16,397	13,309	7,630	10,264
Interest, rents, and concessions	10,794	24,907	20,718	10,101	(17,897)
Community service fees	30,654	30,651	29,072	27,217	25,076
Assessment levies	47,048	52,476	50,080	52,000	56,515
Contributions and donations	14,253	49,053	36,603	52,877	11,636
Miscellaneous	731	718	974	1,250	12,543
Total revenues	723,917	838,228	885,734	1,042,782	1,111,146
Expenditures					
General government	72,772	85,272	117,640	222,591	170,394
Police	169,273	182,538	203,980	211,307	223,613
Fire	136,161	144,043	159,771	168,103	180,143
Public works	49,841	51,289	47,350	51,040	53,547
General services ⁽²⁾	-	-	-	-	-
Convention and cultural services	14,372	15,117	13,459	12,415	14,554
Economic development ⁽³⁾	-	-	-	-	-
Youth, parks, and community enrichment ⁽⁴⁾	38,615	40,866	45,791	41,878	49,652
Community development	45,787	54,342	67,128	68,404	64,395
Community response ⁽⁵⁾	-	-	-	-	10,446
Library	16,421	17,732	18,867	21,218	22,349
Utilities	2,034	2,495	3,555	3,882	4,137
Citywide and community support	46,576	42,827	50,691	51,632	58,583
Capital outlay	90,397	79,175	103,790	130,426	156,249
Debt service					
Principal	48,445	56,284	21,308	26,228	33,864
Interest and fiscal charges	24,529	24,818	24,501	21,661	19,784
Bond issuance costs	1,415	116	1	-	-
Subtotal - debt service	74,389	81,218	45,810	47,889	53,648
Total Expenditures	756,638	796,914	877,832	1,030,785	1,061,710
Excess (deficiency) of revenues over (under) expenditures	(32,721)	41,314	7,902	11,997	49,436
Other financing sources (uses)					
Transfers in	70,558	69,931	74,660	106,614	86,090
Transfers out	(35,801)	(33,114)	(37,657)	(80,551)	(59,045)
Issuance of long-term debt	8	1,325	5,452	11,255	51,914
Premium on long-term debt	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Total other financing sources (uses)	34,765	38,142	42,455	37,318	78,959
Special items	-	7,000	3,883	-	-
Changes in fund balances	\$ 2,044	\$ 86,456	\$ 54,240	\$ 49,315	\$ 128,395
Debt services as a percentage of noncapital expenditures	10.61%	10.56%	5.70%	5.10%	5.49%

- Note: (1) FY13 amounts have been restated for the effects of Marina fund reclassification to a governmental activity.
(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 Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.
(5) The Department of Community Response was created in FY22.

City of Sacramento
Tax Revenues by Source, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property ⁽²⁾	Sales & Use ⁽³⁾	Utility Users	Others	Total
2013	\$ 130,864	\$ 57,121	\$ 59,066	\$ 18,554	\$ 265,605
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

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 ⁽¹⁾				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate ⁽³⁾
	Real Property	Personal Property	Public Utility ⁽²⁾	Total			
2013	\$ 34,332,037	\$ 1,626,943	\$ 13,157	\$ 35,972,137	\$ 477,326	\$ 35,494,811	1.00
2014	35,829,529	1,546,891	12,381	37,388,801	464,546	36,924,255	1.00
2015	37,918,666	1,585,876	18,173	39,522,715	455,212	39,067,503	1.00
2016	39,823,777	1,513,519	9,267	41,346,563	448,778	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

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 ⁽¹⁾
Per \$100 of Assessed Value
Last Ten Fiscal Years

Fiscal Year End June 30	Basic County, City, and School Levy ⁽²⁾	County of Sacramento	Schools	Special Districts	Total
2013	1.0000	—	0.1192	—	1.1192
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

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	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 320,347	1	0.52 %	-	-	-
Oakmont Properties LLC	209,780	2	0.34	-	-	-
Hancock SREIT Sacramento LLC	200,809	3	0.33	-	-	-
Pac West Office Equities LP	191,766	4	0.31	-	-	-
M/H Realty Partners VI LP	186,407	5	0.30	-	-	-
Natomas Development Partners LLC	173,065	6	0.28	-	-	-
SRI Eleven 621 Capitol Mall LLC	169,240	7	0.27	-	-	-
Prime US-Park Tower LLC	167,215	8	0.27	-	-	-
Arden Fair Associates	154,832	9	0.25	\$ 134,668	4	0.38 %
HP Hood LLC	153,717	10	0.25	78,083	10	0.22
Hines VAF II Sacramento	-	-	-	394,930	1	1.11
CIM Sacramento LLC	-	-	-	231,013	2	0.65
Verizon	-	-	-	152,482	3	0.43
621 Capitol Mall LLC	-	-	-	117,394	5	0.33
300 Capitol Association NF LP	-	-	-	109,000	6	0.31
Comcast Sacramento	-	-	-	105,943	7	0.30
CLPF Promenade LP	-	-	-	83,028	8	0.23
Target Corp	-	-	-	80,789	9	0.23
	<u>1,927,178</u>		<u>3.12</u>	<u>1,487,330</u>		<u>4.19</u>
All other taxpayers	<u>59,633,317</u>		<u>96.88</u>	<u>34,007,481</u>		<u>95.81</u>
Total	<u>\$ 61,560,495</u>		<u>100.00 %</u>	<u>\$ 35,494,811</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 ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Year ⁽⁴⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 130,755 ^{(2) (3)}	\$ 129,655	99.16%	\$ 1,100	\$ 130,755	100.00%
2014	140,273 ^{(2) (3)}	139,651	99.56%	622	140,273	100.00%
2015	147,483 ^{(2) (3)}	146,374	99.25%	1,109	147,483	100.00%
2016	155,024 ^{(2) (3)}	153,563	99.06%	1,461	155,024	100.00%
2017	149,456 ^{(2) (3)}	147,960	99.00%	1,496	149,456	100.00%
2018	158,378 ^{(2) (3)}	156,689	98.93%	1,689	158,378	100.00%
2019	170,117 ^{(2) (3)}	168,637	99.13%	1,480	170,117	100.00%
2020	185,127 ^{(2) (3)}	183,365	99.05%	1,762	185,127	100.00%
2021	196,743 ^{(2) (3)}	194,957	99.09%	1,786	196,743	100.00%
2022	209,259 ^{(2) (3)}	207,443	99.13%	1,816	209,259	100.00%

- Notes: (1) Property taxes in 2013 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.

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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 ⁽⁹⁾	Revenue Bonds	Notes Payable	Leases ⁽⁹⁾	
2013 ⁽¹⁾	\$ 435,962	\$ 530	\$ 9,446	\$ 542,347	\$ 52,536	\$ 9,466	\$ 1,050,287
2014 ⁽²⁾	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 ⁽³⁾	627,351	15,290	7,294	493,406	26,340	8,654	1,178,335
2017 ⁽⁴⁾	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 ⁽⁵⁾	513,186	14,014	1,011	831,547	33,185	2,340	1,395,283
2020 ⁽⁶⁾	494,320	16,915	325	858,891	56,713	973	1,428,137
2021 ⁽⁷⁾	475,282	16,909	199	822,397	124,073 ⁽⁸⁾	-	1,314,787
2022	459,996	16,702	1,643	794,212	143,211 ⁽⁸⁾	2,012	1,274,565

Notes:

- (1) In 2013, \$281 million of revenue bonds and a \$2.8 million capital lease payable were issued.
 - (2) In 2014, Marina fund notes payable and capital leases were reclassified to governmental activities.
 - (3) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
 - (4) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
 - (5) 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.
 - (6) 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.
 - (7) In 2021, \$28 million of refunding bonds were issued.
 - (8) Notes payable includes State Revolving Fund 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.
 - (9) In 2022, GASB Statement No. 87 was implemented and the term Leases replaced the term Capital Leases.
- 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)

Fiscal Year	Percentage of Personal Income	Population	Per Capita
2013 ⁽¹⁾	NA	473,509	\$ 2,218
2014 ⁽²⁾	NA	475,122	2,165
2015	NA	480,105	2,038
2016 ⁽³⁾	NA	485,683	2,426
2017 ⁽⁴⁾	NA	493,025	2,409
2018	NA	501,344	2,231
2019 ⁽⁵⁾	NA	508,172	2,746
2020 ⁽⁶⁾	NA	510,931	2,795
2021 ⁽⁷⁾	NA	515,673	2,550
2022	NA	518,037	2,460

Notes:

- (1) In 2013, \$281 million of revenue bonds and a \$2.8 million capital lease payable were issued.
- (2) In 2014, Marina fund notes payable and capital leases were reclassified to governmental activities.
- (3) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- (4) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
- (5) 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.
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- (9) In 2022, GASB Statement No. 87 was implemented and the term Leases replaced the term Capital Leases. 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)

Fiscal Year	Total Gross General Obligation Bonds	Amounts Restricted for Principal Repayments	Total Net General Obligation Bonds	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Net Bonded Debt Per Capita
2013	\$ -	\$ -	\$ -	\$ 35,494,811	0.00%	473,509	\$ -
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	-

Source: City of Sacramento Annual Comprehensive Financial Reports and the County of Sacramento.

City of Sacramento
Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of June 30, 2022
(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	\$ 495,095	26.894 %	\$ 133,151
Elk Grove Unified School District	309,250	11.603	35,882
Natomas Unified School District	404,974	85.192	345,005
Sacramento Unified School District	488,648	85.057	415,629
San Juan Unified School District	752,169	2.871	21,595
Twin Rivers Unified School District:			
Twin Rivers Unified School District (former Elementary School District bonds)	51,225	50.045	25,636
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	259,154	49.688	128,768
Robla School District	91,908	54.883	50,442
City of Sacramento Community Facilities Districts	207,935	100.000	207,935
Elk Grove Unified School District Community Facilities District No. 1	178,666	11.603	20,731
California Statewide Community Development Authority Assessment Districts	23,881	100.000	23,881
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	312,420	85.335	266,604
Sacramento Area Flood Control Agency Natomas Local Assessment District	30,970	82.936	25,685
Subtotal - Overlapping Tax and Assessment debt			1,700,944
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	128,277	32.400	41,562
Sacramento County Pension Obligation Bonds	625,201	32.400	202,565
Sacramento County Board of Education General Fund Obligations	2,635	32.400	854
Elk Grove Unified School District General Fund Obligations	11,330	11.603	1,315
Sacramento Unified School District General Fund Obligations	55,030	85.057	46,807
Twin Rivers Unified School District Certificates of Participation	8,090	49.688	4,020
Arcade Creek Recreation and Park District General Fund Obligations	181	1.075	2
Fulton-El Camino Recreation and Park District General Fund Obligations	1,024	16.937	173
Subtotal - Direct and Overlapping General Fund Debt			297,298
Total Overlapping Debt			1,998,242
City of Sacramento Direct Debt			476,698
Total Direct and Overlapping Debt			\$ 2,474,940

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.

Source: Data regarding overlapping debt is obtained from California Municipal Statistics, Inc.

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		
2013	\$ 35,494,811	\$ 5,324,222	\$ -	\$ -	\$ -	\$ 5,324,222	0.00%
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%

Sources: (A) City of Sacramento Annual Comprehensive Financial Reports.
(B) County of Sacramento, Office of Auditor/Controller.

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City of Sacramento
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Water Revenue					
	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽²⁾		Coverage
				Principal	Interest	
2013	\$ 88,754	\$ 43,128	\$ 45,626	\$ 194	\$ 243	104.41
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

Fiscal Year	Wastewater Revenue					
	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽³⁾		Coverage
				Principal	Interest	
2013	\$ 25,134	\$ 18,005	\$ 7,129	\$ 703	\$ 156	8.30
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 ⁽⁴⁾	1,965	5.20

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)

Storm Drainage Revenue							
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽²⁾		Coverage	
				Principal	Interest		
2013	\$ 35,682	\$ 24,703	\$ 10,979	\$ 2,179	\$ 562	4.01	
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 ⁽⁶⁾	69	74.20	

Transient Occupancy Tax (TOT) Revenue							
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽⁵⁾	Net Revenue	Debt Service Requirements ⁽³⁾		Coverage	
				Principal	Interest		
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	

Sacramento Tourism Infrastructure District (STID) Assessment Revenue							
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽⁵⁾	Net Revenue	Debt Service Requirements ⁽⁴⁾		Coverage	
				Principal	Interest		
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	

- 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 four years are shown.
(4) Debt service requirements include 2019 STID Assessment Revenue Bonds. Therefore, only three 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

Year	Population (A)	Personal Income (in millions of dollars) (B)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (C)	Unemployment Rate (D)
2013	1,445,806	N/A	N/A	N/A	N/A	238,290	8.7 %
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

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)	2022			2013		
	Employees (A) ⁽¹⁾	Rank	Percentage of Total Employment (B) ⁽²⁾	Employees (A) ⁽¹⁾	Rank	Percentage of Total Employment (B)
State of California	82,894	1	11.86%	69,469	1	11.13%
UC Davis Health System	16,075	2	2.30%	9,985	3	1.60%
Kaiser Permanente	12,301	3	1.76%	5,696	8	0.91%
U.S. Government	10,698	4	1.53%	5,750	7	0.92%
Sutter Health	9,595	5	1.37%	6,507	4	1.04%
Dignity Health	7,488	6	1.07%	5,756	6	0.92%
Intel Corporation	6,013	7	0.86%	6,000	5	0.96%
San Juan Unified School District	5,126	8	0.73%	4,700	10	0.75%
Los Rios Community College District	2,833	9	0.41%	-	-	-
California State University Sacramento	2,535	10	0.36%	-	-	-
Sacramento County	-	-	-	10,634	2	1.70%
Elk Grove Unified School District	-	-	-	5,535	9	0.89%

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 699,000 per Employment Development Department website) in July 2022.

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 ^{(1) (2)}
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year				
	2013	2014	2015	2016	2017
Merged Downtown					
Secured	\$ 2,366,130	\$ 2,300,993	\$ 2,344,213	\$ 2,461,341	\$ 2,682,975
Unsecured	137,567	132,581	138,662	124,172	110,587
Utility	770	770	770	748	748
Total	<u>\$ 2,504,467</u>	<u>\$ 2,434,344</u>	<u>\$ 2,483,645</u>	<u>\$ 2,586,261</u>	<u>\$ 2,794,310</u>
Del Paso Heights					
Secured	\$ 276,998	\$ 289,856	\$ 311,285	\$ 317,886	\$ 338,354
Unsecured	9,550	12,659	14,464	13,621	15,440
Utility	1	1	1	1	1
Total	<u>\$ 286,549</u>	<u>\$ 302,516</u>	<u>\$ 325,750</u>	<u>\$ 331,508</u>	<u>\$ 353,795</u>
Alkali Flat					
Secured	\$ 119,184	\$ 112,883	\$ 120,103	\$ 123,251	\$ 136,555
Unsecured	4,982	3,224	3,504	2,963	2,996
Utility	-	-	-	-	-
Total	<u>\$ 124,166</u>	<u>\$ 116,107</u>	<u>\$ 123,607</u>	<u>\$ 126,214</u>	<u>\$ 139,551</u>
Oak Park					
Secured	\$ 427,642	\$ 466,006	\$ 476,624	\$ 501,132	\$ 567,966
Unsecured	9,898	9,763	9,483	24,938	27,750
Utility	-	-	-	-	-
Total	<u>\$ 437,540</u>	<u>\$ 475,769</u>	<u>\$ 486,107</u>	<u>\$ 526,070</u>	<u>\$ 595,716</u>
River District (formerly Richards Blvd)					
Secured	\$ 396,061	\$ 375,825	\$ 403,452	\$ 393,540	\$ 404,183
Unsecured	33,655	29,486	35,352	37,314	34,732
Utility	4,779	4,779	4,779	2,591	2,591
Total	<u>\$ 434,495</u>	<u>\$ 410,090</u>	<u>\$ 443,583</u>	<u>\$ 433,445</u>	<u>\$ 441,506</u>
North Sacramento					
Secured	\$ 506,029	\$ 498,272	\$ 509,637	\$ 523,526	\$ 555,437
Unsecured	39,802	36,413	40,115	36,778	36,563
Utility	-	-	-	-	-
Total	<u>\$ 545,831</u>	<u>\$ 534,685</u>	<u>\$ 549,752</u>	<u>\$ 560,304</u>	<u>\$ 592,000</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 ^{(1) (2)}
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year				
	2018	2019	2020	2021	2022
Merged Downtown					
Secured	\$ 3,294,112	\$ 3,572,623	\$ 3,854,509	\$ 3,927,521	\$ 3,928,629
Unsecured	131,439	147,725	169,620	169,037	170,979
Utility	748	696	7	7	7
Total	<u>\$ 3,426,299</u>	<u>\$ 3,721,044</u>	<u>\$ 4,024,136</u>	<u>\$ 4,096,565</u>	<u>\$ 4,099,615</u>
Del Paso Heights					
Secured	\$ 380,389	\$ 414,850	\$ 469,286	\$ 510,477	\$ 547,780
Unsecured	14,149	21,771	23,390	28,109	28,417
Utility	1	1	-	-	-
Total	<u>\$ 394,539</u>	<u>\$ 436,622</u>	<u>\$ 492,676</u>	<u>\$ 538,586</u>	<u>\$ 576,197</u>
Alkali Flat					
Secured	\$ 158,376	\$ 198,843	\$ 228,034	\$ 250,906	\$ 256,211
Unsecured	2,920	3,485	3,582	3,794	2,387
Utility	-	-	-	-	-
Total	<u>\$ 161,296</u>	<u>\$ 202,328</u>	<u>\$ 231,616</u>	<u>\$ 254,700</u>	<u>\$ 258,598</u>
Oak Park					
Secured	\$ 610,203	\$ 686,458	\$ 787,243	\$ 831,901	\$ 892,936
Unsecured	28,003	31,947	23,271	25,615	30,460
Utility	-	-	-	-	-
Total	<u>\$ 638,206</u>	<u>\$ 718,405</u>	<u>\$ 810,514</u>	<u>\$ 857,516</u>	<u>\$ 923,396</u>
River District (formerly Richards Blvd)					
Secured	\$ 413,627	\$ 444,699	\$ 474,858	\$ 535,733	\$ 570,395
Unsecured	36,120	37,676	35,370	35,657	38,301
Utility	2,591	2,464	2,752	2,705	2,705
Total	<u>\$ 452,338</u>	<u>\$ 484,839</u>	<u>\$ 512,980</u>	<u>\$ 574,095</u>	<u>\$ 611,401</u>
North Sacramento					
Secured	\$ 556,306	\$ 605,147	\$ 681,316	\$ 743,818	\$ 824,135
Unsecured	36,555	43,011	50,625	57,168	57,816
Utility	-	-	719	719	719
Total	<u>\$ 592,861</u>	<u>\$ 648,158</u>	<u>\$ 732,660</u>	<u>\$ 801,705</u>	<u>\$ 882,670</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 ^{(1) (2)}
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year				
	2013	2014	2015	2016	2017
Franklin Boulevard					
Secured	\$ 553,114	\$ 556,190	\$ 482,823	\$ 474,370	\$ 497,711
Unsecured	39,862	37,903	32,000	31,565	35,431
Utility	-	-	-	-	-
Total	<u>\$ 592,976</u>	<u>\$ 594,093</u>	<u>\$ 514,823</u>	<u>\$ 505,935</u>	<u>\$ 533,142</u>
Stockton Boulevard					
Secured	\$ 334,059	\$ 345,330	\$ 364,463	\$ 384,262	\$ 403,482
Unsecured	17,101	17,293	17,731	16,742	15,941
Utility	-	-	-	-	-
Total	<u>\$ 351,160</u>	<u>\$ 362,623</u>	<u>\$ 382,194</u>	<u>\$ 401,004</u>	<u>\$ 419,423</u>
Army Depot					
Secured	\$ 790,956	\$ 826,125	\$ 864,133	\$ 928,249	\$ 979,664
Unsecured	116,489	149,382	139,964	110,209	106,652
Utility	943	943	943	1,072	1,072
Total	<u>\$ 908,388</u>	<u>\$ 976,450</u>	<u>\$ 1,005,040</u>	<u>\$ 1,039,530</u>	<u>\$ 1,087,388</u>
65th Street					
Secured	\$ 229,458	\$ 228,785	\$ 231,632	\$ 243,684	\$ 276,299
Unsecured	17,346	14,536	17,543	14,033	15,339
Utility	-	-	-	-	-
Total	<u>\$ 246,804</u>	<u>\$ 243,321</u>	<u>\$ 249,175</u>	<u>\$ 257,717</u>	<u>\$ 291,638</u>
Railyards					
Secured	\$ 84,191	\$ 80,200	\$ 75,245	\$ 68,288	\$ 62,600
Unsecured	4,548	4,454	5,973	10,940	7,310
Utility	771	-	-	-	-
Total	<u>\$ 89,510</u>	<u>\$ 84,654</u>	<u>\$ 81,218</u>	<u>\$ 79,228</u>	<u>\$ 69,910</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 ^{(1) (2)}
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year				
	2018	2019	2020	2021	2022
Franklin Boulevard					
Secured	\$ 544,375	\$ 578,295	\$ 608,313	\$ 643,432	\$ 672,091
Unsecured	34,068	33,800	36,098	38,111	40,569
Utility	-	-	-	-	-
Total	<u>\$ 578,443</u>	<u>\$ 612,095</u>	<u>\$ 644,411</u>	<u>\$ 681,543</u>	<u>\$ 712,660</u>
Stockton Boulevard					
Secured	\$ 442,555	\$ 471,634	\$ 510,666	\$ 556,549	\$ 592,937
Unsecured	15,798	18,937	19,758	23,067	23,646
Utility	-	-	-	-	-
Total	<u>\$ 458,353</u>	<u>\$ 490,571</u>	<u>\$ 530,424</u>	<u>\$ 579,616</u>	<u>\$ 616,583</u>
Army Depot					
Secured	\$ 1,052,144	\$ 1,130,114	\$ 1,302,802	\$ 1,391,639	\$ 1,475,193
Unsecured	111,552	115,208	132,775	138,567	150,127
Utility	1,072	1,072	1,037	1,037	1,037
Total	<u>\$ 1,164,768</u>	<u>\$ 1,246,394</u>	<u>\$ 1,436,614</u>	<u>\$ 1,531,243</u>	<u>\$ 1,626,357</u>
65th Street					
Secured	\$ 350,567	\$ 425,730	\$ 532,239	\$ 553,158	\$ 598,845
Unsecured	17,768	22,692	22,321	25,276	37,486
Utility	-	-	94	94	94
Total	<u>\$ 368,335</u>	<u>\$ 448,422</u>	<u>\$ 554,654</u>	<u>\$ 578,528</u>	<u>\$ 636,425</u>
Railyards					
Secured	\$ 66,406	\$ 67,471	\$ 71,495	\$ 104,469	\$ 109,005
Unsecured	7,151	11,438	13,940	15,667	12,508
Utility	-	-	-	-	-
Total	<u>\$ 73,557</u>	<u>\$ 78,909</u>	<u>\$ 85,435</u>	<u>\$ 120,136</u>	<u>\$ 121,513</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 ^{(1) (2)}
Merged Downtown
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
CIM-J STREET SACRAMENTO	\$ 156,641	\$ 76,938	\$ (79,703)	9.43%
GPT PROPERTIES	87,492	43,746	(43,746)	5.17%
CIM-J STREET HOTEL SACTO LP	77,895	146	(77,749)	9.19%
CIM-J STREET HOTEL SACTO LP	76,719	46	(76,673)	9.07%
KAISER FOUNDATION HEALTH PLAN INCORPORATED	76,349	38,175	(38,174)	4.51%
CIM-J STREET HOTEL SACTO	74,603	203	(74,400)	8.80%
CIM-J STREET HOTEL SACTO LP	73,507	304	(73,203)	8.66%
MNCVAD II OFC 770 L STATE CA LLC	46,777	23,389	(23,388)	2.77%
MNCVAD II OFC 63 K STREET CA LLC	28,381	14,191	(14,190)	1.68%
MNCVAD II 630 K STREET CA LLC	28,090	14,045	(14,045)	1.66%
Subtotal	726,454	211,183	(515,271)	60.94%
All Other Taxpayers	119,148	44,150	(74,998)	8.87%
Total	<u>\$ 845,602</u>	<u>\$ 255,333</u>	<u>\$ (590,269)</u>	<u>69.80%</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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Del Paso Heights
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
4555 CARMICHAEL LLC	\$ 2,633	\$ 1,711	\$ (922)	34.01%
ADT LLC	78	47	(31)	1%
Subtotal	2,711	1,758	(953)	35.15%
All Other Taxpayers	-	-	-	-
Total	\$ 2,711	\$ 1,758	\$ (953)	35.15%

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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction^{(1) (2)}
Alkali Flat
As of June 30, 2022
 (in thousands)

Assessee	Taxable Value⁽³⁾	Assessee's Value⁽³⁾	Value Difference	Percentage of Total Taxable Value
JOHN B ADAMO	\$ 2,166	\$ 1,300	\$ (866)	39.98%
Subtotal	2,166	1,300	(866)	39.98%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 2,166</u>	<u>\$ 1,300</u>	<u>\$ (866)</u>	<u>39.98%</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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Oak Park
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
GREG BLUNDEN	\$ 262	\$ 157	\$ (105)	21.08%
WALGREEN CO	123	84	(39)	7.83%
WALGREENS	113	87	(26)	5.22%
Subtotal	498	328	(170)	34.14%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 498</u>	<u>\$ 328</u>	<u>\$ (170)</u>	<u>34.14%</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, 2022.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
River District
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
VITARAG HOSPITALITY INC	\$ 4,203	\$ 2,000	\$ (2,203)	35.98%
RITZ/SCHOEFFLER INTERESTS	1,895	1,232	(663)	10.82%
BARGOTH A MOHAMED	24	-	(24)	0.39%
Subtotal	6,122	3,232	(2,890)	47.21%
All Other Taxpayers	-	-	-	-
Total	\$ 6,122	\$ 3,232	\$ (2,890)	47.21%

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, 2022.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
North Sacramento
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SEVEN UP BOTTLING OF SAN FRANCISCO	\$ 40,286	\$ 20,301	\$ (19,985)	13.16%
SEVEN UP BOTTLING COMPANY OF SAN FRANCISCO	31,316	14,831	(16,485)	10.85%
WOODLAKE CARE GROUP	28,556	17,130	(11,426)	7.52%
WOODLAKE CARE GROUP LLC	28,263	17,130	(11,133)	7.33%
RECREATIONAL EQUIPMENT INC	7,590	3,795	(3,795)	2.50%
SENT EXPO POINTE LLC	7,200	4,680	(2,520)	1.66%
GROCERY OUTLET AS LESSEE	4,660	2,330	(2,330)	1.53%
SAM ALKAKOS	3,720	2,418	(1,302)	0.86%
WALGREENS	141	78	(63)	0.04%
WALGREENS CO	136	81	(55)	0.04%
Subtotal	151,868	82,774	(69,094)	45.50%
All Other Taxpayers	-	-	-	-
Total	\$ 151,868	\$ 82,774	\$ (69,094)	45.50%

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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Franklin Boulevard
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SACRAMENTO CHILDRENS HOME	\$ 8,075	\$ 4,037	\$ (4,038)	16.28%
MACY'S WEST STORES	5,748	1,947	(3,801)	15.32%
MACY'S INC	3,544	2,199	(1,345)	5.42%
OREILLY AUTO PARTS	2,541	1,270	(1,271)	5.12%
OREILLY AUTO PARTS	2,515	1,257	(1,258)	5.07%
CROWN ENTERPRISES INC	2,387	1,195	(1,192)	4.80%
Subtotal	24,810	11,905	(12,905)	52%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 24,810</u>	<u>\$ 11,905</u>	<u>\$ (12,905)</u>	<u>52.02%</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, 2022.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Stockton Boulevard
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
DPI RETAIL LLC	\$ 16,124	\$ 15,404	\$ (720)	0.81%
STOCKTON PLAZA PARTNERS	16,124	1,612	(14,512)	16.28%
DPI RETAIL LLC	15,404	14,014	(1,390)	1.56%
DPI RETAIL LLC	15,404	14,013	(1,391)	1.56%
EKG INVESTORS LLC	4,160	3,000	(1,160)	1.30%
EKG INVS LLC	3,713	2,900	(813)	0.91%
EKG INVESTORS LLC	3,370	2,700	(670)	0.75%
EKG INVESTORS LLC	2,930	2,000	(930)	1.04%
EKG INVESTORS LLC	2,230	1,600	(630)	0.71%
O'REILLY	1,829	915	(914)	1.03%
Subtotal	63,056	45,043	(18,013)	20%
All Other Taxpayers	26,065	16,090	(9,975)	11.19%
Total	<u>\$ 89,121</u>	<u>\$ 61,133</u>	<u>\$ (27,988)</u>	<u>31.40%</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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Army Depot
As of June 30, 2022
 (in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
RICHARD N REESE FAMILY LLC	\$ 1,200	\$ 696	\$ (504)	33.31%
CATCH SOME AIR	313	1	(312)	20.62%
Subtotal	1,513	697	(816)	53.93%
All Other Taxpayers	-	-	-	-
Total	\$ 1,513	\$ 697	\$ (816)	53.93%

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, 2022.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
65th Street
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
GEM CROSSINGS LLC	\$ 94,216	\$ 47,108	\$ (47,108)	6.77%
GEM CROSSINGS LLC	93,250	78,108	(15,142)	2.18%
GEM CROSSINGS LLC	93,250	78,108	(15,142)	2.18%
SSC SACRAMENTO APARTMENTS LLC	76,126	38,063	(38,063)	5.47%
SSC SACRAMENTO APARTMENTS LLC	75,346	37,493	(37,853)	5.44%
ELEMENT DST NB	49,810	24,904	(24,906)	3.58%
ELEMENT DST NB	49,299	24,649	(24,650)	3.54%
ACADEMY ON 65TH STATE OWNER LLC	34,594	17,297	(17,297)	2.49%
TARGET	28,859	948	(27,911)	4.01%
TARGET	28,381	27,354	(1,027)	0.15%
Subtotal	623,131	374,032	(249,099)	35.81%
All Other Taxpayers	72,473	36,310	(36,163)	5.20%
Total	\$ 695,604	\$ 410,342	\$ (285,262)	41.01%

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, 2022.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Railyards
As of June 30, 2022
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SIMS METAL MANAGEMENT	\$ 4,518	\$ 2,259	\$ (2,259)	18.03%
SIMS METAL	3,455	1,727	(1,728)	13.79%
MARQUEE MEDIA SOLUTIONS LLC	1,785	1,173	(612)	4.89%
MARQUEE SACRAMENTO DIGITAL BILLBOARDS LLC	972	585	(387)	3.09%
MARQUEE SACRAMENTO DIGITAL BILLBOARDS	930	585	(345)	2.75%
MARQUEE SACRAMENTO DIGITAL BILLBOARDS LLC	868	586	(282)	2.25%
Subtotal	12,528	6,915	(5,613)	44.80%
All Other Taxpayers	-	-	-	-
Total	\$ 12,528	\$ 6,915	\$ (5,613)	44.80%

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, 2022.

**City of Sacramento
 Successor Agency Trust Fund
 Principal Property Taxpayers - Merged Downtown
 Current Fiscal Year and Nine Years Ago**
 (in thousands)

Assessee	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
City of Sacramento (Sacramento Downtown Arena LLC)	\$ 326,921	1	7.97%	\$ -	-	-
Hancock SREIT Sacramento LLC	204,825	2	5.00%	-	-	-
SRI Eleven 621 Capitol Mall LLC	172,625	3	4.21%	-	-	-
Prime US-Park Tower LLC	170,596	4	4.16%	-	-	-
500 Capitol Mall LLC	151,953	5	3.71%	79,119	5	3.16%
CA Sacramento Commons LLC	145,037	6	3.54%	-	-	-
300 Capitol Mall Investors LP	133,500	7	3.26%	-	-	-
GSA Sacramento Newco LLC	115,974	8	2.83%	-	-	-
PAC West Office Equities LP	114,311	9	2.79%	-	-	-
Sacramento CA I FGF LLC	108,840	10	2.65%	-	-	-
Hines Sacramento Wells Fargo Center	-	-	-	206,543	1	8.25%
621 Capitol Mall LLC	-	-	-	124,810	2	4.98%
300 Capitol Associates NF LP	-	-	-	109,000	3	4.35%
CIM/980 9th St Sacramento LP	-	-	-	98,534	4	3.93%
Capitol Regency LLC	-	-	-	73,992	6	2.95%
CIM/J Street Hotel Sacramento LP	-	-	-	73,882	7	2.95%
1325 J Street LLC	-	-	-	67,974	8	2.71%
1415 Meridian Plaza LLC/Valley View Investors	-	-	-	65,040	9	2.60%
Sacramento Equities REIT	-	-	-	61,000	10	2.44%
Subtotal	1,644,582		40.12%	959,894		38.33%
All Other Taxpayers	2,455,033		59.88%	1,544,573		61.67%
Total	\$ 4,099,615		100.00%	\$ 2,504,467		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
 (2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Research Properties	\$ 6,090	1	1.06%	\$ 5,249	2	1.83%
BM Ventures LLC	6,017	2	1.04%	5,186	3	1.81%
565 Display Way LLC	3,338	3	0.58%	-	-	-
John A/Leta K Nichols 1994 Rev Trust	3,207	4	0.56%	2,764	5	0.96%
US Rentals Inc.	2,860	5	0.50%	2,465	6	0.86%
BM Ventures II LLC	2,692	6	0.47%	-	-	-
4555 Carmichael LLC	2,686	7	0.47%	-	-	-
Proffutt Limited Partnership	2,535	8	0.44%	2,141	8	0.75%
Lenore Limited Partnership/Amy Unger/Lenore Wyatt	2,531	9	0.44%	-	-	-
Reg Real Estate/Investments CA LLC	2,526	10	0.44%	-	-	-
Greater Sacramento Urban League	-	-	-	6,084	1	2.12%
Woodhaven Senior Residences	-	-	-	4,428	4	1.55%
MD Partners Incorporated	-	-	-	2,447	7	0.85%
23002 Moulton Parkway LLC	-	-	-	1,770	9	0.62%
Lundbom Family Trust	-	-	-	1,540	10	0.54%
Subtotal	34,482		5.98%	34,074		11.89%
All Other Taxpayers	541,715		94.02%	252,475		88.11%
Total	\$ 576,197		100.00%	\$ 286,549		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Efren R Cota LTD	\$ 23,732	1	9.18%	\$ -	-	-
Hearst-Argyle Stations Inc.	19,237	2	7.44%	19,158	1	15.43%
Robert Efren Cota Living Trust/Etal	13,950	3	5.39%	-	-	-
1000 G Street LLC	12,324	4	4.77%	-	-	-
1001 G State Rehabilitation Limited Partnership	3,123	5	1.21%	-	-	-
1220 E State LLC	3,123	6	1.21%	-	-	-
Tristar Stockton Properties LLC	2,680	7	1.04%	-	-	-
520-530 9th Street LLC	2,503	8	0.97%	-	-	-
Ng-Yu Trust	2,359	9	0.91%	-	-	-
Adamo John B/Diane G	2,209	10	0.85%	-	-	-
Crystal Cream/Butter Holdings, Inc.	-	-	-	5,814	2	4.68%
Realty Advisors Inc	-	-	-	5,490	3	4.42%
City Park Apartment Homes	-	-	-	4,116	4	3.31%
John Dailey Trust/Charles D Deloney	-	-	-	1,950	5	1.57%
GMA Investors LP	-	-	-	1,768	6	1.42%
700 E Street Building Partner	-	-	-	1,650	7	1.33%
Janet Fortino Loehr Separate Prop Trust/Etal	-	-	-	1,470	8	1.18%
Tarpin Samuel D	-	-	-	1,462	9	1.18%
520 Ninth Street	-	-	-	1,450	10	1.17%
Subtotal	85,240		32.96%	44,328		35.70%
All Other Taxpayers	173,358		67.04%	79,838		64.30%
Total	\$ 258,598		100.00%	\$ 124,166		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Regents University CA (CY 4422Y LLC)	\$ 24,060	1	2.61%	\$ -	-	-
Rainbow Baking Co of Sac Valley (BBU INC)	13,612	2	1.47%	26,490	1	6.05%
Christian Brothers High School of Sacramento Inc.	9,625	3	1.04%	-	-	-
Great Chi Investment LLC	6,453	4	0.70%	-	-	-
Broadway/Stockton Food Source Inv LLC	5,957	5	0.65%	-	-	-
Crestwood-Medical Center Hospital	4,999	6	0.54%	4,319	5	0.99%
Security Public Storage - Sacramento	4,357	7	0.47%	3,700	6	0.85%
JJAJ Ventures LP/Ventures JJAJ	3,899	8	0.42%	-	-	-
Edmar Invs LLC (Walgreens)	3,692	9	0.40%	3,182	8	0.73%
Broadway Triangle LLC	3,582	10	0.39%	-	-	-
Shriners Hospitals for Crippled Children	-	-	-	14,767	2	3.38%
Regents of UC (Camellia Inn)	-	-	-	11,978	3	2.74%
US Bank National Association	-	-	-	5,162	4	1.18%
Donald/Virginia Compton Family Trust	-	-	-	3,270	7	0.75%
John C Skinner 2001 Living Trust	-	-	-	1,811	9	0.41%
CK Burke LLC	-	-	-	1,392	10	0.32%
Subtotal	80,236		8.69%	76,071		17.39%
All Other Taxpayers	843,160		91.31%	361,469		82.61%
Total	\$ 923,396		100.00%	\$ 437,540		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
California Almond Growers Exchange	\$ 108,738	1	17.79%	\$ 67,643	1	15.57%
29SC T9 Phase A Property Owner LLC	44,472	2	7.27%	-		-
Grove River District LLC	39,481	3	6.46%	34,024	2	7.83%
Nome OES LLC	28,500	4	4.66%	-		-
AK Industrial II LLC	17,500	5	2.86%	-		-
Bercut-Railyard LLC	16,074	6	2.63%	-		-
29SC BC Holding Company LLC	10,608	7	1.74%	-		-
444 N3	9,109	8	1.49%	-		-
BRE/LQ Props LLC	9,039	9	1.48%	5,561	6	1.28%
1100 Richards LP/DMM Holdings LLC/ETAL	9,000	10	1.47%	-		-
Mendell Allan/ETAL	-		-	13,054	3	3.00%
Capitol Station 665 LLC	-		-	9,414	4	2.17%
Dos Rios Venture	-		-	6,284	5	1.45%
BA Hotel LLC	-		-	5,517	7	1.27%
Vida N Anello Revocable Living Trust	-		-	5,244	8	1.21%
Henderson Enterprise LP	-		-	5,203	9	1.20%
Detmer Family Limited Partnership	-		-	5,019	10	1.16%
Subtotal	292,521		47.84%	156,963		36.13%
All Other Taxpayers	318,880		52.16%	277,532		63.87%
Total	\$ 611,401		100.00%	\$ 434,495		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Roseville Life Properties	\$ 39,983	1	4.53%	\$ -	-	-
Woodlake Care Group LLC	29,127	2	3.30%	-	-	-
Price Company	25,035	3	2.84%	21,675	3	3.97%
Omninet Sacramento Jardinette LLC/ETAL	17,773	4	2.01%	-	-	-
Sacramento CA I MG LLC	17,400	5	1.97%	-	-	-
Sacramento Healthcare Investors LP	16,754	6	1.90%	-	-	-
Veyron/KDP US Leasing LLC	15,764	7	1.79%	-	-	-
CA Sacramento Self Storage LLC	15,336	8	1.74%	-	-	-
SSCA 1300 El Camino Ave LLC	9,569	8	1.08%	-	-	-
Recreational Equipment Inc.	7,741	10	0.88%	7,612	8	1.39%
Seven Up Bottling Company of San Francisco	-	-	-	31,962	1	5.86%
Westcore Delta LLC	-	-	-	24,758	2	4.54%
McCuen Acoma Street Investors	-	-	-	11,808	4	2.16%
North Sacramento Land Company	-	-	-	11,063	5	2.03%
Meriliz Incorporated	-	-	-	10,291	6	1.89%
Radiological Assoc of Sacto Medical Group	-	-	-	7,747	7	1.42%
Sent Expo Pointe LLC	-	-	-	7,485	9	1.37%
2006 Tcherkoyan Family Trust	-	-	-	7,351	10	1.35%
Subtotal	194,482		22.03%	141,752		25.97%
All Other Taxpayers	688,188		77.97%	404,079		74.03%
Total	\$ 882,670		100.00%	\$ 545,831		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
6200 Franklin LLC	\$ 21,601	1	3.03%	\$ -	-	-
3100 52nd Avenue LLC	17,860	2	2.51%	-	-	-
ESS CA-TIVS JV CA Reit Sub Limited Partnership	12,586	3	1.77%	-	-	-
Hillside Apartments LLC	8,425	4	1.18%	-	-	-
Sacramento Children's Home (Garfield Beach CVS LLC)	8,236	5	1.16%	-	-	-
Greystone Place Invs LLC	7,641	6	1.07%	-	-	-
ARB Invs	7,530	7	1.06%	-	-	-
Rosedown Associates LLC	6,878	8	0.97%	7,405	4	1.25%
ABF Freight System Inc.	5,851	9	0.82%	5,171	5	0.87%
Campus Plaza Associates	5,264	10	0.74%	-	-	-
Campbell Soup Supply Co LLC	-	-	-	130,895	1	22.07%
Western Village LP	-	-	-	9,555	2	1.61%
United States Cold Storage	-	-	-	9,377	3	1.58%
Extra Space Franklin Blvd. LLC	-	-	-	4,280	6	0.72%
Sei/PSP Vi Joint Ventures	-	-	-	4,216	7	0.71%
Bowling Green Associates	-	-	-	4,056	8	0.68%
Con-Way Western Express Inc.	-	-	-	3,731	9	0.63%
47th Street Associates LLC	-	-	-	3,643	10	0.61%
Subtotal	101,872		14.29%	182,329		30.75%
All Other Taxpayers	610,788		85.71%	410,647		69.25%
Total	\$ 712,660		100.00%	\$ 592,976		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Stockton Plaza Partners LLC	\$ 19,469	1	3.16%	\$ 11,658	1	3.32%
Karma Apartments LLC	16,283	2	2.64%	-		-
EKG Investors LLC/SCT Investors LLC/ETAL	14,260	3	2.31%	10,205	2	2.91%
Sustained Invs LLC	11,850	4	1.92%	-		-
ESS Ca-Tivs Jv Ca Reit Sub LP	10,710	5	1.74%	-		-
John M/Nancy Kehriotis Living Trust	8,753	6	1.42%	7,543	3	2.15%
Monument Properties Sacramento LLC	8,268	7	1.34%	-		-
NT Stockton Investors LLC	7,940	8	1.29%	6,093	5	1.74%
Long Sight Properties LLC	6,983	9	1.13%	-		-
Brittany Arms	6,699	10	1.09%	4,290	9	1.22%
BE Saigon Plaza LLC	-		-	7,382	4	2.10%
Mulleian Investment LLC	-		-	4,765	6	1.36%
Ralphs Grocery	-		-	4,666	7	1.33%
ESS Prisa II LLC	-		-	4,430	8	1.26%
LSREF2 Clipper II LLC	-		-	4,182	10	1.19%
Subtotal	111,215		18.04%	65,214		18.57%
All Other Taxpayers	505,368		81.96%	285,946		81.43%
Total	\$ 616,583		100.00%	\$ 351,160		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
SBM Realty LLC	\$ 43,044	1	2.65%	\$ -	-	-
Elder Crk Transf/Recov Inc (Allied Waste Indus Inc)	15,734	2	0.97%	8,932	4	0.98%
Watt Elder Creek Holdings LLC	13,245	3	0.81%	-	-	-
Pitalo John E	5,212	4	0.32%	-	-	-
Power Inn Business Park LLC	4,891	5	0.30%	4,905	9	0.54%
Fedex Ground Package System Inc	4,252	6	0.26%	-	-	-
PW Fund B LP	3,479	7	0.21%	-	-	-
AVJOG Sacramento LLC	2,922	8	0.18%	-	-	-
RRRSZP Partners LLC	2,912	9	0.18%	-	-	-
Preet LLC	2,810	10	0.17%	-	-	-
R/G Hayward LLC	-	-	-	15,550	1	1.71%
Engineered Polymer Solutions Inc.	-	-	-	15,048	2	1.66%
Central Valley Industrial Core Holdings	-	-	-	9,121	3	1.00%
Air Products Manufacturing Corporation	-	-	-	7,630	5	0.84%
C/S Logistics Sacramento/Tracy LLC	-	-	-	7,274	6	0.80%
Ballantyne Diana S/Mark C/Jan W Leo	-	-	-	6,100	7	0.67%
Teichert Land Co	-	-	-	5,835	8	0.64%
Inland Empire Investments	-	-	-	4,417	10	0.49%
Subtotal	98,501		6.06%	84,812		9.34%
All Other Taxpayers	1,527,856		93.94%	823,576		90.66%
Total	\$ 1,626,357		100.00%	\$ 908,388		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Gem Crossings LLC	\$ 96,100	1	15.10%	\$ -	-	-
NB Element DST	87,797	2	13.80%	-	-	-
SSC Sacramento Apartments LLC	77,649	3	12.20%	-	-	-
ACEF-Martin Folsom LLC	35,729	4	5.61%	-	-	-
Target Corporation	28,836	5	4.53%	26,656	2	10.80%
Jackson IV LLC	17,954	6	2.82%	-	-	-
CPCA 7716 Folsom Blvd LLC	11,615	7	1.83%	7,560	4	3.06%
2750 Redding Avenue CB LLC	8,531	8	1.34%	-	-	-
A&A 6700 LLC/Candace Schurkamp	5,977	9	0.94%	-	-	-
Dimension Properties LLC	5,768	10	0.91%	5,784	6	2.34%
HRA Element LLC	-	-	-	34,530	1	13.99%
65th St Village LLC	-	-	-	8,700	3	3.53%
Atlas Disposal Industries LLC	-	-	-	7,078	5	2.87%
Kenneth/Susan Catchot Family 2005 Revocable Trust	-	-	-	5,020	7	2.03%
American River Self Storage LP	-	-	-	4,927	8	2.00%
2800 Pico Associates LLC	-	-	-	4,225	9	1.71%
KCMC Properties, LP/Paul E Fong/MAE Etal	-	-	-	3,409	10	1.38%
Subtotal	375,956		59.07%	107,889		43.71%
All Other Taxpayers	260,469		40.93%	138,915		56.29%
Total	\$ 636,425		100.00%	\$ 246,804		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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	2022			2013		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Kaiser Foundation Hosps	\$ 35,082	1	28.87%	\$ -	-	-
Downtown Railyard Venture LLC	23,342	2	19.21%	-	-	-
Sacramento 695 LP	15,856	3	13.05%	-	-	-
CFT NV Developments LLC	13,889	4	11.43%	-	-	-
1238 Sutter Street LLC	8,093	5	6.66%	-	-	-
Sutter HOJ LP	5,304	6	4.36%	-	-	-
Sacramento Co Emp Credit Union	4,876	7	4.01%	4,197	4	4.69%
PDRA/Company LLC	4,293	8	3.53%	3,699	6	4.13%
PLF BLDG LLC	4,043	9	3.33%	-	-	-
Strumwasser Michael J/Silvia M	3,600	10	2.96%	3,058	7	3.42%
IA Sacramento Development LLC	-	-	-	33,085	1	36.96%
CCAA Partners LLC/Bruce W. Bell/Etal	-	-	-	12,000	2	13.41%
JPM 2003 CIBC6 813 6th Street LLC	-	-	-	8,772	3	9.80%
REA Limited Partnership	-	-	-	4,058	5	4.53%
Bowman/Bay Building Joint Venture	-	-	-	2,212	8	2.47%
CNPA Services Inc.	-	-	-	1,662	9	1.86%
Legacy Ventures LLC	-	-	-	1,302	10	1.45%
Subtotal	118,378		97.42%	74,045		82.72%
All Other Taxpayers	3,135		2.58%	15,465		17.28%
Total	\$ 121,513		100.00%	\$ 89,510		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2021-22 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
2013	\$ 41,304	\$ 745	\$ 2,556	\$ 38,003	\$ 22,087	1.72	\$ 6,619	\$ 28,706	1.32
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⁾

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
2013	\$ 23,260	\$ 419	\$ 652	\$ 22,189	\$ 16,298	1.36	\$ 2,655	\$ 18,953	1.17
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

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
2013	\$ 2,549	\$ 46	\$ 194	\$ 2,309	\$ 1,644	1.40	\$ 240	\$ 1,884	1.23
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

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.

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
2013	\$ 1,049	\$ 19	\$ 10	\$ 1,020	\$ 623	1.64	\$ 467	\$ 1,090	0.94
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

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
2013	\$ 3,841	\$ 67	\$ 151	\$ 3,623	\$ 2,794	1.30	\$ 183	\$ 2,977	1.22
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

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
2013	\$ 1,294	\$ 26	\$ 227	\$ 1,041	\$ -	-	\$ 654	\$ 654	1.59
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

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
2013	\$ 2,323	\$ 44	\$ 165	\$ 2,114	\$ 537	3.94	\$ 779	\$ 1,316	1.61
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

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
2013	\$ 2,354	\$ 41	\$ 195	\$ 2,118	\$ -	-	\$ 109	\$ 109	19.43
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

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
2013	\$ 1,369	\$ 24	\$ 329	\$ 1,016	\$ 191	5.32	\$ 261	\$ 452	2.25
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

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
2013	\$ 2,342	\$ 43	\$ 452	\$ 1,847	\$ -	-	\$ 748	\$ 748	2.47
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
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

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
2013	\$ 923	\$ 16	\$ 181	\$ 726	\$ -	-	\$ 523	\$ 523	1.39
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
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

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.

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City of Sacramento
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Citywide and community support	23	23	21	5	5	5	5	5	7	7
Community development	159	163	166	219	227	250	273	288	290	288
Community response	-	-	-	-	-	-	-	-	-	23 ⁽³⁾
Convention and cultural services	133	138	126	120	116	115	115	115	117	124
Economic development	11	11	11	11	12	- ⁽²⁾	-	-	-	-
Fire	527	642	657	674	678	672	681	712	713	718
General government	305	320	325	370	431	512	531	571	576	583
General services	368	367	372	- ⁽¹⁾	-	-	-	-	-	-
Youth, parks, and community enrichment	553	577	568	599	683	616	619	702	705	724
Police	847	940	973	1,033	1,052	1,030	1,034	1,070	1,098	1,103
Public works	395	406	415	732	725	723	735	736	744	749
Utilities	505	510	522	538	528	546	562	575	570	572
Total	3,826	4,097	4,156	4,301	4,457	4,469	4,555	4,774	4,820	4,891

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Adult arrests	18,650	19,570	18,113	16,778	14,476	13,350	13,975	12,981	12,070	12,842
Citizen initiated calls for service with officer responses	154,233	118,975	141,181	149,275	148,663	152,597	161,914	163,985	153,740	155,159
Fire ⁽¹⁾										
Number of incidents	74,427	75,000	80,596	85,742	90,018	92,026	93,836	94,282	99,201	108,924
Number of structure fires	680	586	784	756	735	767	998	1,077	1,522	1,199
Number of construction inspection/reviews	4,568 ⁽²⁾	4,761	3,234	4,181	8,268 ⁽⁷⁾	10,102	9,830	9,967	8,256	9,517
General services										
Number of animal licenses issued	15,810	15,057	8,995	12,016 ⁽⁵⁾	14,428	23,799	31,507	26,670 ⁽²⁰⁾	17,155 ⁽²¹⁾	15,976
Number of animal outplacements	5,521 ⁽³⁾	6,167	7,447	8,789	9,248	9,589	8,529	7,488 ⁽²⁰⁾	4,448 ⁽²¹⁾	6,256
Public works										
Number of traffic investigations completed	821	936	678	896	1,001	1,041	613	611	997 ⁽²⁷⁾	1,075
Number of parking citations issued	165,700	171,066	196,586	192,708	183,326	197,170	200,338	156,387 ⁽¹⁷⁾	100,244 ⁽²²⁾	113,214
Convention and cultural services										
Number of Community Convention Center events	378	378	358	408	430	372	229	38 ⁽¹⁶⁾	- ⁽²⁸⁾	174 ⁽³⁰⁾
Community Convention Center event attendance	645,000	881,253	775,253	744,145	905,733 ⁽⁸⁾	1,034,980	902,110	155,633 ⁽¹⁶⁾	- ⁽²⁸⁾	446,168 ⁽³⁰⁾
Number of Zoo attendance	508,061	512,758	549,407	533,368	500,573	500,535	472,440	357,754 ⁽¹⁸⁾	486,707 ⁽²⁵⁾	568,311
Youth, parks, and community enrichment										
Number of students enrolled in START	5,330	5,603	6,897	4,534 ⁽⁶⁾	2,785 ⁽⁹⁾	711 ⁽¹¹⁾	477	473	648 ⁽²⁶⁾	1,770 ⁽²⁹⁾
Number of students enrolled in 4th R	1,949	1,955	2,007	1,863	1,180	2,419 ⁽¹²⁾	2,250	1,778 ⁽¹⁵⁾	160 ⁽²³⁾	1,484 ⁽²⁹⁾
Community development										
Number of building permits issued	12,146	13,950	14,002	17,041	18,701	20,582	19,365	18,513	18,556	19,512
Building permit valuation (in million of dollars)	391	362	544	778	1,267	1,243	1,809	1,463	1,451	1,351
Vehicles abated by City	282	343	356	772	1,644	2,306	2,880	5,325 ⁽¹³⁾	3,026	3,163
Notice and orders issued on housing and dangerous buildings	253	154	279	239	206	382	369	243 ⁽¹⁴⁾	177 ⁽²⁴⁾	209
Water										
Number of accounts	135,353	135,590	134,971	136,130	139,238	140,735	142,831	144,669	145,769	147,150
Amount distributed/pumped (million of gallons) ⁽¹⁹⁾	40,034	34,896	29,557	27,324	28,511	30,800	28,478	33,845	30,380	30,130
Wastewater										
Number of accounts	76,484	76,657	76,471	76,849	77,137	77,521	78,125	78,583	78,932	79,114
Amount distributed/pumped (million of gallons)	6,805	10,603	10,605	10,605	10,605	9,025	6,356	6,619	5,754	6,042
Storm drainage										
Number of accounts	134,651	135,834	136,850	137,754	139,198	140,934	142,858	144,168	145,179	146,385
Amount distributed/pumped (million of gallons) ⁽¹⁰⁾	17,602	14,585	24,179	20,225	46,964	18,321	33,624	11,247	7,858	18,921
Solid waste										
Residential garbage disposed (in tons)	109,141	109,060	111,140	112,497	118,355	118,437	136,049	129,359	141,185	136,904
Commercial garbage collected (in tons)	1,222	- ⁽⁴⁾	-	-	-	-	-	-	-	-

Notes: (1) The threshold for investigation of a fire is \$30,000.
(2) Fire Prevention has been working diligently to improve the way they track inspection data. Therefore, current year data is more accurate than prior years data.
(3) Partnership with outside agencies in California and other states resulted in an increase in the number of animal outplacements in FY13. approximately four months, no sold-out and extended-run performances.
(4) Solid Waste commercial garbage collection was discontinued.
(5) In FY16, the number of animal licenses issued increased due to the implementation of web licensing.
(6) In FY16 attendance for the START program decreased due to Elk Grove School District not participating in the program.
(7) In FY17, the number of construction inspections doubled.
(8) In FY17, the number of attendance increased due to increase in events held at the center.
(9) 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)
(10) Amount of storm drainage distributed/pumped is dependent on rainfall.
(11) In FY18, the number of students enrolled in START decreased due to reduced funding and non renewal of 21st century federal grant.
(12) 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.
(13) In FY 20, 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.
(14) In FY20, 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.
(15) In FY20, the number of students enrolled in 4th R decreased due to sites closing on March 16, 2020 related to COVID-19.
(16) In FY20, 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.
(17) In FY20, the decrease in the number of parking citations issued was due to business closures during COVID-19.
(18) 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 that remain in place and have impacted total zoo attendance.
(19) 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.
(20) In FY20, 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.
(21) In FY21, similar to FY20, 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.
(22) In FY21, similar to FY20, the decrease in the number of parking citations issued was due to business closures during COVID-19.
(23) In FY21, similar to FY20, 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.
(24) In FY21, similar to FY20, 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.
(25) The zoo re-opened in June 2020 with capacity constraints and, in FY21, as COVID-19 restrictions started to ease, there was an increase in total zoo attendance.
(26) 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.
(27) 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.
(28) In FY21, the Convention Center was closed for renovation, thus there was no activity.
(29) 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.
(30) In FY22, after renovation, the Convention Center reopened, thus, there was activity.

**City of Sacramento
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Number of stations ⁽¹⁾	4	4	4	4	4	4	4	4	4	4
Police										
Number of patrol units ⁽²⁾	263	243	226	231	234	229	190	195	224	236
Number of aircraft	4	4	4	4	4	5	5	5	5	4
Number of watercraft	3	3	2 ⁽¹⁰⁾	2	5	4	4	4	4	4
Fire										
Number of stations	24	24	24	24	24	24	24	24	24	24
Number of fire suppression, support or prevention vehicles	159	159	159	162	162	162	162	162	166	153
Number of watercraft	NA	NA	1 ⁽¹⁰⁾	1	1	6	6	6	6	6
Public works										
Miles of streets	3,065	3,077	3,059	3,059	3,075	3,062	3,118	3,118	3,118	3,118
Number of street lights	41,788	42,048	42,225	42,627	42,914	43,223	43,438	38,985 ⁽¹⁵⁾	39,372	39,604
Number of City public parking spaces ⁽³⁾	8,484	8,484	4,775 ⁽¹¹⁾	4,775	4,775	4,775	4,775	5,489 ⁽³⁾	5,620	5,283
Number of City leased parking spaces ⁽¹²⁾	110	110	519	2,298	2,298	2,298	2,298	2,349	2,298	2,298
Miles of off-street bikeways	83	84	57	57	57	88	88	88	78	78
Youth, parks, and community enrichment										
Number of parks	222	222	222	225	227	227	213	220	230	230
Park acreage ⁽⁵⁾	3,161 ⁽⁹⁾	3,161	3,161	3,183	3,177	3,177	3,340	4,265 ⁽¹⁴⁾	4,829	4,829
Number of community centers ⁽⁶⁾	13	13	13	13	13	14	14	14	13	13
Number of swimming pools (including wading pools)	26	26	26	27	27	27	27	27	28	28
Water										
Miles of water mains and distribution lines ⁽⁷⁾⁽⁸⁾	1,599	1,597	1,727	1,599	1,604	1,607	1,603	1,607	1,616	1,635
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage	1,951	1,951	1,873	1,869	1,876	1,960	1,961	1,967	1,968	1,967
Off-street parking										
Number of City public garages and open parking lots ⁽⁴⁾	10	10	7 ⁽¹¹⁾	7	7	7	7	10	13	12
Number of City leased garages and open parking lots ⁽¹³⁾	1	1	3	7	7	7	7	8	7	7
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
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 FY2013, the City added 10.78 acres in 6 parks (all in the River District in the Central City). Bercut Richards Plaza (0.12 ac.); Cannery Plaza parksite (0.19 ac.); Persimmon Paseo (0.21 ac.); Victory Promenade (0.49 ac.); 7th Street Promenade (1.0 ac.); and Township 9 Park (8.77 ac.).
(10) In FY2015, Police Department transfer one of their watercraft to Fire Department.
(11) The three Plaza garages - Downtown Plaza West, Central, and East were leased to the Kings effective August 2014.
(12) City leased parking spaces is defined as owned by other organizations leased by the City.
(13) City leased parking garages, lots and spaces are defined as owned by other organizations leased by the City.
(14) 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.
(15) 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	
	2022	2013
Number of budgeted positions	4,891	3,826
Area in square miles	100	99
Altitude in feet	30	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	4
Number of police personnel sworn / civilian (actual)	697/297	641/236
Number of patrol units	236	263
Fire		
Number of stations	24	24
Number of fire personnel sworn / unsworn	643/74.50	571/42
Number of fire protection, support and prevention vehicles	153	159
Utilities		
Miles of water mains and distribution lines ⁽¹⁾	1,635	1,599
Annual water production in gallons	30 billion	40 billion
Miles of sanitary sewers and storm drainage	1,967	1,951
Public works		
Miles of streets	3,118	3,065
Number of street lights	39,604	41,788
Number of City managed parking lots / spaces	21/4,079	21/10,468
Miles of off-street bikeways	78	83
Boat harbor slips	475	475
Convention and cultural services		
Golf courses	6	6
Zoo animals ⁽²⁾	436	567
Fairytale town attendance for year	202,568	227,286
Crocker Art Museum attendance for year	147,256	286,573
Community Convention Center attendance for year	446,168	645,000
Youth, parks, and community enrichment		
Parks	230	222
Park acreage ⁽³⁾	4,829	3,161
Camp Sacramento attendance for year	976	2,637
Community centers	13	13
Neighborhood centers	4	5
Swimming pools	28	26
Baseball fields ⁽⁴⁾	96	98
Soccer fields	127	130
Ball courts	232	180
Library		
Library branches ⁽⁵⁾	28	12
Library books and audiovisual recordings in circulation	1,805,755	2,192,151

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) FY2022 figures include all city and county branches operated by the Sacramento Public Library System. FY2013 figures include only city branches operated by the Sacramento Public Library system.

Source: Various City of Sacramento departments and publications