



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

City of Sacramento, California

City of Sacramento

California

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2017

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

**Dawn Holm, Interim Director of Finance
Osvaldo Lopez, Interim Accounting Manager
Harinder Rangi, Principal Accountant**

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION

PAGE

Letter of Transmittal	i
Organization Chart	v
Directory of City Officials	vi
GFOA Certificate	vii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5

BASIC FINANCIAL STATEMENTS

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 Change in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation – General Fund	32
Statement of Revenues, Expenditures and Change 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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Miscellaneous Plan	107
Schedule of Contributions – CalPERS Miscellaneous Plan	108
Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Safety Plan	109
Schedule of Contributions – CalPERS Safety Plan	110
Schedule of Changes in Net Pension Liability and Related Ratios – SCERS	111
Schedule of Contributions – SCERS	112
Schedule of Funding Progress – Other Post-Employment Benefits	113

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS, Continued

<i>COMBINING FUND FINANCIAL STATEMENTS</i>	PAGE
Other Governmental Funds	
Combining Balance Sheet	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	116
Other Special Revenue Funds:	
Combining Balance Sheet.....	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	120
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, Transportation and Development Special Revenue Fund	122
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, Culture and Leisure Special Revenue Fund	123
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, Parks and Recreation Special Revenue Fund	124
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, CCOMWP Special Revenue Fund	125
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, Special Districts Special Revenue Fund	126
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual, Cal EPA Special Revenue Fund	127
Other Debt Service Funds:	
Combining Balance Sheet.....	129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	132
Other Capital Projects Funds:	
Combining Balance Sheet.....	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	138
Permanent Funds:	
Combining Balance Sheet.....	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	144
Other Proprietary Funds	
Other Enterprise Funds:	
Combining Statement of Net Position	148
Combining Statement of Revenues, Expenses and Changes in Net Position	151
Combining Statement of Cash Flows.....	152

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS, Continued

	PAGE
Other Proprietary Funds	
Water Fund:	
Combining Schedule of Net Position.....	156
Combining Schedule of Revenues, Expenses and Changes in Net Position	160
Combining Schedule of Cash Flows	162
Wastewater Fund:	
Combining Schedule of Net Position.....	168
Combining Schedule of Revenues, Expenses and Changes in Net Position	172
Combining Schedule of Cash Flows	174
Internal Service Funds:	
Combining Statement of Net Position	180
Combining Statement of Revenues, Expenses and Changes in Net Position	183
Combining Statement of Cash Flows.....	184
Fiduciary Funds	
Investment Trust Funds:	
Combining Statement of Fiduciary Net Position	187
Combining Statement of Changes in Fiduciary Net Position	188
Agency Funds:	
Combining Statement of Changes in Fiduciary Assets and Liabilities.....	189

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS, Continued

STATISTICAL SECTION (Unaudited)	PAGE
Net Position by Component - Last Ten Fiscal Years	192
Changes in Net Position - Last Ten Fiscal Years	194
Fund Balances, Governmental Funds - Last Ten Fiscal Years	200
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	202
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	204
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	205
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	206
Principal Property Taxpayers - Current Fiscal Year and Nine Years Ago	207
Property Tax Levies and Collections - Last Ten Fiscal Years	208
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	210
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	212
Direct and Overlapping Governmental Activities Debt - As of June 30, 2016	213
Legal Debt Margin - Last Ten Fiscal Years	214
Demographic and Economic Statistics - Last Ten Calendar Years	215
Principal Employers - Current Fiscal Year and Nine Years Ago	216
Successor Agency Trust Fund – Assessed Value of Taxable Property - Last Ten Fiscal Years	218
Successor Agency Trust Fund – Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction - As of June 30, 2016	222
Successor Agency Trust Fund – Principal Property Taxpayers - Current Fiscal Year and Nine Years Ago	233
Successor Agency Trust Fund – Debt Coverage Analysis - Last Ten Fiscal Years	244
Full-time Equivalent Employees by Function/Program - Last Ten Fiscal Years	249
Operating Indicators by Function/Program - Last Ten Fiscal Years	250
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	251
Miscellaneous Statistics - Current Fiscal Year and Nine Years Ago	252

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section

Howard Chan
Interim City Manager

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

December 22, 2017

Honorable Mayor and City Council
City of Sacramento, California:

Dear Mayor and Members of the City Council:

We are pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) for the City of Sacramento (City) for the fiscal year ended June 30, 2017. 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. Vavrinek, Trine, Day & Co., LLP, a statewide certified public accounting firm, performed the audit for the fiscal year ended June 30, 2017. Their unmodified (“clean”) opinion has been included as the first component of the financial section of the CAFR.

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

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal 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, 2017, at 493,025 for the City and 1,514,770 for the County. Encompassing 99 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 CAFR presents the financial status of the City and its four component units:

Sacramento City Financing Authority (SCFA)
Sacramento Public Financing Authority (SPFA)
Sacramento City Employees' Retirement System (SCERS)
Successor Agency to the Redevelopment Agency of the City of Sacramento (RASA)

Component units are separate legal entities included in this report due to significant operational or financial relationships with the City as defined below:

SCFA and SPFA are entities created to issue debt to finance City projects. Both are reported on a blended basis as part of the primary government because the boards are composed of all City Council members.

SCERS, a single employer pension plan for certain City employees and retirees, is reported as a fiduciary-type component unit. The SCERS pension plan was closed to new enrollment of employees in 1978.

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-type component unit.

BUDGET INFORMATION

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. 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 continues 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.

Like most cities in the country, Sacramento continued its economic recovery in 2017. As of June 2017, unemployment for the Sacramento metropolitan area was 4.8% compared to 5.3% one year earlier. According to the latest forecast from the Center for Business and Policy Research at the University of the Pacific, slow and steady growth in employment in California is expected to continue in 2018. While there is an expectation of continued economic growth, economic data indicates that growth in the Sacramento region will continue to generally lag behind national trends and other areas of California.

Construction and investment in the downtown urban core continued to grow with new retailers entering the region. The long-term forecast for the City's secured property taxes continues to be positive with the addition of the Golden 1 Center in the downtown area and other development projects underway throughout the city. The new Golden 1 Center is expected to transform the former Downtown Plaza area, now known as Downtown Commons, into a center of entertainment and activity providing Sacramento with a first-class venue for sports, entertainment and cultural events.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING

The City continues to benefit from the economic recovery with revenues growing at a substantial rate. Measure U, a voter-approved 1/2 cent sales and use tax that expires in March of 2019, continues to provide resources to protect and restore vital City programs and services. Given the temporary nature of the Measure U resources, it remains critical that the City continues to reevaluate not only how services are delivered to meet citizen needs, but also which programs and services the City can afford to deliver. The City's management team continues to look for ways to build a stronger, more sustainable fiscal framework and to provide the leadership and discipline needed to ensure that we are implementing long-term solutions to address the City's financial challenges.

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 a new policy, the City will maintain an EUR at a minimum of 10% of budgeted General Fund revenues and will seek to achieve and maintain a General Fund EUR equal to two months of regular on-going General Fund expenditures, including transfers (i.e. 17% of General Fund expenditures).

The Council policy directs unbudgeted one-time general revenue received in a fiscal year, not required to balance the budget as part of the midyear review or year-end close, be added to the EUR. Unbudgeted one-time general revenue of \$2.7 million was added to the EUR during year-end close bringing the balance to \$49.64 million, approximately 10.7% of estimated FY2017/18 General Fund revenues. Additional resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources. The EUR is reported in the CAFR as committed fund balance in the General Fund.

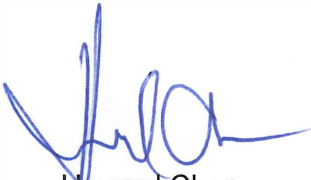
AWARDS AND ACKNOWLEDGEMENTS

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 CAFR for the fiscal year ended June 30, 2016. This marks the 29th 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.

In order to receive this award, the City published an easily readable and efficiently organized CAFR. The report satisfied accounting principles generally accepted in the United States of American and applicable legal requirements. We believe this CAFR 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, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to than the other employees of the Department of Finance as well as those in 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

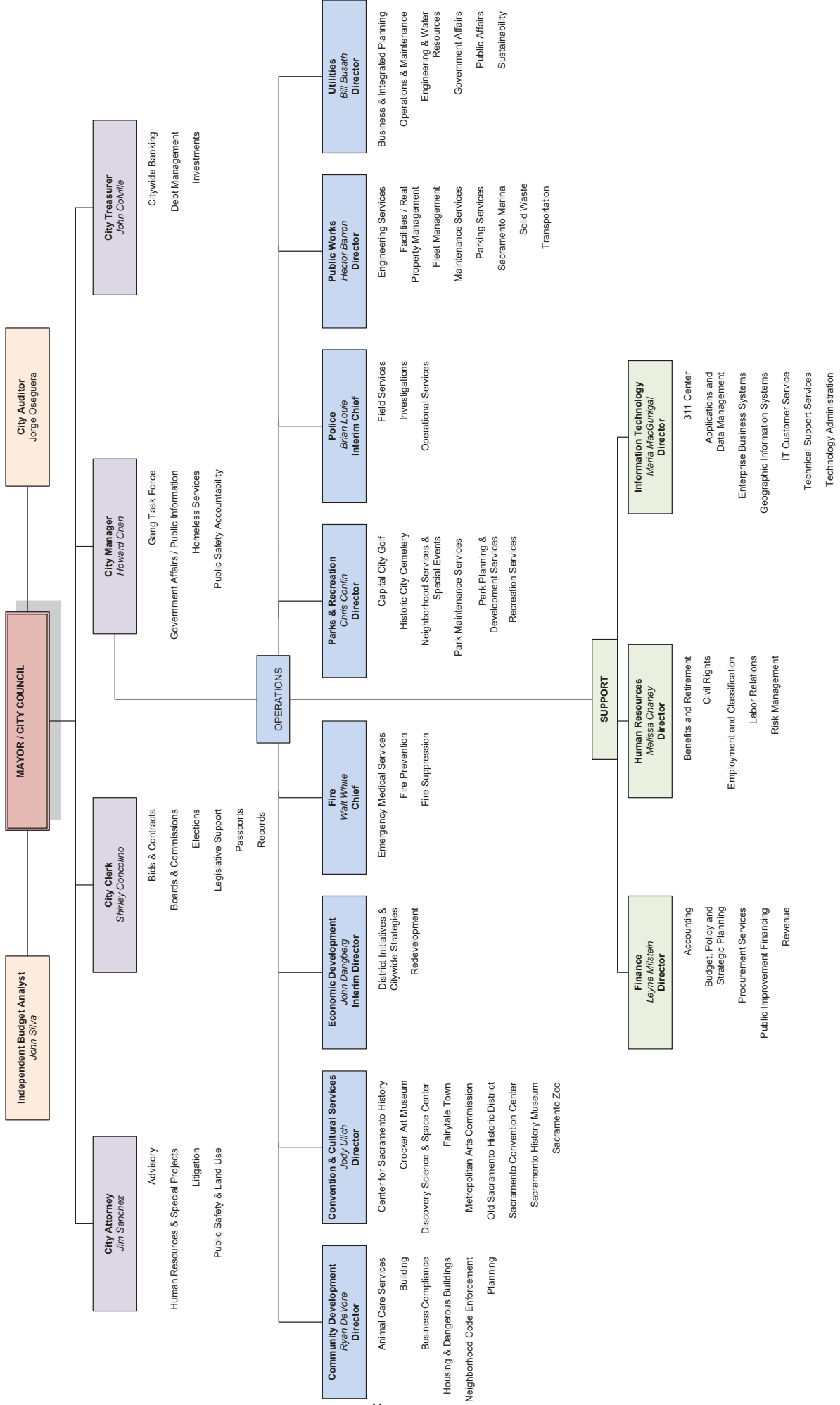


Dawn Holm
Interim Finance Director



Osvaldo Lopez
Interim Accounting Manager

City of Sacramento Organization Chart As of June 30, 2017



City of Sacramento

Directory of City Officials

June 30, 2017

Darrell Steinberg
Mayor

Angelique Ashby
Councilmember, District 1

Jay Schenirer
Councilmember, District 5

Allen Warren
Councilmember, District 2

Eric Guerra
Councilmember, District 6

Jeff Harris
Councilmember, District 3

Rick Jennings, II
Vice Mayor, District 7

Steve Hansen
Councilmember, District 4

Larry Carr
Councilmember, District 8

Howard Chan
City Manager

James Sanchez
City Attorney

Shirley Concolino
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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

THIS PAGE INTENTIONALLY LEFT BLANK

Financial Section



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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 year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Measure U Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of contributions, and schedule of funding progress for the other post-employment benefits plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, 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 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 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.

Vaurinik, Trine, Day & Co. LLP

Sacramento, California
December 22, 2017

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

This section of the City's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2017. 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 issued the Series 2017 Water Revenue Bonds in fiscal year 2017. Bond proceeds of \$63 million will be used to finance the acquisition and installation of water meters, replacement of aging pipelines, and rehabilitation of City water treatment plants.
- The City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$6 million in fiscal year 2017. This is primarily attributable to tax and service fee revenues in excess of expectations for year.
- The City's total government-wide net position increased by \$15 million in fiscal year 2017, a 0.7 percent increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Comprehensive Annual 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 non-major 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 Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions for the City's pension plans along with the Schedule of Funding Progress for the City's other post-employment benefit 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, the Water enterprise fund, the Wastewater enterprise fund, other enterprise funds, internal service funds, investment trust funds, agency 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, 2017

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, parks and recreation, 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 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.
- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent 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, reported in an investment trust fund, which because of trust agreements, can be used only for the trust beneficiaries. 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. We exclude these activities from the City's 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, 2017

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 tables address the financial results of the City as a whole.

City of Sacramento
Summary of Net Position
As of June 30, 2017 and 2016
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent Change
	2017	2016	2017	2016	2017	2016	
Current and other assets	\$ 926	\$ 774	\$ 466	\$ 405	\$ 1,392	\$ 1,179	18.1%
Capital assets	1,772	1,997	1,268	1,252	3,040	3,249	-6.4%
Total assets	<u>2,698</u>	<u>2,771</u>	<u>1,734</u>	<u>1,657</u>	<u>4,432</u>	<u>4,428</u>	0.1%
Deferred outflows of resources	180	75	28	17	208	92	126.1%
Long-term liabilities	1,724	1,615	710	667	2,434	2,282	6.7%
Other liabilities	84	102	49	45	133	147	-9.5%
Total Liabilities	<u>1,808</u>	<u>1,717</u>	<u>759</u>	<u>712</u>	<u>2,567</u>	<u>2,429</u>	5.7%
Deferred inflows of resources	29	56	4	10	33	66	-50.0%
Net position							
Net investment in							
capital assets	1,296	1,498	807	785	2,103	2,283	-7.9%
Restricted	189	157	42	43	231	200	15.5%
Unrestricted	(444)	(582)	150	124	(294)	(458)	-35.8%
Total net position	<u>\$ 1,041</u>	<u>\$ 1,073</u>	<u>\$ 999</u>	<u>\$ 952</u>	<u>\$ 2,040</u>	<u>\$ 2,025</u>	0.7%

Analysis of net position

As noted earlier, total net position of the primary government increased by \$15 million in fiscal year 2017. Total assets increased \$4 million and total liabilities increased \$138 million. Deferred outflows of resources increased \$116 million, and deferred inflows of resources decreased \$33 million.

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

Governmental activities

Current and other assets increased \$152 million primarily due to the \$143 million loan receivable from the Sacramento Kings ownership group related to the sale of the Golden 1 Center.

Capital assets of governmental activities decreased \$225 million primarily due to capital asset dispositions including the Golden 1 Center and depreciation of capital assets, offset by current year capital asset additions. More detailed capital asset information is in Note 4 to the financial statements.

The increase in governmental deferred outflows of resources of \$105 million is primarily due to the recognition of pension contributions subsequent to the measurement date as well as new deferred outflows related to the net difference between projected and actual earnings on pension plan investments. Additionally, this year we also have outflows related to differences between expected and actual experiences. More detailed information about pension plans in in Note 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, 2017

Governmental long-term liabilities increased \$109 million primarily due to the \$126 million increase in the net pension liability which was offset by principal payments on existing obligations. More information is available in Note 7 to the financial statements.

Deferred inflows of resources decreased \$27 million primarily due to the recognition of the current year expenses. During this year, there were no new deferred inflows.

Net investments in capital assets decreased \$202 million mostly as a result of the sale of the Golden 1 Center this year.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased \$32 million mostly due to increases in restrictions for capital projects.

Business-type activities

Current and other assets of business-type activities increased \$61 million primarily due to increase in restricted cash and investments of \$56 million sourced from the 2017 Water Revenue Bonds.

Capital assets of business-type activities increased \$16 million due to capital asset additions including rehabilitation of water treatment plants, water mains and meters, offset by current year depreciation. More detailed capital asset information is in Note 4 to the financial statements.

Deferred outflows of resources increased \$11 million primarily due to the new outflows related to net differences between projected and actual earnings on pension plan investments. More detailed information about pension plans is in Note 8 to the financial statements.

Long-term liabilities, excluding the net pension liability, increased \$43 million primarily due to the issuance of new debt in the amount of \$63 million in the Water fund offset by principal payments on existing obligations. More detailed information about long-term liabilities is available in Note 7 to the financial statements.

Net investments in capital assets increased \$22 million due to capital asset additions and retirement of capital-related debt, partially offset by depreciation expense.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

City of Sacramento							
Changes in Net Position							
For the Fiscal Years Ended June 30, 2017 and 2016							
(in thousands)							
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		
	2017	2016	2017	2016	2017	2016	Percent
							Change
Revenues							
Program revenues:							
Charges for services	\$ 158,817	\$ 145,299	\$ 278,425	\$ 262,985	\$ 437,242	\$ 408,284	7.1%
Operating grants & contributions	36,938	35,442	3,967	3,435	40,905	38,877	5.2%
Capital grants & contributions	86,856	122,528	6,229	7,433	93,085	129,961	-28.4%
General revenues:							
Property taxes	146,697	138,354	-	-	146,697	138,354	6.0%
Local sales taxes	45,465	42,529	-	-	45,465	42,529	6.9%
Utility users tax	62,997	61,404	-	-	62,997	61,404	2.6%
Other taxes	32,143	28,232	23,866	21,800	56,009	50,032	11.9%
Unrestricted:							
Sales taxes shared state revenue	81,296	67,983	-	-	81,296	67,983	19.6%
State of California in-lieu sales tax	-	14,387	-	-	-	14,387	-100.0%
Investment earnings	9,178	11,328	1,292	4,428	10,470	15,756	-33.5%
Miscellaneous	14,221	12,954	20	20	14,241	12,974	9.8%
Gain (loss) disposal of capital assets	(79,916)	-	17	-	(79,899)	-	0.0%
Total revenues	594,692	680,440	313,816	300,101	908,508	980,541	-7.3%
Expenses							
General government	59,033	59,037	-	-	59,033	59,037	0.0%
Police	176,955	164,750	-	-	176,955	164,750	7.4%
Fire	146,693	137,859	-	-	146,693	137,859	6.4%
Public works	106,328	121,184	-	-	106,328	121,184	-12.3%
Economic development	13,397	13,049	-	-	13,397	13,049	2.7%
Convention and cultural services	20,380	24,139	-	-	20,380	24,139	-15.6%
Parks & recreation	50,156	53,911	-	-	50,156	53,911	-7.0%
Community development	41,726	36,251	-	-	41,726	36,251	15.1%
Library	16,122	16,294	-	-	16,122	16,294	-1.1%
Interest on long-term debt	27,626	30,404	-	-	27,626	30,404	-9.1%
Water	-	-	80,176	73,150	80,176	73,150	9.6%
Wastewater	-	-	29,075	25,348	29,075	25,348	14.7%
Storm drainage	-	-	40,479	40,971	40,479	40,971	-1.2%
Solid waste	-	-	51,693	47,703	51,693	47,703	8.4%
Community center	-	-	16,607	17,277	16,607	17,277	-3.9%
Parking	-	-	11,955	14,451	11,955	14,451	-17.3%
Child development	-	-	5,743	5,519	5,743	5,519	4.1%
Total expenses	658,416	656,878	235,728	224,419	894,144	881,297	1.5%
Revenue over (under) expenses	(63,724)	23,562	78,088	75,682	14,364	99,244	-85.5%
Special items	-	(8,830)	-	-	-	(8,830)	-
Transfers	31,443	14,773	(31,443)	(14,773)	-	-	-
Change in net position	(32,281)	29,505	46,645	60,909	14,364	90,414	-84.1%
Net position, beginning of year	1,073,117	1,043,612	952,170	891,261	2,025,287	1,934,873	4.7%
Net position, end of year	\$ 1,040,836	\$ 1,073,117	\$ 998,815	\$ 952,170	\$ 2,039,651	\$ 2,025,287	0.7%

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

Analysis of the changes in net position

Total government-wide revenues of the primary government decreased \$72 million, a 7.3 percent decrease compared to the prior fiscal year, and total expenses increased \$13 million, a 1.5 percent increase compared to the prior fiscal year. These changes are discussed in more detail below.

Governmental activities

Total revenues for governmental activities decreased \$86 million, a 12.6 percent decrease compared to the prior fiscal year. Total expenses increased \$2 million, a 0.2 percent increase, and net transfers from business-type activities increased \$17 million, a 112.8 percent increase compared to the prior fiscal year. Transfers in primarily consist of in lieu taxes paid by the business-type activities to the General Fund. Transfers out primarily consist of capital assets transferred from governmental activities to business-type activities. Net transfers were higher in fiscal year 2017 primarily because less capital assets were transferred out of governmental activities.

Revenue

Capital grants and contributions revenue decreased \$36 million primarily due to decrease in revenue in the capital grants fund by (\$32 million). Refer to capital grant fund as discussed in the fund statements below. Investment earnings decreased by \$1 million primarily due to current year unrealized losses compared to unrealized investment gains in the prior fiscal year, a decrease of (\$1.4 million). Governmental charges for services increased \$14 million due to increases in development activity (\$1 million), medical marijuana permit fees (\$1 million), parking revenue mainly from activity at the Golden1 Center (\$4 million), and police security services (\$2 million) and community services and facility use fees (\$3 million).

Property tax revenue increased \$8 million due to sustained increases in Sacramento area commercial and residential real estate property assessed valuations. Other tax revenues, including sales and utility users tax increased \$7 million mostly due to the sustained economic recovery.

Expenses

Total governmental expenses increased \$2 million primarily due to increases in the police (\$12 million) and fire (\$9 million) departments, offset by decreases in public works (\$15 million).

Business-type activities

Total revenues for business-type activities increased \$14 million, a 4.6 percent increase compared to the prior fiscal year. Total expenses for business-type activities increased \$11 million, a 5.0 percent increase compared to the prior fiscal year. Net transfers from business-type activities to governmental activities increased \$17 million primarily because business-type capital asset transfers in from governmental funds decreased in the current fiscal year by about \$18.5 million.

Revenue

Charges for services increased \$15 million as a result of water and wastewater rate increases in fiscal year 2017, a 10 and 9 percent increase respectively.

Other tax revenue increased \$2 million due to increase in transient occupancy tax revenue generated from higher hotel occupancy and room rates resulting from sustained improvements in the Sacramento area economy.

Investment earnings decreased by \$3 million primarily due to current year unrealized investment losses compared to unrealized investment gains in the prior fiscal year, a decrease of (\$2.4 million).

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

Expenses

Water department expenses increased \$7 million primarily due to various projects not capitalized during the fiscal year 2017.

Wastewater department expenses increased \$4 million due to infrastructure improvements and replacements, and costs associated with the utility billing system upgrade.

Solid Waste expenses increased \$4 million due to more contributions to the Fleet fund, a result of more vehicles being purchased during fiscal year 2017, which accounted for an increase of about (\$6 million), offset by a decrease in labor cost of (\$2 million).

Parking expenses decreased \$3 million primarily due to interest expenses associated with the 2015 Lease Revenue Bond refunding of about (\$1.4 million) in the prior fiscal year and the termination of the contract with Management Company ABM, to manage Downtown Plaza garages, of about (\$1 million).

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

Funds are accounting devices that 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 fund balance for governmental funds increased \$46.5 million compared to the prior fiscal year. Total revenues for governmental funds decreased \$15.5 million, total expenditures decreased \$243.7 million, and net other financing sources decreased \$281.9 million compared to the prior fiscal year. These changes are discussed in more detail below.

General Fund

Total General Fund revenue increased \$18.9 million mostly due to increases in tax revenues of (\$10.4 million) and charges for services revenue of (\$12.1 million), offset by declines of (\$3.6 million) in revenue from fines, forfeits and penalties and intergovernmental revenues. Tax revenue increases are a combination of a decline of (\$6 million) in property tax revenue due to the end of the "triple flip" which previously paid the City property tax in lieu of sales tax, and an increase in sales and use and other taxes of (\$17.2 million). The increase in charges for services was primarily attributable to increases in development activity, medical marijuana permit fees, parking revenue mainly from activity at the Golden1 Center, and facility use fees. Revenue declines in fines, forfeits and penalties and intergovernmental revenue resulted mainly from decreases in parking fines and decreases in state reimbursements.

Total General Fund expenditures increased \$34.9 million. Fire and police department expenditures increased \$9.7 million primarily due to rising labor costs. General government expenditures increased \$7.7 million mainly due to labor cost increases and additional staffing in various departments. Parks expenditures increase \$4.8 million primarily due to labor costs and reduced cost reimbursements from other funds. Capital expenditures increased \$6.7 million due to funding the renovation of the Convention Center and the Community Center Theater.

General Fund Budgetary Highlights - 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.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

After taking into account these budget adjustments, General Fund revenues were \$12.1 million higher than final budgeted amounts. Collection of various taxes exceeded the budgeted amount by \$5.8 million. Charges for services and intergovernmental revenue exceeded budgeted amounts by \$5.9 million and \$2.1 million, respectively. Interest revenue exceeded budget by nearly \$0.6 million. Fine, forfeitures and penalties were under budget by \$2.6 million.

General Fund budgetary expenditures were \$55.3 million lower than final budget amounts. All General Fund departments reported favorable operating expenditure budget variances primarily due to salary savings from vacant positions. Capital outlay expenditures were less than budgeted amounts by \$33.9 million because of the multi-year nature of most capital projects. Unspent multi-year project budgets, as well as other unspent Council-approved program budgets, are carried over to the subsequent fiscal year.

Measure U Fund

Measure U Fund revenue and expenditures increased by \$2.6 million and \$6.2 million, respectively. Expenditures were higher primarily due to funding of additional police officer positions and capital improvements to fire stations and community centers. Measure U resources are used to restore police, fire, gang prevention and intervention, library, animal care and parks and recreation services.

Capital Grants Fund

Capital Grant Fund revenue and expenditures decreased by \$31.9 million and \$29.5 million, respectively.

The net decrease in revenue was mainly due to changes in the following projects:

- Township 9 Project – (\$1 million) increase,
- Intermodal Phase II Construction Project – (\$3.5 million) decrease,
- Sacramento City College Light Rail Bike and Pedestrian Access Project – (\$5.3 million) decrease,
- Roseville Road Bridge Project – (\$4.0 million) decrease,
- R Street Market Plaza – (\$2.4 million) decrease,
- Riverfront Reconnection Phase 1 Project – (\$4.8 million) decrease,
- Downtown ESC Project – (\$3 million) decrease,
- Cosumnes River Boulevard Extension and Interstate 5 Interchange – (\$8.9 million) decrease, and
- Net change in other capital grant projects – (\$1 million) decrease.

The net decrease in expenditures was mainly due to changes in the following projects:

- Power Inn Road Complete Street Rehab – (\$1.7 million) increase,
- Intermodal Phase II Construction Project – (\$4.0 million) decrease,
- Sacramento City College Light Rail Bike and Pedestrian Access Project – (\$3.7 million) decrease,
- Riverfront Reconnection Phase 1 Project – (\$7.5 million) decrease,
- Roseville Road Bridge Project – (\$2.7 million) decrease,
- Cosumnes River Boulevard Extension and Interstate 5 Interchange – (\$10 million) decrease,
- Downtown ESC Project – (\$1.1 million) decrease, and
- Net change in other capital grant projects – (\$2.2 million) decrease.

1997 Lease Revenue Bond Fund

The contributions and donations revenue in this fund increased \$22 million mainly due to a 2017 payment required for the fiscal year 2018 remarketing of the 1997 Kings revenue bonds.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

Other Governmental Funds

Other governmental fund revenues decreased \$27.5 million due largely to the following fluctuations:

- (\$28.3 million) decrease in debt service revenue due to the debt refunding that took place in fiscal year 2016,
- \$7.2 million net decrease in capital project revenue as a result of increases in development revenue (about \$14.7 million), decreases in contributions to economic development activities (about \$11.1 million), decreases in assessment levies (about \$7.4 million) and decreases in billings for transportation projects (about \$3.5 million), and
- \$8 million net increase in revenue to the Special Revenue funds. The increases were largely due to additional investments in economic development activities (\$5.5 million), additional grant funding of Parks and Recreation and Public Works activities (\$2.5 million), and increased assessment revenue for special districts (\$3 million). Those increases were partially offset by a reduction in activity-based fees in Parks and Recreation and a reduction in revenue for the START program (\$3 million).

Other governmental fund expenditures decreased \$32.0 million due largely to the following:

- As a result of the bond refunding that took place in fiscal year 2016, fiscal year 2017 saw a decrease in expenditures in the debt service funds of \$29 million. The net decrease is made up of a reduction for bond escrow payments of (\$38 million), a reduction in bond interest costs of (\$5 million), offset by increased principal and interest payments of (\$14 million), and
- Expenditures for the McKinley Village project decreased (\$5.5 million) while expenditures for Special Revenue funds increased (\$2.5 million).

Other governmental fund financing sources (uses) decreased \$55.9 million due largely to the debt refunding in fiscal year 2016 which resulted in debt proceeds and payments to the refunded bond escrow agent in that year which did not occur during fiscal year 2017.

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 \$15.4 million, and operating expenses increased \$17.1 million compared to the prior fiscal year. Net non-operating revenues increased \$5.3 million and capital contributions decreased \$19.6 million compared to the prior fiscal year. These changes are discussed in more detail below.

Water Fund

Water Fund operating revenue increased \$10.0 million mainly due to rate increases in fiscal year 2017. Operating expenses increased \$9.5 million mainly due to re-allocating expenses for project management, information technology and certain utility administration from the Storm Drainage Fund to the Water Fund. Capital contributions decreased by \$13.6 million primarily due to the capital contribution received related to the Cosumnes Boulevard extension in fiscal year 2016.

Wastewater Fund

Wastewater Fund operating revenue, and net non-operating revenue and capital contributions in the current year remained relatively flat. Operating expenses were \$3.7 million higher largely due to cost of living and step increases and planning and design costs for several new wastewater projects scheduled to begin in fiscal year 2017 up until fiscal year 2020.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

Storm Drainage Fund

Storm Drainage Fund operating revenue, non-operating revenue operating expenses and non-operating expenses in the current year remained relatively flat compared to the previous year. Capital contributions decreased \$4.8 million mainly due to the nonrecurring contribution of capital assets related to McKinley Village in the amount of (\$2.5 million) and Cosumnes Boulevard extension for (\$2.6 million) in the prior fiscal year.

Solid Waste Fund

Solid Waste Fund operating revenue increased \$1.3 million mainly due to increased utility fee charges. Total operating expenses increased \$5.6 million as a result of an increase of (\$6.7 million) due to the costs of replacing refuse, sweeper and water trucks and a decrease of (\$2.1 million) as a result of reduced pension liability. Net non-operating revenue in the current year increased by a \$1 million due to a reduction in interest expense as a result of debt refunding in fiscal year 2016.

Parking Fund

Parking fund operating revenue increased by \$0.7 million mainly due to an increase in managed lots and additional parking revenue generated by the events on the Golden 1 Center. Total operating expenses decreased by \$1.2 million primarily due to termination of the contract with Management Company ABM, used to manage Downtown Plaza garages, which accounted for decrease of (\$1 million). Net non-operating expenses in the current year decreased by \$1 million primarily due to (\$1.4 million) in prior year interest expenses associated with the 2015 Lease Revenue Bond refunding.

Community Center Fund

Community Center Fund transient occupancy tax non-operating revenue increased again in fiscal year 2017 by \$2.0 million due to the increase in Sacramento area hotel room occupancy and room rates.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the City had invested \$3 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. The current year capital asset additions of \$282 million were offset by current year depreciation expense of \$123 million and retirements of \$366 million for a net decrease in capital assets of \$207 million.

City of Sacramento
Capital Assets
As of June 30, 2017 and 2016
(net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Capital assets not being depreciated						
Land	\$ 204	\$ 202	\$ 50	\$ 50	\$ 254	\$ 252
Easements	1	1	-	-	1	1
Construction in progress	108	350	261	266	369	616
Depreciable capital assets:						
Buildings and improvements	440	407	134	138	574	545
Equipment	20	23	18	22	38	45
Software	4	3	1	1	5	4
Vehicles	55	52	-	-	55	52
Transmission and distribution systems	4	3	804	775	808	778
Road network	647	666	-	-	647	666
Street light network	152	150	-	-	152	150
Park and park improvements	137	140	-	-	137	140
Total capital assets	\$ 1,772	\$ 1,997	\$ 1,268	\$ 1,252	\$ 3,040	\$ 3,249

This year's major capital asset additions include:

- Addition of \$45.8 million for the Intermodal Phase 2 Construction Project,
- Addition of \$16.7 million for the 5th Street & Rail yards Blvd Project,
- Addition of \$15.6 million for the E. Sac Water Main Replacement Phase 2 Project,
- Other capital project additions in progress including the Shasta Park Water Facility, Treatment Plants Rehabilitation Design and RWM Project Management. Many other capital projects were completed during the year and transferred from construction in progress to the appropriate capital asset categories.

This year's major capital asset deletion include sale of the Golden 1 Center in the amount of \$223 million.

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, 2017

Long-term Debt

The following table summarizes the City's outstanding debt at June 30, 2017 and 2016:

City of Sacramento						
Outstanding Debt						
As of June 30, 2017 and 2016						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2017	2016	2017	2016	2017	2016
Revenue and other bonds, net	\$ 606	\$ 628	\$ 533	\$ 493	\$ 1,139	\$ 1,121
Notes payable	15	15	23	26	38	41
Capital lease obligations	4	7	6	9	10	16
Total outstanding debt	\$ 625	\$ 650	\$ 562	\$ 528	\$ 1,187	\$ 1,178

Total outstanding debt for governmental activities decreased \$25 million due to principal payments on existing obligations and the net amortization of bond discounts and premiums.

Total outstanding debt for business-type activities increased \$34 million due to the issuance of (\$63 million) of Water Revenue Bonds, offset by (\$26 million) in principal payments on existing obligations, and the net amortization of bond discounts and premiums.

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

Credit rating

The following table summarizes the City's bonded debt ratings at June 30, 2017, as determined by Standard & Poor's (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings (Fitch):

Bond issues:	<u>S & P</u>	<u>Moody's</u>
• 1993 Refunded Lease Revenue Bonds, Series A	A+	A2
• 1993 Refunded Lease Revenue Bonds, Series B	A+	A1
• 1997 Lease Revenue Bonds	AA-	A2
• 2006 Capital Improvement Revenue Bonds, Series B	A+	A1
• 2006 Capital Improvement Revenue Bonds, Series E	A+	A1
• 2015 Refunding Revenue Bonds	A+/AA	A1
• Water Revenue Bonds, Series 2013	AA	AA-
• Wastewater Revenue Bonds, Series 2013	AA-	AA
• 2015 Lease Revenue Bonds (Golden 1 Center)	A+	A
• Water Revenue Bonds, Series 2017	AA	AA-

The City's issuer credit rating as of June 30, 2017, is AA- with a stable outlook from Standard & Poor's, Aa2 with a stable outlook from Moody's, and AA- with a stable outlook from Fitch Ratings.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Sacramento's economy continues to improve. Unemployment in the Sacramento metropolitan area has fallen from 5.3 percent at the end of fiscal year 2016 to 4.8 percent at the end of fiscal year 2017. The housing market has continued to improve during the fiscal year 2017. Although the trend reflects an increase in revenues, commitments for labor contracts, increasing retirement contributions and rising costs for utilities continue to add costs to the City's General Fund budget.

Next Year's Budget

General Fund budget appropriations for fiscal year 2018 are \$459.2 million, an increase of 4.6 percent compared to the fiscal year 2017 approved budget. In addition to the allocation of resources for several priority initiatives, the approved budget appropriates \$1.3 million for a contribution to the City's OPEB trust fund.

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>.

THIS PAGE INTENTIONALLY LEFT BLANK

Government-wide Financial Statements

City of Sacramento

Statement of Net Position

June 30, 2017
(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$ 535,744	\$ 288,535	\$ 824,279
Receivables, net	288,164	59,166	347,330
Internal balances	12,933	(12,933)	-
Inventories	-	1,751	1,751
Prepaid items	3,679	444	4,123
Restricted cash and investments	84,863	128,878	213,741
Intangible assets	-	151	151
Land and other capital assets not being depreciated	313,424	311,869	625,293
Other capital assets, net of depreciation	<u>1,459,062</u>	<u>956,556</u>	<u>2,415,618</u>
Total assets	<u>2,697,869</u>	<u>1,734,417</u>	<u>4,432,286</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated decrease in fair value of hedging derivative instrument	571	-	571
Loss on refunding of debt	3,516	5,243	8,759
Deferred outflows related to pensions	<u>175,868</u>	<u>22,689</u>	<u>198,557</u>
Total deferred outflows of resources	<u>179,955</u>	<u>27,932</u>	<u>207,887</u>
<u>LIABILITIES</u>			
Payables	76,439	42,018	118,457
Unearned revenue	7,017	7,499	14,516
Long-term liabilities:			
Due within one year	52,809	30,456	83,265
Due in more than one year	<u>1,671,365</u>	<u>679,112</u>	<u>2,350,477</u>
Total liabilities	<u>1,807,630</u>	<u>759,085</u>	<u>2,566,715</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Service concession arrangement	4,786	-	4,786
Gain on debt refunding	-	1,367	1,367
Deferred inflows related to pensions	<u>24,572</u>	<u>3,082</u>	<u>27,654</u>
Total deferred inflows of resources	<u>29,358</u>	<u>4,449</u>	<u>33,807</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,296,493	807,004	2,103,497
Restricted for:			
Capital projects	119,131	39,155	158,286
Debt service	872	-	872
Public works programs	18,866	-	18,866
Economic development programs	16,251	-	16,251
Ambulance services	-	-	-
Other programs	23,645	2,607	26,252
Trust and endowments:			
Expendable	8,545	-	8,545
Nonexpendable	878	-	878
Unrestricted	<u>(443,845)</u>	<u>150,049</u>	<u>(293,796)</u>
Total net position	<u>\$ 1,040,836</u>	<u>\$ 998,815</u>	<u>\$ 2,039,651</u>

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

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2017

(in thousands)

Functions/Programs	Operating Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:						
Governmental activities:						
General government	\$ 69,684	\$ (10,651)	\$ 6,573	\$ 3,517	\$ 24	\$ (48,919)
Police	176,955	-	13,068	7,600	203	(156,084)
Fire	146,693	-	30,897	1,479	-	(114,317)
Public works	106,328	-	42,897	11,343	50,972	(1,116)
Economic development	13,397	-	9,140	235	5,043	1,021
Convention and cultural services	20,380	-	10,860	82	770	(8,668)
Parks and recreation	50,156	-	12,954	4,720	13,082	(19,400)
Community development	41,726	-	32,428	701	16,762	8,165
Library	16,122	-	-	7,261	-	(8,861)
Interest on long-term debt	27,626	-	-	-	-	(27,626)
Total governmental activities	669,067	(10,651)	158,817	36,938	86,856	(375,805)
Business-type activities:						
Water	76,986	3,190	108,867	2,935	4,966	36,592
Wastewater	28,217	858	34,311	35	1,150	6,421
Storm drainage	38,489	1,990	40,124	7	113	(235)
Solid waste	49,206	2,487	61,548	368	-	10,223
Community center	15,383	1,224	9,488	-	-	(7,119)
Parking	11,053	902	18,374	1	-	6,420
Child development	5,743	-	5,713	621	-	591
Total business-type activities	225,077	10,651	278,425	3,967	6,229	52,893
Total primary government	\$ 894,144	\$ -	\$ 437,242	\$ 40,905	\$ 93,085	\$ (322,912)

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

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2017

(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in net position:			
Net (expense) revenue	\$ (375,805)	\$ 52,893	\$ (322,912)
General revenues:			
Taxes:			
Property taxes	146,697	-	146,697
Utility user taxes	62,997	-	62,997
Local sales tax	45,465	-	45,465
Property transfer tax	12,376	-	12,376
Business operations tax	12,811	-	12,811
Transient occupancy tax	4,774	23,866	28,640
Other taxes	2,182	-	2,182
Unrestricted sales taxes shared state revenue	81,296	-	81,296
Unrestricted investment earnings	9,178	1,292	10,470
Unrestricted miscellaneous	14,221	20	14,241
Gain (Loss) on sale of capital assets	(79,916)	17	(79,899)
Transfers	31,443	(31,443)	-
Total general revenues and transfers	343,524	(6,248)	337,276
Change in net position	(32,281)	46,645	14,364
Net position, beginning of year	1,073,117	952,170	2,025,287
Net position, end of year	\$ 1,040,836	\$ 998,815	\$ 2,039,651

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

THIS PAGE INTENTIONALLY LEFT BLANK

Fund Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento

Governmental Funds

Balance Sheet

June 30, 2017
(in thousands)

	General Fund	Measure U Fund	Capital Grants Fund
<u>ASSETS</u>			
Cash and investments held by City	\$ 140,896	\$ 38,068	\$ -
Cash and investments held by fiscal agent	-	-	-
Receivables, net:			
Taxes	28,608	8,113	-
Accounts	21,391	-	123
Loans	-	-	-
Intergovernmental	2,750	-	8,275
Interest	586	148	-
Due from other funds	3,800	-	-
Prepaid items	12		
Restricted assets:			
Cash and investments held by City	-	-	30
Cash and investments held by fiscal agent	-	-	-
Total assets	<u>\$ 198,043</u>	<u>\$ 46,329</u>	<u>\$ 8,428</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 16,137	\$ 586	\$ 4,409
Accrued payroll	19,770	-	-
Accrued claims and judgements	400	-	-
Matured notes and interest payable	-	-	-
Due to other funds	-	-	856
Deposits	141	-	-
Unearned revenue	739	-	1,242
Advances from other funds	534	-	-
Total liabilities	<u>37,721</u>	<u>586</u>	<u>6,507</u>
Deferred inflows of resources:			
Unavailable revenue	4,768	1,000	5,812
Fund balances:			
Nonspendable:			
Prepaid items	12	-	-
Due from other funds	3,800	-	-
Noncurrent assets	-	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	-	-	1,921
Debt service	-	-	-
Public works programs	-	-	-
Economic development programs	-	-	-
Other programs	17	-	-
Committed:			
Economic uncertainty	49,644	-	-
Capital projects	49,265	7,778	-
Debt service	-	-	-
Fire programs	1,386	-	-
OPEB	5,324	-	-
Gas tax	2,087	-	-
Other programs	19,280	36,965	-
Assigned:			
Debt service	-	-	-
Unassigned	24,739	-	(5,812)
Total fund balances (deficit)	<u>155,554</u>	<u>44,743</u>	<u>(3,891)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 198,043</u>	<u>\$ 46,329</u>	<u>\$ 8,428</u>

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

City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2017
(in thousands)

	1997 Lease Revenue Bond Fund	2015 Golden 1 Center Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments held by City	\$ 31	\$ 16,123	\$ 231,669	\$ 426,787
Cash and investments held by fiscal agent	-	440	14	454
Receivables, net:				
Taxes	-	-	4,274	40,995
Accounts	-	-	2,951	24,465
Loans	32,733	142,771	2,602	178,106
Intergovernmental	-	-	27,277	38,302
Interest	-	55	186	975
Due from other funds	-	-	3,800	7,600
Prepaid items			-	12
Restricted assets:				
Cash and investments held by City	57	-	20,917	21,004
Cash and investments held by fiscal agent	22,683	26,118	15,058	63,859
Total assets	<u>\$ 55,504</u>	<u>\$ 185,507</u>	<u>\$ 308,748</u>	<u>\$ 802,559</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 16,592	\$ 37,724
Accrued payroll	-	-	169	19,939
Accrued claims and judgements	-	-	31	431
Matured notes and interest payable	-	-	2,647	2,647
Due to other funds	-	-	-	856
Deposits	-	-	2,161	2,302
Unearned revenue	-	-	4,688	6,669
Advances from other funds	-	-	6,930	7,464
Total liabilities	<u>-</u>	<u>-</u>	<u>33,218</u>	<u>78,032</u>
Deferred inflows of resources:				
Unavailable revenue	<u>32,733</u>	<u>142,802</u>	<u>19,148</u>	<u>206,263</u>
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	12
Due from other funds	-	-	-	3,800
Noncurrent assets	-	-	193	193
Permanent fund principal	-	-	878	878
Restricted:				
Capital projects	-	-	147,743	149,664
Debt service	22,740	26,118	10,046	58,904
Public works programs	-	-	13,152	13,152
Economic development programs	-	-	41,548	41,548
Other programs	31	-	28,787	28,835
Committed:				
Economic uncertainty	-	-	-	49,644
Capital projects	-	-	1,581	58,624
Debt service	-	16,047	3,063	19,110
Fire programs	-	-	-	1,386
OPEB	-	-	-	5,324
Gas tax	-	-	-	2,087
Other programs	-	-	19,750	75,995
Assigned:				
Debt service	-	540	1,866	2,406
Unassigned	<u>-</u>	<u>-</u>	<u>(12,225)</u>	<u>6,702</u>
Total fund balances (deficit)	<u>22,771</u>	<u>42,705</u>	<u>256,382</u>	<u>518,264</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,504</u>	<u>\$ 185,507</u>	<u>\$ 308,748</u>	<u>\$ 802,559</u>

The notes to the 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, 2017
(in thousands)

Fund balances - total governmental funds		\$ 518,264
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		206,263
Prepaid bond insurance represents costs associated with the issuance of long-term debt which are deferred and amortized over the period the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.		274
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	3,157,128	
Less: accumulated depreciation	<u>(1,442,202)</u>	
		1,714,926
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		(6,136)
Deferred outflows of resources are not recognized in the current period and therefore not reported in the governmental funds.		
Deferred outflows related to pension	173,377	
Deferred inflows related to pensions	(24,240)	
Loss on refunding of debt	<u>3,516</u>	
		152,653
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	(35,357)	
Accrued claims and judgements	(2,618)	
Financing plan fee credits	(41,118)	
Net pension liability	(746,901)	
Pollution remediation obligations	(1,794)	
Revenue and other bonds payable, net	(604,486)	
Capital lease obligations payable	(4,382)	
Notes payable	(14,116)	
OPEB liability	<u>(172,546)</u>	
		(1,623,318)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>77,910</u>
Net position of governmental activities		<u>\$ 1,040,836</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017
(in thousands)

	General Fund	Measure U Fund	Capital Grants Fund
Revenues:			
Taxes	\$ 317,009	\$ 45,165	\$ -
Intergovernmental	14,009	-	15,262
Charges for services	85,780	-	-
Fines, forfeits, and penalties	10,906	-	-
Interest, rents, and concessions	2,679	228	38
Community service fees	-	-	-
Assessment levies	266	-	-
Contributions and donations	14	-	4,603
Miscellaneous	259	-	-
Total revenues	430,922	45,393	19,903
Expenditures:			
Current:			
General government	36,584	488	226
Police	132,108	20,050	-
Fire	112,868	13,137	-
Public works	13,233	-	104
Convention and cultural services	4,972	-	-
Economic development	2,337	-	-
Parks and recreation	19,979	7,670	21
Community development	28,554	170	-
Library	7,130	506	-
Utilities	1,205	-	-
Citywide and community support	48,435	-	-
Capital outlay	19,276	4,161	18,149
Debt service:			
Principal	2,705	-	-
Interest and fiscal charges	132	-	-
Bond issuance costs	-	-	-
Total expenditures	429,518	46,182	18,500
Excess (deficiency) of revenues over (under) expenditures	1,404	(789)	1,403
Other financing sources (uses):			
Transfers in	33,113	-	-
Transfers out	(28,959)	-	(38)
Issuance of long-term debt	-	-	-
Total other financing sources (uses)	4,154	-	(38)
Net change in fund balances	5,558	(789)	1,365
Fund balances (deficit), beginning of year	149,996	45,532	(5,256)
Fund balances (deficit), end of year	\$ 155,554	\$ 44,743	\$ (3,891)

The notes to the 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, 2017
(in thousands)

	1997 Lease Revenue Bond Fund	2015 Golden 1 Center Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ 19,981	\$ 382,155
Intergovernmental	-	-	43,811	73,082
Charges for services	-	-	19,666	105,446
Fines, forfeits, and penalties	-	-	523	11,429
Interest, rents, and concessions	3,923	796	6,556	14,220
Community service fees	-	-	29,740	29,740
Assessment levies	-	-	44,073	44,339
Contributions and donations	24,583	-	4,437	33,637
Miscellaneous	-	-	124	383
Total revenues	28,506	796	168,911	694,431
Expenditures:				
Current:				
General government	-	-	4,115	41,413
Police	-	-	7,414	159,572
Fire	-	-	1,965	127,970
Public works	-	-	32,120	45,457
Convention and cultural services	-	-	7,866	12,838
Economic development	-	-	10,933	13,270
Parks and recreation	-	-	11,037	38,707
Community development	-	-	11,775	40,499
Library	-	-	7,267	14,903
Utilities	-	-	378	1,583
Citywide and community support	-	-	-	48,435
Capital outlay	-	-	40,879	82,465
Debt service:				
Principal	2,665	-	23,307	28,677
Interest and fiscal charges	3,093	10,509	14,821	28,555
Bond issuance costs	37	11	1	49
Total expenditures	5,795	10,520	173,878	684,393
Excess (deficiency) of revenues over (under) expenditures	22,711	(9,724)	(4,967)	10,038
Other financing sources (uses):				
Transfers in	-	5,500	27,773	66,386
Transfers out	-	-	(2,874)	(31,871)
Issuance of long-term debt	-	-	1,976	1,976
Total other financing sources (uses)	-	5,500	26,875	36,491
Net change in fund balances	22,711	(4,224)	21,908	46,529
Fund balances (deficit), beginning of year	60	46,929	234,474	471,735
Fund balances (deficit), end of year	\$ 22,771	\$ 42,705	\$ 256,382	\$ 518,264

The notes to the 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, 2017

(in thousands)

Net change in fund balances - total governmental funds		\$ 46,529
<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 expense.</p>		
Capital outlay	67,244	
Depreciation expense	<u>(74,103)</u>	(6,859)
<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>		
		(79,916)
<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		6,109
<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, including premium	(1,976)	
Principal repayments on long-term debt	<u>28,677</u>	26,701
<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 decrease in revenues - unavailable revenues at the end of the year were less than beginning unavailable revenues by this amount.</p>		
		(26,776)

The notes to the 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, 2017

(in thousands)

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.

Compensated absences	(1,507)	
Accrued claims and judgements	(892)	
Pension expense	8,449	
Other post-employment benefits	(4,715)	
Pollution remediation	(130)	
Accrued interest	996	
Amortization of prepaid bond insurance	(17)	
Amortization of bond discount	(2)	
Amortization of bond premium	1,147	
Amortization of gain/loss on refunding	<u>(220)</u>	3,109

Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources. (3,108)

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.

1,930

Change in net position of governmental activities

\$ (32,281)

City of Sacramento

General Fund

Statement of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual (Non-GAAP Budgetary Basis)

with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2017

(in thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
Revenues:						
Taxes	\$ 302,953	\$ 311,156	\$ 317,009	\$ 5,853	\$ -	\$ 317,009
Intergovernmental	9,350	11,952	14,009	2,057	-	14,009
Charges for services	77,042	79,799	85,780	5,981	-	85,780
Fines, forfeits and penalties	13,554	13,554	10,906	(2,648)	-	10,906
Interest, rents, and concessions	827	2,098	2,679	581	-	2,679
Assessment levies	74	74	266	192	-	266
Contributions and donations	-	3	14	11	-	14
Miscellaneous	124	124	259	135	-	259
Total revenues	403,924	418,760	430,922	12,162	-	430,922
Expenditures:						
Current:						
Mayor/Council	4,089	6,230	5,595	635	(401)	5,194
City Manager	2,851	7,981	5,973	2,008	(839)	5,134
City Attorney	5,681	6,491	5,606	885	(21)	5,585
City Clerk	1,288	1,534	1,526	8	-	1,526
City Treasurer	2,097	2,098	1,935	163	(52)	1,883
Finance	5,927	7,223	4,827	2,396	26	4,853
Information technology	10,112	9,997	9,167	830	(14)	9,153
Human resources	3,079	3,311	3,285	26	(29)	3,256
Subtotal - General government	35,124	44,865	37,914	6,951	(1,330)	36,584
Police	131,389	137,717	132,342	5,375	(234)	132,108
Fire	109,728	113,495	112,874	621	(6)	112,868
Public works	10,694	12,745	12,265	480	968	13,233
Convention and cultural services	4,737	6,037	5,287	750	(315)	4,972
Economic development	2,638	2,607	2,374	233	(37)	2,337
Parks and recreation	20,228	21,297	20,026	1,271	(47)	19,979
Community development	30,786	31,736	29,353	2,383	(799)	28,554
Library	7,130	7,130	7,130	-	-	7,130
Utilities	846	3,241	1,214	2,027	(9)	1,205
Citywide and community support	43,267	48,770	47,438	1,332	997	48,435
Capital outlay	44,913	64,517	30,628	33,889	(11,352)	19,276
Debt service:						
Principal	2,704	2,704	2,705	(1)	-	2,705
Interest and fiscal charges	132	132	132	-	-	132
Total expenditures	444,316	496,993	441,682	55,311	(12,164)	429,518
Excess (deficiency) of revenues over (under) expenditures	(40,392)	(78,233)	(10,760)	67,473	12,164	1,404
Other financing sources (uses):						
Transfers in	32,237	33,043	33,111	68	2	33,113
Transfers out	(29,078)	(34,085)	(32,759)	1,326	3,800	(28,959)
Total other financing sources (uses)	3,159	(1,042)	352	1,394	3,802	4,154
Net change in fund balance	\$ (37,233)	\$ (79,275)	\$ (10,408)	\$ 68,867	\$ 15,966	\$ 5,558

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

City of Sacramento

Measure U Fund

Statement of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual (Non-GAAP Budgetary Basis)

with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2017

(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Budget to GAAP Reconciliation</u>	<u>Actual Amounts - GAAP Basis</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Taxes	\$ 43,732	\$ 43,732	\$ 45,165	\$ 1,433	\$ -	\$ 45,165
Interest, rents, and concessions	-	-	228	228	-	228
Total revenues	<u>43,732</u>	<u>43,732</u>	<u>45,393</u>	<u>1,661</u>	<u>-</u>	<u>45,393</u>
Expenditures:						
Current:						
General government	-	124	488	(364)	-	488
Police	20,954	21,783	20,239	1,544	(189)	20,050
Fire	13,137	13,137	13,137	-	-	13,137
Parks and recreation	9,839	9,839	8,165	1,674	(495)	7,670
Community development	165	165	170	(5)	-	170
Library	506	506	506	-	-	506
Capital outlay	<u>10,296</u>	<u>11,153</u>	<u>4,791</u>	<u>6,362</u>	<u>(630)</u>	<u>4,161</u>
Total expenditures	<u>54,897</u>	<u>56,707</u>	<u>47,496</u>	<u>9,211</u>	<u>(1,314)</u>	<u>46,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,165)</u>	<u>(12,975)</u>	<u>(2,103)</u>	<u>10,872</u>	<u>1,314</u>	<u>(789)</u>
Net change in fund balance	<u>\$ (11,165)</u>	<u>\$ (12,975)</u>	<u>\$ (2,103)</u>	<u>\$ 10,872</u>	<u>\$ 1,314</u>	<u>\$ (789)</u>

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

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2017
(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	\$ 112,192	\$ 40,099	\$ 34,461	\$ 42,406
Cash and investments held by fiscal agent	-	-	-	-
Receivables, net:				
Taxes	-	-	-	-
Accounts	17,701	10,886	5,263	8,687
Loans	1,206	133	440	-
Intergovernmental	3,490	852	990	-
Interest	834	177	170	169
Due from other funds	-	-	-	-
Inventories	1,333	28	390	-
Prepaid items	369	5	10	4
Intangible asset, current portion	-	-	-	-
Total current assets	137,125	52,180	41,724	51,266
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	96,159	5,394	4,405	1,058
Cash and investments held by fiscal agent	7,235	983	759	-
Advances to other funds	-	-	-	-
Loans receivable	1,091	418	2,398	-
Intangible assets	-	-	-	-
Capital assets:				
Land	1,754	1,138	18,724	1,133
Buildings and improvements	40,365	26,551	8,795	31,150
Machinery and equipment	16,725	5,147	17,613	12,437
Vehicles	-	-	-	-
Transmission and distribution system	687,418	168,565	399,867	-
Construction in progress	226,810	15,131	2,119	1,327
Software	643	364	907	245
Easements	134	-	157	-
Less: accumulated depreciation/amortization	(253,360)	(76,338)	(183,316)	(29,174)
Total noncurrent assets	824,974	147,353	272,428	18,176
Total assets	962,099	199,533	314,152	69,442
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	5,243	-	-	-
Deferred outflows related to pensions	9,904	2,273	2,732	3,890
Total deferred outflows of resources	15,147	2,273	2,732	3,890

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

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2017
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ 32,689	\$ 26,688	\$ 288,535	\$ 108,309
Cash and investments held by fiscal agent	-	-	-	194
Receivables, net:				
Taxes	2,922	-	2,922	-
Accounts	238	796	43,571	233
Loans	22	-	1,801	-
Intergovernmental	-	-	5,332	-
Interest	133	105	1,588	302
Due from other funds	-	-	-	1,106
Inventories	-	-	1,751	-
Prepaid items	21	35	444	3,393
Intangible asset, current portion	-	8	8	-
Total current assets	36,025	27,632	345,952	113,537
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	1,446	1,782	110,244	-
Cash and investments held by fiscal agent	7,881	1,776	18,634	-
Advances to other funds	-	534	534	12,547
Loans receivable	44	1	3,952	-
Intangible assets	-	143	143	-
Capital assets:				
Land	21,740	5,825	50,314	-
Buildings and improvements	113,040	61,930	281,831	7,159
Machinery and equipment	4,831	3,591	60,344	543
Vehicles	-	-	-	145,625
Transmission and distribution system	-	-	1,255,850	-
Construction in progress	9,230	6,647	261,264	202
Software	46	32	2,237	256
Easements	-	-	291	-
Less: accumulated depreciation/amortization	(64,033)	(37,485)	(643,706)	(96,225)
Total noncurrent assets	94,225	44,776	1,401,932	70,107
Total assets	130,250	72,408	1,747,884	183,644
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	5,243	-
Deferred outflows related to pensions	1,763	2,127	22,689	2,491
Total deferred outflows of resources	1,763	2,127	27,932	2,491

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2017
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	10,339	13,571	899	2,311
Accrued payroll	1,562	414	616	636
Accrued compensated absences	124	21	56	104
Due to other funds	-	-	-	-
Interest payable	3,972	488	164	59
Liability for landfill closure	-	-	-	85
Deposits	14	-	15	-
Unearned revenue	3,534	1,299	1	-
Accrued claims and judgements	194	71	125	241
Capital leases payable	-	-	-	565
Revenue and other bonds payable, net	12,302	662	663	1,045
Notes payable	437	789	2,447	-
	<u>32,478</u>	<u>17,315</u>	<u>4,986</u>	<u>5,046</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	2,666	727	1,256	1,091
Advances from other funds	-	-	-	-
Water fee credits	214	-	-	-
OPEB liability	9,925	3,529	4,469	11,545
Accrued claims and judgements	-	-	-	-
Liability for landfill closure	-	-	-	1,092
Capital leases payable	-	-	-	-
Revenue and other bonds payable, net	418,727	30,504	2,223	16,215
Notes payable	7,725	2,265	9,085	-
Net pension liability	33,506	11,688	25,864	19,454
	<u>472,763</u>	<u>48,713</u>	<u>42,897</u>	<u>49,397</u>
Total noncurrent liabilities				
Total liabilities				
	<u>505,241</u>	<u>66,028</u>	<u>47,883</u>	<u>54,443</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	762	-	-	314
Deferred inflows related to pensions	1,132	300	488	449
	<u>1,894</u>	<u>300</u>	<u>488</u>	<u>763</u>
Total deferred inflows of resources				
<u>NET POSITION</u>				
Net investment in capital assets	358,458	108,379	251,329	-
Restricted for:				
Capital projects	33,497	3,942	-	270
Other programs	-	-	1,599	1,008
Unrestricted	78,156	23,157	15,585	16,848
	<u>470,111</u>	<u>135,478</u>	<u>268,513</u>	<u>18,126</u>
Total net position				

(continued)

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

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2017
(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	3,425	2,446	32,991	7,526
Accrued payroll	283	417	3,928	496
Accrued compensated absences	34	42	381	83
Due to other funds	7,850	-	7,850	-
Interest payable	256	131	5,070	6
Liability for landfill closure	-	-	85	-
Deposits	-	-	29	-
Unearned revenue	1,975	690	7,499	348
Accrued claims and judgements	15	47	693	20,234
Capital leases payable	-	1,324	1,889	28
Revenue and other bonds payable, net	6,543	2,520	23,735	403
Notes payable	-	-	3,673	-
Total current liabilities	20,381	7,617	87,823	29,124
Noncurrent liabilities:				
Accrued compensated absences	498	501	6,739	844
Advances from other funds	5,617	-	5,617	-
Water fee credits	-	-	214	-
OPEB liability	1,058	1,749	32,275	4,279
Accrued claims and judgements	-	-	-	60,566
Liability for landfill closure	-	-	1,092	-
Capital leases payable	-	3,685	3,685	44
Revenue and other bonds payable, net	21,856	20,491	510,016	1,207
Notes payable	-	-	19,075	-
Net pension liability	6,832	8,672	106,016	11,829
Total noncurrent liabilities	35,861	35,098	684,729	78,769
Total liabilities	56,242	42,715	772,552	107,893
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	291	1,367	-
Deferred inflows related to pensions	210	503	3,082	332
Total deferred inflows of resources	210	794	4,449	332
<u>NET POSITION</u>				
Net investment in capital assets	67,298	21,540	807,004	55,878
Restricted for:				
Capital projects	1,446	-	39,155	-
Other programs	-	-	2,607	-
Unrestricted	6,817	9,486	150,049	22,032
Total net position	\$ 75,561	\$ 31,026	\$ 998,815	\$ 77,910

The notes to the 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, 2017
(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	\$ 108,810	\$ 33,305	\$ 37,770	\$ 61,236
Rents and concessions	-	-	-	151
Charge to other agencies for contract services	-	1,006	2,354	-
Miscellaneous	57	-	-	161
Total operating revenues	<u>108,867</u>	<u>34,311</u>	<u>40,124</u>	<u>61,548</u>
Operating expenses:				
Employee services	33,671	9,893	13,406	13,068
Services and supplies	22,415	15,026	15,688	36,376
Depreciation/amortization	19,226	3,996	10,794	1,398
Insurance premiums	-	-	-	-
Claims and judgements	137	68	113	307
Total operating expenses	<u>75,449</u>	<u>28,983</u>	<u>40,001</u>	<u>51,149</u>
Operating income (loss)	<u>33,418</u>	<u>5,328</u>	<u>123</u>	<u>10,399</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	562	183	247	194
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	2,935	-	7	368
Insurance and other claim recoveries	-	-	-	-
Interest (expense)	(4,704)	(92)	(478)	(544)
Amortization of bond prepaid insurance	(23)	-	-	-
Gain or (loss) on disposition of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>(1,230)</u>	<u>91</u>	<u>(224)</u>	<u>18</u>
Income (loss) before contributions and transfers	32,188	5,419	(101)	10,417
Capital contributions	5,501	1,671	2,200	-
Transfers in	22	135	78	11
Transfers out	(12,188)	(3,703)	(4,230)	(6,802)
Change in net position	25,523	3,522	(2,053)	3,626
Total net position, beginning of year	<u>444,588</u>	<u>131,956</u>	<u>270,566</u>	<u>14,500</u>
Total net position, end of year	<u>\$ 470,111</u>	<u>\$ 135,478</u>	<u>\$ 268,513</u>	<u>\$ 18,126</u>

The notes to the 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, 2017
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental
	Community Center Fund	Other Enterprise Funds	Total	Activities - Internal Service Funds
Operating revenues:				
Charges for services:				
User fees and charges	\$ 3,233	\$ 23,607	\$ 267,961	\$ 78,124
Rents and concessions	6,200	476	6,827	-
Charge to other agencies for contract services	-	-	3,360	-
Miscellaneous	55	24	297	61
Total operating revenues	9,488	24,107	278,445	78,185
Operating expenses:				
Employee services	6,168	8,620	84,826	10,231
Services and supplies	7,013	6,289	102,807	26,503
Depreciation/amortization	1,965	1,778	39,157	10,091
Insurance premiums	-	-	-	4,124
Claims and judgements	5	4	634	27,215
Total operating expenses	15,151	16,691	227,424	78,164
Operating income (loss)	(5,663)	7,416	51,021	21
Nonoperating revenues (expenses):				
Interest and investment revenue	-	106	1,292	1,182
Transient occupancy taxes	23,866	-	23,866	-
Revenue from other agencies	-	622	3,932	460
Insurance and other claim recoveries	-	-	-	297
Interest (expense)	(1,456)	(1,007)	(8,281)	(44)
Amortization of bond prepaid insurance	-	-	(23)	-
Gain or (loss) on disposition of capital assets	-	17	17	(22)
Total nonoperating revenues (expenses)	22,410	(262)	20,803	1,873
Income (loss) before contributions and transfers	16,747	7,154	71,824	1,894
Capital contributions	-	-	9,372	-
Transfers in	-	2	248	484
Transfers out	(3,884)	(3,992)	(34,799)	(448)
Change in net position	12,863	3,164	46,645	1,930
Total net position, beginning of year	62,698	27,862	952,170	75,980
Total net position, end of year	\$ 75,561	\$ 31,026	\$ 998,815	\$ 77,910

The notes to the 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, 2017
(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	\$ 108,738	\$ 34,475	\$ 42,425	\$ 62,320
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(21,357)	(13,429)	(17,108)	(36,325)
Payments to employees	(34,460)	(10,428)	(15,174)	(15,194)
Claims and judgements paid	(81)	(47)	(77)	(237)
Net cash provided by (used for) operating activities	<u>52,840</u>	<u>10,571</u>	<u>10,066</u>	<u>10,564</u>
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Loan made to other agencies	(200)	-	-	-
Transfers in from other funds	22	135	78	11
Transfers out to other funds	(11,660)	(3,639)	(4,230)	(6,660)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Loans received from other funds	-	-	-	-
Intergovernmental revenue received	1,019	-	-	368
Claim and judgement recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(10,819)</u>	<u>(3,504)</u>	<u>(4,152)</u>	<u>(6,281)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(28,122)	(3,554)	(586)	(1,166)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	62,802	-	-	-
Principal payments on capital debt	(9,601)	(1,501)	(3,030)	(2,477)
Interest payments on capital debt	(16,801)	(1,467)	(524)	(766)
Intergovernmental revenue received	-	-	7	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(528)	(64)	-	(152)
Capital contributions received	7,645	934	-	-
Loan repayments received	2,473	131	431	-
Net cash used for capital and related financing activities	<u>17,868</u>	<u>(5,521)</u>	<u>(3,702)</u>	<u>(4,561)</u>
Cash flows from investing activities:				
Collection of interest and investment revenue	432	174	238	190
Loan repayments received	-	-	-	-
Net cash provided by investing activities	<u>432</u>	<u>174</u>	<u>238</u>	<u>190</u>
Net increase (decrease) in cash and cash equivalents	60,321	1,720	2,450	(88)
Cash and cash equivalents, beginning of year	<u>155,265</u>	<u>44,756</u>	<u>37,175</u>	<u>43,552</u>
Cash and cash equivalents, end of year	<u>\$ 215,586</u>	<u>\$ 46,476</u>	<u>\$ 39,625</u>	<u>\$ 43,464</u>

The notes to the 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, 2017
(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	\$ 9,426	\$ 24,204	\$ 281,588	\$ -
Receipts from interfund services provided	-	-	-	141,797
Payments to suppliers	(6,758)	(5,462)	(100,439)	(93,565)
Payments to employees	(6,554)	(9,058)	(90,868)	(10,286)
Claims and judgements paid	(1)	(2)	(445)	(18,390)
Net cash provided by (used for) operating activities	(3,887)	9,682	89,836	19,556
Cash flows from noncapital financing activities:				
Transient occupancy taxes	23,296	-	23,296	-
Loan made to other agencies	-	-	(200)	-
Transfers in from other funds	-	2	248	60
Transfers out to other funds	(3,884)	(2,040)	(32,113)	(384)
Collections on interfund loans	-	-	-	3,267
Loans made to other funds	-	(534)	(534)	(856)
Interfund loan repayments	(250)	-	(250)	-
Loans received from other funds	7,600	-	7,600	-
Intergovernmental revenue received	-	625	2,012	460
Claim and judgement recoveries	-	-	-	190
Net cash provided by (used for) noncapital financing activities	26,762	(1,947)	59	2,737
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,558)	(4,056)	(40,042)	(12,290)
Proceeds from sale of capital assets	-	17	17	422
Proceeds from issuance of debt	-	-	62,802	-
Principal payments on capital debt	(6,235)	(3,580)	(26,424)	(370)
Interest payments on capital debt	(1,743)	(1,192)	(22,493)	(85)
Intergovernmental revenue received	-	-	7	-
Transfers in from other funds	-	-	-	360
Transfers out to other funds	-	(1,952)	(2,696)	-
Capital contributions received	-	-	8,579	-
Loan repayments received	-	-	3,035	-
Net cash used for capital and related financing activities	(10,536)	(10,763)	(17,215)	(11,963)
Cash flows from investing activities:				
Collection of interest and investment revenue	(48)	116	1,102	1,176
Loan repayments received	22	85	107	-
Net cash provided by investing activities	(26)	201	1,209	1,176
Net increase (decrease) in cash and cash equivalents	12,313	(2,827)	73,889	11,506
Cash and cash equivalents, beginning of year	29,703	33,073	343,524	96,997
Cash and cash equivalents, end of year	\$ 42,016	\$ 30,246	\$ 417,413	\$ 108,503

The notes to the 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, 2017
(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	\$ 112,192	\$ 40,099	\$ 34,461	\$ 42,406
Cash and investments held by fiscal agent	-	-	-	-
Restricted cash and investments held by City	96,159	5,394	4,405	1,058
Restricted cash and investments held by fiscal agent	7,235	983	759	-
Total cash and cash equivalents, end of year	\$ 215,586	\$ 46,476	\$ 39,625	\$ 43,464
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 33,418	\$ 5,328	\$ 123	\$ 10,399
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	19,172	3,967	10,736	1,379
Amortization of intangible assets	54	29	58	19
Pension expense	(2,370)	(785)	(1,078)	(2,879)
Changes in assets and liabilities:				
Accounts receivable, net	(501)	164	440	772
Intergovernmental receivables	-	-	1,982	-
Inventories	604	50	169	-
Prepaid items	-	(5)	7	(4)
Accounts payable	454	1,552	(1,596)	55
Accrued payroll	502	125	(275)	82
Accrued compensated absences	385	(32)	(569)	65
OPEB liabilities	694	157	154	606
Accrued claims and judgements	56	21	36	70
Deposits	5	-	-	-
Unearned revenue	367	-	(121)	-
Net cash provided by (used for) operating activities	\$ 52,840	\$ 10,571	\$ 10,066	\$ 10,564
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ 40	\$ 3	\$ 113	\$ -
Transfer of capital assets from governmental funds, net of depreciation	535	486	2,087	-
Capitalized interest	9,783	1,305	23	20
Amortization of bond premium and discount	2,388	57	(10)	160
Amortization of bond loss on refunding	(328)	-	-	-
Amortization of bond gain on refunding	190	-	-	26
Amortization of bond prepaid insurance	(23)	-	-	-
Capital asset acquisitions on accounts payable	7,566	839	32	-
Water fee credit usage	762	-	-	-
Purchase of capital assets on accounts payable	-	-	-	-

(continued)

The notes to the 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, 2017
(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	\$ 32,689	\$ 26,688	\$ 288,535	\$ 108,309
Cash and investments held by fiscal agent	-	-	-	194
Restricted cash and investments held by City	1,446	1,782	110,244	-
Restricted cash and investments held by fiscal agent	7,881	1,776	18,634	-
Total cash and cash equivalents, end of year	\$ 42,016	\$ 30,246	\$ 417,413	\$ 108,503
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (5,663)	\$ 7,416	\$ 51,021	\$ 21
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	1,962	1,767	38,983	10,074
Amortization of intangible assets	3	11	174	17
Pension expense	(317)	(473)	(7,902)	(165)
Changes in assets and liabilities:				
Accounts receivable, net	44	108	1,027	(14)
Intergovernmental receivables	-	-	1,982	-
Inventories	-	-	823	-
Prepaid items	(21)	2	(21)	20
Accounts payable	276	825	1,566	686
Accrued payroll	11	60	505	49
Accrued compensated absences	(109)	39	(221)	(26)
OPEB liabilities	29	(64)	1,576	87
Accrued claims and judgements	4	2	189	8,825
Deposits	-	-	5	-
Unearned revenue	(106)	(11)	129	(18)
Net cash provided by (used for) operating activities	\$ (3,887)	\$ 9,682	\$ 89,836	\$ 19,556
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 156	\$ -
Transfer of capital assets from governmental funds, net of depreciation	-	-	3,108	-
Capitalized interest	269	13	11,413	-
Amortization of bond premium and discount	(25)	127	2,697	40
Amortization of bond loss on refunding	-	(24)	(352)	-
Amortization of bond gain on refunding	-	-	216	-
Amortization of bond prepaid insurance	-	-	(23)	-
Capital asset acquisitions on accounts payable	-	-	8,437	3,907
Water fee credit usage	-	-	762	-
Purchase of capital assets on accounts payable	-	275	275	-

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

City of Sacramento
Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2017
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
<u>ASSETS</u>				
Cash and cash equivalents held by City	\$ 8,601	\$ 151,976	\$ 10,129	\$ 15,537
Cash and investments held by fiscal agent	-	-	21,123	16,507
Prepays	-	-	436	-
Receivables, net:				
Taxes	-	-	-	216
Accounts	-	-	-	13
Interest	1,600	469	-	31
Intergovernmental	-	-	-	-
Investments, at fair value:				
U.S. government obligations	1,182	-	-	-
Corporate bonds	37,148	-	-	-
Equity securities	124,268	-	-	-
Exchange traded funds	61,981	-	-	-
Municipal bonds	52,903	-	-	-
Mortgage loans	1,731	-	-	-
Loans receivable	-	-	6,230	-
Capital assets:				
Land	-	-	12,020	-
Buildings and improvements	-	-	3,721	-
Less: accumulated depreciation/amortization	-	-	(1,001)	-
Total assets	289,414	152,445	52,658	\$ 32,304
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	2,586	-
<u>LIABILITIES</u>				
Accounts payable	19	-	625	\$ -
Benefits payable	885	-	-	-
Due to bondholders	-	-	-	32,304
Interest payable	-	-	480	-
Contracts payable	-	-	11,780	-
Pollution remediation obligations	-	-	219	-
Bonds payable	-	-	99,355	-
Notes payable	-	-	172,952	-
Total liabilities	904	-	285,411	\$ 32,304
<u>NET POSITION</u>				
Held in trust for:				
Net position restricted for pensions	288,510	-	-	
External pool participants	-	152,445	-	
Redevelopment dissolution	-	-	(230,167)	
Total net position (deficit)	\$ 288,510	\$ 152,445	\$ (230,167)	

The notes to the 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, 2017
(in thousands)

	<u>Pension Trust Fund</u>	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions:			
Property taxes	\$ -	\$ -	\$ 30,659
Contributions:			
Employer	8,645	-	-
Employees	63	-	-
Total contributions	<u>8,708</u>	<u>-</u>	<u>-</u>
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	17,997	(891)	-
Interest	4,639	1,938	365
Dividends	5,350	-	-
Other income	-	-	22
Total investment income	<u>27,986</u>	<u>1,047</u>	<u>387</u>
Investment expenses:			
Banking, interest, and fiscal agent expenses	102	142	-
Professional services	1,081	-	-
Total investment expenses	<u>1,183</u>	<u>142</u>	<u>-</u>
Net income from investment activities	<u>26,803</u>	<u>905</u>	<u>387</u>
Deposits	-	73,106	-
Total additions	<u>35,511</u>	<u>74,011</u>	<u>31,046</u>
Deductions:			
Benefits	32,171	-	-
Withdrawals	-	70,843	-
Interest expense	-	-	12,231
Other enforceable obligation payments	-	-	8,800
Loan forgiveness	-	-	23
Loss on disposal of capital asset	-	-	8,320
Depreciation expense	-	-	93
Total deductions	<u>32,171</u>	<u>70,843</u>	<u>29,467</u>
Change in net position	3,340	3,168	1,579
Net position (deficit), beginning of year	<u>285,170</u>	<u>149,277</u>	<u>(231,746)</u>
Net position (deficit), end of year	<u>\$ 288,510</u>	<u>\$ 152,445</u>	<u>\$ (230,167)</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

Notes to the Basic Financial Statements

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(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. Component unit financial statements may be obtained from the City's Department of Finance.

Blended Component Unit

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 by 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 Sacramento City Housing Authority to facilitate the financing and refinancing of public capital facilities. Most of the debt of the SPFA is backed by the City. The SPFA is governed by the City Council.

Fiduciary-type 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 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 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. Complete stand-alone financial statements may be obtained by writing the City of Sacramento Department of Finance, 915 I Street, 4th Floor, Sacramento, CA 95814.

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 an Oversight Board. The Oversight Board is comprised of seven member representatives from local government bodies: two appointed by the Mayor, two County of Sacramento (County) representatives, the County Superintendent of Education, the Chancellor of California Community Colleges, and the largest special district taxing entity. 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016. The applicable provisions were implemented July 1, 2016 and did not have a material impact to the financial statements.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple - Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended*, Statement 43, and Statement No. 50, *Pension Disclosures*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The City has determined that the requirements of this statement do not have a material impact to the financial statements.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The provisions in Statement 77 are effective for fiscal years beginning after December 15, 2015. The applicable provisions were implemented July 1, 2016 and did not have a material impact to the financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement amends the scope and applicability of GASB Statement No. 68 to exclude certain types of cost-sharing multiple-employer plans. The provisions in Statement 78 are effective for fiscal years beginning after December 15, 2015. The applicable provisions were implemented July 1, 2016 and did not have a material impact to the financial statements.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of the Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions in Statement 80 are effective for fiscal years beginning after June 15, 2016. The applicable provisions were implemented July 1, 2016 and did not have a material impact to the financial statements.

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. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The City has not determined its effect on the financial statements.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements (Continued)

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The provisions in Statement 81 are effective for fiscal years beginning after December 15, 2016. The City has not determined the effect of implementing this statement.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The provisions in Statement 83 are effective for fiscal years beginning after June 15, 2018. The City has not determined the effect of implementing this statement.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The provisions in Statement 84 are effective for fiscal years beginning after December 15, 2018. The City has not determined the effect of implementing this statement.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions in Statement 85 are effective for fiscal years beginning after June 15, 2017. The City has not determined the effect of implementing this statement.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The provisions in Statement 86 are effective for fiscal years beginning after June 15, 2017. The City has not determined the effect of implementing this statement.

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 also 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 December 15, 2019. The City has not determined the effect of implementing this statement.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 of 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 to a significant extent 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. 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 trust fund financial statements. Agency funds, included in the fiduciary fund financial statements, are also reported using the accrual basis of accounting, however they are not reported using a measurement focus because only assets and liabilities are presented. 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 users taxes, intergovernmental revenue, special assessments, charges for services, and interest 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 government.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 Special Revenue Fund was established to account for the temporary half-cent sales tax approved by voters on November 6, 2012.

The Capital Grants Fund is used to account for capital improvement program projects that are funded by parties outside of the City including the State and Federal governments.

The 1997 Lease Revenue Bond Debt Service Fund accounts for the loan receivable, debt service activities and related transactions concerning the acquisition and lease back of a sports and entertainment arena.

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

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.

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.

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.

Agency Funds account for assets held by the City as an agent for bonded assessment and community facilities districts.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 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.

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, and 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 special revenue 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 \$100 without City Council approval. All other appropriation adjustments during the year require City Council approval. Significant appropriation adjustments were not required during the year ended June 30, 2017. Unencumbered annual budget appropriations lapse at fiscal year-end. The City honors contracts represented by year-end encumbrances and the appropriations carried over provide authority to complete these transactions in future years. Multi-year project-length budget appropriations are automatically carried over into the next fiscal year.

Financial Statement 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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statements Elements (Continued)

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

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

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan". The State Revenue and Taxation Code allow 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 Sacramento 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, and 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 or nonspendable fund balance for noncurrent assets because the resources cannot be spent. 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.

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

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.

City of Sacramento
Notes to the Financial Statements
 For the Fiscal Year Ended June 30, 2017
 (dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

Capital Assets - Capital assets are reported in the applicable governmental or business-type activities column in the government-wide 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 systems	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
Street light network	Primarily 40 to 50 years
Parks 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.

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. When the asset constructed in business-type activities is financed by a specific bond issue, the interest included is net of interest earned on the invested bond proceeds over the same period. The total interest cost incurred by the City during the current fiscal year was \$47,320. Of this amount, \$11,413 of interest cost, net of interest earned, was included as part of the cost of capital assets under construction.

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.

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 position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. The City has three items, loss on refunding of debt, accumulated decrease in fair-value of hedging derivative instrument, and deferred outflows related to pensions, which qualifies 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 position and fund balance that applies to a future period(s) and so will not be recognized as revenue until then. The City has three items recognized in the statement of net position, gain on refunding, deferred service concession arrangement revenue and deferred inflows related to pensions. 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 the incurrence of qualifying expenditures).

Long-term Obligations - In the government-wide and proprietary 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 and net of gains and losses on debt refunding. Bond issuance costs are reported as expenditures 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 General Fund, after determining the fund balance classifications described above, is reported as unassigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The City's Economic Uncertainty Reserve (Reserve) is a stabilization arrangement in the General Fund reported as committed fund balance. The City Council reaffirmed its policy goal for the Reserve in its resolution number 2017-0246 adopted with the fiscal year 2017/18 annual budget. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund revenue and equal to two months of regular on-going General Fund 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 Employee's Retirement System (SCERS) Plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS and SCERS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2017:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 824,279	\$ 503,086	\$ 1,327,365
Restricted cash and investments	213,741	-	213,741
Total	\$ 1,038,020	\$ 503,086	\$ 1,541,106

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2016-0291, 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 August 16, 2016. 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 Administration, Investment and Fiscal Management Board pursuant to an Investment Policy adopted by the Board and approved by the City Council. Investment standards adopted by the SCERS Board were last approved by the City Council on August 16, 2016. The Investment Policy allows the Board to invest in fixed income and equity securities deemed prudent by the Board. Pursuant to the Investment Policy, the Board annually allocated the funds to different investment groups. For fiscal year 2017, the asset allocations consisted of the following: 40% Fixed Income securities, 35% Large Cap Growth stocks, 20% Equity Income stocks and 5% International stocks. The Investment Policy allows for up to 5% variance from these approved allocation levels to provide flexibility to investment activities without altering the risk profile of the SCERS portfolio.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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
Bankers acceptance	180 days	40%	30%	None
Commerical 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	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
Time deposits	5 years	None	None	None
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 investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, or investments held by the SCERS pension trust fund or other trust funds.

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 of its fair value 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 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 investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity. The remaining maturity of the City’s investments included in the table below is based on the stated maturity dates of the individual investments, except in the case of variable rate investments where the maturity date below 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.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

Investments in equities, or in debt securities with remaining maturities longer than five years, are held by the SCERS pension trust fund, other trust funds, or by bond trustees pursuant to debt agreements.

The City's cash and investments by maturities as of June 30, 2017 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
Certificates of deposit	\$ -	\$ 19,493	\$ 24,067	\$ -	\$ 43,560
Commercial paper	-	164,000	-	-	164,000
Corporate bonds/notes	-	157,131	189,096	18,020	364,247
Deposits	2,056	-	-	-	2,056
Equities	73,855	-	-	-	73,855
Exchange traded funds	119,632	-	-	-	119,632
Investment Trust of California (CalTRUST)	-	142,989	70,832	-	213,821
Local Agency Investment Fund (LAIF)	-	40,000	-	-	40,000
Mortgage loans	-	-	-	1,732	1,732
Municipal bonds/notes	-	35,552	104,541	50,407	190,500
Mutual funds	-	67,106	-	-	67,106
U.S. agency securities	-	74,239	149,690	1,171	225,100
U.S. Treasury bills	-	20,536	-	-	20,536
U.S. Treasury notes	-	-	14,961	-	14,961
Total Cash and Investments	\$ 195,543	\$ 721,046	\$ 553,187	\$ 71,330	\$ 1,541,106

Investments in callable bonds are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such bonds earlier than their respective maturity dates. The investor must then replace the called bonds with investments that may have lower yield than the original bonds. The fair values of the callable bonds held at June 30, 2017 by investment type are as follows:

Investment Type	Total
Certificates of deposit	\$ 5,000
Corporate bonds/notes	68,988
Municipal bonds	36,217
U.S. agencies	78,185

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(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 City's cash and investments by credit ratings as of June 30, 2017 are as follows:

Cash and Investment Type	S & P	Moody's	Total
Certificates of deposit	A	P1	\$ 15,000
	not rated	not rated	28,560
Commercial paper	A	P1	164,000
Corporate bonds/notes	A	A	108,484
	A	Aa	18,630
	A	not rated	19,744
	AA	A	35,750
	AA	Aa	86,510
	AA	Aaa	5,001
	AAA	Aaa	14,094
	BBB	A	15,050
	BBB	Baa	52,083
	BBB	not rated	2,764
	not rated	Aaa	5,981
	not rated	withdrawn	156
	not rated	not rated	2,056
	Deposits	not rated	not rated
Equities (exempt from disclosure)	N/A	N/A	73,855
Exchange traded funds (exempt from disclosure)	N/A	N/A	119,632
Investment Trust of California (CalTRUST)	not rated	not rated	213,821
Local Agency Investment Fund (LAIF)	not rated	not rated	40,000
Mortgage loans	not rated	not rated	1,732
Municipal bonds/notes	A	A	6,382
	A	Baa	3,373
	A	not rated	5,646
	AA	A	11,325
	AA	Aa	108,277
	AA	Aaa	2,847
	AA	not rated	14,211
	AAA	Aaa	8,029
	AAA	not rated	5,266
	not rated	A	12,549
	not rated	Aa	6,509
	not rated	Aaa	2,986
	not rated	MIG1	3,000
	not rated	not rated	100

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

Cash and Investment Type	S & P	Moody's	Total
Mutual funds	AAA	Aaa	62,102
	AAA	not rated	5,004
U.S. agency securities	AA	Aaa	182,001
	AA	not rated	15,978
	not rated	not rated	25,939
	N/A	N/A	1,182
U.S. Treasury bills (exempt from disclosure)	N/A	N/A	20,536
U.S. Treasury notes (exempt from disclosure)	N/A	N/A	14,961
			\$ 1,541,106
Total Cash and Investments			

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. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2017:

JP Morgan \$ 80,659

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government 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 investments are insured, registered or held by the Treasurer's custodial agent in the City's name.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value and Measurement and Application

The City categorizes its 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 has 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 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 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 the City's management. City management considers 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 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. The City's 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 (NAV) per share. The total fair value of these at June 30, 2017 was \$35,126 and \$31,980 respectively, with \$0 unfunded commitments. The redemption frequently 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 Investment Pools 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.

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurement and Application (Continued)

The following is a description of the valuation methods and assumptions used by the City 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 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.
- The City held two types of investments that are measured using Level 3 inputs, Commercial Paper and Mortgage Loans. Commercial Paper is reported using the cost approach. There is no observable input and no active market. The Mortgage Loan is reported using the income approach. The value of the Mortgage Loan on the books 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, 2017. 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 management believes 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017:

	Balance at June 30, 2017	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				
Certificates of deposit	\$ 41,560	\$ -	\$ 41,560	\$ -
Commercial paper	164,000	-	-	164,000
Corporate bonds/notes	350,134	-	350,134	-
Equities	73,855	73,855	-	-
Exchange traded funds	119,632	119,632	-	-
Mortgage loans	1,732	-	-	1,732
Municipal bonds/notes	190,500	-	190,500	-
U.S. agency securities	171,411	-	171,411	-
U.S. Treasury notes	14,961	14,961	-	-
Total Investments by Fair Value Level	1,127,785	\$ 208,448	\$ 753,605	\$ 165,732
Investments Not Measured at Fair Value				
Certificates of deposit (Non Negotiable)	2,000			
Deposits	1,601			
Total Investments Not Measured at Fair Value	3,601			
Investments Measured at Net Asset Value				
Mutual funds	35,126			
Total Investments Measured at Net Asset Value	35,126			
Investments Uncategorized				
Investment Trust of California (CalTRUST)	213,821			
Local Agency Investment Fund (LAIF)	40,000			
Total Investments Uncategorized	253,821			
Total City's Pooled Investments	1,420,333			
Investments Held Outside City Pool by Fair Value Level				
Corporate bonds/notes	14,113	\$ -	\$ 14,113	\$ -
U.S. agency securities	53,689	-	53,689	-
U.S. Treasury bills	20,536	20,536	-	-
Total Investments Held Outside City Pool by Fair Value Level	88,338	\$ 20,536	\$ 67,802	\$ -
Investments Held Outside City Pool Not Measured at Fair Value				
Deposits	455			
Total Investments Held Outside City Pool Not Measured at Fair Value	455			
Investments Held Outside City Pool Measured at Net Asset Value				
Mutual funds	31,980			
Total Investments Held Outside City Pool Measured at Net Asset Value	31,980			
Total Investments Held Outside City Pool	120,773			
Total Investments	\$ 1,541,106			

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 6.45% of pool participation. The City Sponsored Investment Pool excludes activities of the pension trust fund, SHRA and funds held by fiscal agents.

The following represents a condensed statement of net position and changes in net position for the City Sponsored Investment Pool as of June 30, 2017:

Statement of Net Position:

Investments at fair value	\$ 1,047,958
Interest receivables	2,963
Net Position	<u>\$ 1,050,921</u>
Equity of internal pool participants	\$ 983,196
Equity of external pool participants	67,725
Total equity	<u>\$ 1,050,921</u>

Statement of Changes in Net Position:

Net position at July 1, 2016	\$ 927,201
Net change in investments by pool participants	123,720
Net position at June 30, 2017	<u>\$ 1,050,921</u>

A summary of the investment classifications as of June 30, 2017 is as follows:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Certificates of deposit	\$ 43,063	\$ 42,868	0.80-2.40%	11/17-04/22
Commercial paper	164,000	163,299	0.94-1.50%	07/17-03/18
Corporate bonds/notes	290,008	291,237	0.62-7.62%	07/17-06/22
Deposits	192	192	N/A	N/A
Investment Trust of California (CalTRUST)	185,028	185,028	1.41-1.28%	N/A
Municipal bonds/notes	122,384	122,741	0.98-5.95%	08/17-05/22
Mutual funds	29,567	29,567	0.50-0.95%	N/A
Local Agency Investment Fund (LAIF)	40,000	40,000	0.98%	N/A
U.S. agency securities	158,755	159,416	0.65-6.25%	07/17-06/22
U.S. Treasury notes	14,961	14,905	1.75%	11/21
Total cash and investments in City sponsored investment pool	<u>\$ 1,047,958</u>	<u>\$ 1,049,253</u>		

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017, the City's investment in LAIF is \$40,000. The total amount invested by all public agencies in LAIF at that date is \$22,812,818. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2017 had a balance of \$77,539,216. Of that amount, 97.11% is invested in non-derivative financial products, and 2.89% 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, 2017, the City's investment in CalTRUST is \$213,821, of which \$142,989 was invested in the Short-term pool and \$70,832 in the Medium-term pool. Amounts that may be withdrawn from the Money Market Fund 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2017, were as follows:

	Taxes	Accounts	Loans	Inter-govern- mental	Interest	Total
Governmental activities						
General Fund	\$ 28,608	\$ 21,391	\$ -	\$ 2,750	\$ 586	\$ 53,335
Measure U Fund	8,113	-	-	-	148	8,261
Capital Grants Fund	-	123	-	8,275	-	8,398
1997 Lease Revenue Bond Fund	-	-	32,733	-	-	32,733
2015 Golden 1 Center Lease Revenue Bond Fund	-	-	142,771	-	55	142,826
Other governmental funds	4,274	2,951	7,388	27,277	186	42,076
Internal service funds	-	233	-	-	302	535
	<u>\$ 40,995</u>	<u>\$ 24,698</u>	<u>\$ 182,892</u>	<u>\$ 38,302</u>	<u>\$ 1,277</u>	<u>\$ 288,164</u>
Amounts not scheduled for collection during the subsequent year						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,488</u>	<u>\$ 13,486</u>	<u>\$ -</u>	<u>\$ 184,974</u>
Business-type activities						
Water Fund	\$ -	\$ 17,701	\$ 2,297	\$ 3,490	\$ 834	\$ 24,322
Wastewater Fund	-	10,886	551	852	177	12,466
Storm Drainage Fund	-	5,263	2,838	990	170	9,261
Solid Waste Fund	-	8,687	-	-	169	8,856
Community Center Fund	2,922	238	66	-	133	3,359
Other enterprise funds	-	796	1	-	105	902
	<u>\$ 2,922</u>	<u>\$ 43,571</u>	<u>\$ 5,753</u>	<u>\$ 5,332</u>	<u>\$ 1,588</u>	<u>\$ 59,166</u>

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$14,645 in governmental activities and \$1,056 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 \$4,786, 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 current fiscal year. Minimum lease payments to be received from the Kings is \$407,699 over 36 years. The present value of the minimum lease payments discounted at 5.674% is \$143,412. Accordingly, a loan receivable balance of \$142,771 is reported in the financial statements as of June 30, 2017. Payments from the Sacramento Kings will be used to reduce interest expense related to the Golden 1 Center 2015 lease revenue bonds.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS

Summary

The following is a summary of capital assets as of June 30, 2017:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated/amortized			
Land	\$ 204,014	\$ 50,314	\$ 254,328
Easements	913	291	1,204
Construction in progress	108,497	261,264	369,761
Total capital assets not being depreciated/amortized	<u>313,424</u>	<u>311,869</u>	<u>625,293</u>
Depreciable/amortizable capital assets			
Buildings and improvements	676,206	281,831	958,037
Equipment	73,726	60,344	134,070
Software	6,138	2,237	8,375
Vehicles	145,626	-	145,626
Transmission and distribution system	4,777	1,255,850	1,260,627
Roadway network	1,660,276	-	1,660,276
Streetlight network	236,223	-	236,223
Park improvements	193,517	-	193,517
Total depreciable/amortizable capital assets	<u>2,996,489</u>	<u>1,600,262</u>	<u>4,596,751</u>
Less accumulated depreciation/amortization for:			
Buildings and improvements	(236,035)	(148,683)	(384,718)
Equipment	(54,117)	(42,171)	(96,288)
Software	(2,118)	(878)	(2,996)
Vehicles	(90,859)	-	(90,859)
Transmission and distribution system	(834)	(451,974)	(452,808)
Roadway network	(1,012,730)	-	(1,012,730)
Street light network	(83,720)	-	(83,720)
Park improvements	(57,014)	-	(57,014)
Total accumulated depreciation/amortization	<u>(1,537,427)</u>	<u>(643,706)</u>	<u>(2,181,133)</u>
Depreciable/amortizable capital assets, net	<u>1,459,062</u>	<u>956,556</u>	<u>2,415,618</u>
Total capital assets, net	<u>\$ 1,772,486</u>	<u>\$ 1,268,425</u>	<u>\$ 3,040,911</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS (Continued)

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 202,374	\$ 1,640	\$ -	\$ -	\$ 204,014
Easements	913	-	-	-	913
Construction in progress	349,769	67,209	(308,481)	-	108,497
Total capital assets not being depreciated/amortized	553,056	68,849	(308,481)	-	313,424
Depreciable/amortizable capital assets					
Buildings and improvements	630,189	46,017	-	-	676,206
Equipment	73,409	317	-	-	73,726
Software	4,866	1,272	-	-	6,138
Vehicles	138,086	13,181	(5,641)	-	145,626
Transmission and distribution system	3,622	4,263	-	(3,108)	4,777
Roadway network	1,639,363	25,778	(4,865)	-	1,660,276
Streetlight network	227,620	8,603	-	-	236,223
Park improvements	189,943	3,574	-	-	193,517
Total depreciable/amortizable capital assets	2,907,098	103,005	(10,506)	(3,108)	2,996,489
Less accumulated depreciation/amortization for:					
Buildings and improvements	(222,701)	(13,334)	-	-	(236,035)
Equipment	(50,885)	(3,232)	-	-	(54,117)
Software	(1,666)	(452)	-	-	(2,118)
Vehicles	(86,052)	(9,939)	5,132	-	(90,859)
Transmission and distribution system	(766)	(68)	-	-	(834)
Roadway network	(973,054)	(44,541)	4,865	-	(1,012,730)
Streetlight network	(78,128)	(5,592)	-	-	(83,720)
Park improvements	(49,977)	(7,037)	-	-	(57,014)
Total accumulated depreciation/amortization	(1,463,229)	(84,195)	9,997	-	(1,537,427)
Depreciable/amortizable capital assets, net	1,443,869	18,810	(509)	(3,108)	1,459,062
Governmental activities capital assets, net	\$ 1,996,925	\$ 87,659	\$ (308,990)	\$ (3,108)	\$ 1,772,486
Depreciation/amortization expense was charged to functions as follows:					
General government		\$ 5,374			
Police		1,424			
Fire		1,135			
Public works		51,188			
Economic development		100			
Convention and cultural services		4,229			
Parks and recreation		9,471			
Community development		228			
Library		955			
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets		10,091			
Total governmental activities depreciation/amortization expense		\$ 84,195			

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 50,314	\$ -	\$ -	\$ -	\$ 50,314
Easements	291	-	-	-	291
Construction in progress	266,143	52,350	(57,229)	-	261,264
Total capital assets not being depreciated/amortized	<u>316,748</u>	<u>52,350</u>	<u>(57,229)</u>	<u>-</u>	<u>311,869</u>
Depreciable/amortizable capital assets					
Buildings and improvements	280,676	1,155	-	-	281,831
Equipment	64,452	-	(4,108)	-	60,344
Software	1,958	279	-	-	2,237
Transmission and distribution system	1,196,826	55,916	-	3,108	1,255,850
Total depreciable/amortizable capital assets	<u>1,543,912</u>	<u>57,350</u>	<u>(4,108)</u>	<u>3,108</u>	<u>1,600,262</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(142,690)	(5,993)	-	-	(148,683)
Equipment	(43,685)	(2,594)	4,108	-	(42,171)
Software	(712)	(166)	-	-	(878)
Transmission and distribution system	(421,577)	(30,397)	-	-	(451,974)
Total accumulated depreciation/amortization	<u>(608,664)</u>	<u>(39,150)</u>	<u>4,108</u>	<u>-</u>	<u>(643,706)</u>
Depreciable/amortizable capital assets, net	<u>935,248</u>	<u>18,200</u>	<u>-</u>	<u>3,108</u>	<u>956,556</u>
Business-type activities capital assets, net	<u>\$ 1,251,996</u>	<u>\$ 70,550</u>	<u>\$ (57,229)</u>	<u>\$ 3,108</u>	<u>\$ 1,268,425</u>
Depreciation/amortization expense was charged to functions as follows:					
Water		\$ 19,226			
Wastewater		3,996			
Storm drainage		10,794			
Solid waste		1,398			
Community center		1,965			
Parking		1,693			
Child development		78 ⁽¹⁾			
Total business-type activities depreciation/amortization expense		<u>\$ 39,150</u>			

(1) Varies \$7 from amount reported in Other Enterprise Funds Financials as it is related to the amortization of "prepaid rent" for Regency Park Building.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 5 – PAYABLES

Payables as of June 30, 2017, were as follows:

	<u>Vendors</u>	<u>Employees</u>	<u>Interest</u>	<u>Deposits</u>	<u>Total</u>
Governmental activities					
General Fund	\$ 16,137	\$ 20,170	\$ -	\$ 141	\$ 36,448
Measure U Fund	586	-	-	-	586
Capital Grants Fund	4,409	-	-	-	4,409
1997 Lease Revenue Bond Fund	-	-	631	-	631
Other governmental funds	16,592	200	7,384	2,161	26,337
Internal service funds	<u>7,526</u>	<u>496</u>	<u>6</u>	<u>-</u>	<u>8,028</u>
Total governmental activities	<u>\$ 45,250</u>	<u>\$ 20,866</u>	<u>\$ 8,021</u>	<u>\$ 2,302</u>	<u>\$ 76,439</u>
Business-type activities					
Water Fund	\$ 10,339	\$ 1,562	\$ 3,972	\$ 14	\$ 15,887
Wastewater Fund	13,571	414	488	-	14,473
Storm Drainage Fund	899	616	164	15	1,694
Solid Waste Fund	2,311	636	59	-	3,006
Community Center Fund	3,425	283	256	-	3,964
Other enterprise funds	<u>2,446</u>	<u>417</u>	<u>131</u>	<u>-</u>	<u>2,994</u>
Total business-type activities	<u>\$ 32,991</u>	<u>\$ 3,928</u>	<u>\$ 5,070</u>	<u>\$ 29</u>	<u>\$ 42,018</u>

Included in the Interest Payable amount related to 1997 Lease Revenue Bond Fund above is the interest payable accrual of \$631, 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 \$5,505, reported in the government-wide statement of net position.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 6 – OPERATING LEASES

City as Lessee

The City is obligated under various operating leases for the use of land, buildings, office space, and equipment. Lease expenditures, primarily for governmental funds, for the fiscal year ended June 30, 2017, were \$1,223.

Sublease rental income for the fiscal year ended June 30, 2017 was \$712. The total amount of minimum rentals to be received in the future under non-cancelable subleases is \$2,192.

Future minimum lease payments required by non-cancellable lease agreements that have initial lease terms in excess of one year are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Payments</u>
2018	\$ 814
2019	676
2020	642
2021	663
2022	677
2023 - 2027	3,029
2028 - 2032	3,169
2033 - 2037	3,039
2038 - 2042	2,539
2043 - 2047	2,681
2048 - 2052	2,806
2053 - 2057	1,302
2058 - 2062	<u>224</u>
Total future minimum lease payments	<u>\$ 22,261</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017. Certain long-term liabilities provide financing to both governmental and business-type activities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	\$ 7,811	\$ -	\$ (1,403)	\$ 6,408	\$ 1,478
1993 Refunded Revenue Bonds, Series B	13,096	-	(2,352)	10,744	2,478
1997 Lease Revenue Bonds	57,315	-	(2,665)	54,650	3,025
1999 CFD No. 2 Revenue Bonds, Series A	1,610	-	(1,610)	-	-
2006 Capital Improvement Revenue Bonds, Series B	47,050	-	(1,185)	45,865	1,255
2006 Capital Improvement Revenue Bonds, Series D	475	-	(475)	-	-
2006 Capital Improvement Revenue Bonds, Series E	80,803	-	-	80,803	-
2015 Refunding Revenue Bonds	115,725	-	(9,645)	106,080	8,995
2015 Lease Revenue Bonds - Golden 1 Center	272,870	-	-	272,870	3,425
2016 Lease Financing	9,115	-	(735)	8,380	435
Subtotal, revenue and other bonds	605,870	-	(20,070)	585,800	21,091
Notes Payable:					
1997 State Department of Boating & Waterways	283	-	(90)	193	94
1985 Marina Phase I	1,493	-	(48)	1,445	50
1985 Marina Phase II	2,306	-	(63)	2,243	66
1985 Marina Phase III	411	-	(131)	280	137
1985 Marina Phase IV	320	-	(75)	245	78
2008 Sacramento Marina South Basin	10,477	-	-	10,477	983
Subtotal, notes payable	15,290	-	(407)	14,883	1,408
Capital Lease Obligations:					
JP Morgan Fleet Financing	863	-	(574)	289	289
JP Morgan Capital Lease Refinance	443	-	(443)	-	-
Fire trucks and equipment #3	2,062	-	(482)	1,580	504
Liquid nitrate gas (LNG) - Refueling Trailer	101	-	(27)	74	28
Parking meters system with AutoVu	3,046	-	(1,207)	1,839	1,223
Bank of America - Marina South Basin	779	-	(106)	673	111
Subtotal, capital lease obligations	7,294	-	(2,839)	4,455	2,155
Plus deferred amounts:					
For issuance discounts	(8)	-	2	(6)	(2)
For issuance premiums	21,489	-	(1,186)	20,303	1,187
Subtotal deferred amounts	21,481	-	(1,184)	20,297	1,185
Subtotal, debt governmental activities	649,935	-	(24,500)	625,435	25,839
Other Long-term Liabilities:					
Accrued claims and judgements	73,767	28,094	(18,443)	83,418	22,852
Compensated absences	34,800	36,738	(35,256)	36,282	2,276
OPEB liability	172,023	24,052	(19,250)	176,825	-
Net pension liability	633,425	207,271	(81,965)	758,731	-
Pollution remediation obligations	1,664	786	(656)	1,794	59
Derivative instrument - interest rate swap	3,217	-	(2,646)	571	-
Financing plan fee credits:					
North Natomas	42,809	1,939	(5,646)	39,102	1,328
Jacinto Creek	968	34	-	1,002	-
Park Development	2,352	3	(1,341)	1,014	455
Subtotal, other long-term liabilities	965,025	298,917	(165,203)	1,098,739	26,970
Total governmental activities	\$ 1,614,960	\$ 298,917	\$ (189,703)	\$ 1,724,174	\$ 52,809

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Activity (Continued)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	\$ 32,251	\$ -	\$ (5,792)	\$ 26,459	\$ 6,102
1993 Refunded Revenue Bonds, Series B	14,304	-	(2,568)	11,736	2,707
2006 Capital Improvement Revenue Bonds, Ser. E	92,277	-	-	92,277	-
Water Revenue Bonds, Series 2013	208,010	-	(3,780)	204,230	3,960
Water Revenue Bonds, Series 2017	-	52,610	-	52,610	-
Wastewater Revenue Bonds, Series 2013	30,295	-	(580)	29,715	605
2015 Refunding Revenue Bonds	67,655	-	(7,035)	60,620	7,335
Subtotal, revenue and other bonds	<u>444,792</u>	<u>52,610</u>	<u>(19,755)</u>	<u>477,647</u>	<u>20,709</u>
Notes Payable:					
State Water Resources Control Board	319	-	(157)	162	162
State Water Resources Control Board	11,088	-	(2,124)	8,964	2,170
State Water Resources Control Board	1,283	-	(309)	974	317
State Water Resources Control Board	1,842	-	(349)	1,493	358
State Water Resources Control Board	767	-	(145)	622	149
California Department of Public Health	8,588	-	(426)	8,162	437
California Infrastructure and Economic Development Bank (I-Bank)	2,450	-	(79)	2,371	81
Subtotal, notes payable	<u>26,337</u>	<u>-</u>	<u>(3,589)</u>	<u>22,748</u>	<u>3,674</u>
Capital Lease Obligations:					
Refuse Trucks - Schedule 16	1,069	-	(1,069)	-	-
Sewer Cleaning Trucks - Schedule 17	152	-	(152)	-	-
JP Morgan Capital Lease Refinance	1,122	-	(558)	564	564
Parking Equipment - Schedule 19	3,612	-	(781)	2,831	794
Parking Equipment - Schedule 20	2,700	-	(521)	2,179	530
Subtotal, capital lease obligations	<u>8,655</u>	<u>-</u>	<u>(3,081)</u>	<u>5,574</u>	<u>1,888</u>
Less deferred amounts:					
For issuance discounts	(245)	-	59	(186)	(60)
For issuance premiums	48,856	10,192	(2,758)	56,290	3,086
Subtotal, deferred amounts	<u>48,611</u>	<u>10,192</u>	<u>(2,699)</u>	<u>56,104</u>	<u>3,026</u>
Subtotal, debt, business type activities	<u>528,395</u>	<u>62,802</u>	<u>(29,124)</u>	<u>562,073</u>	<u>29,297</u>
Other Long-term Liabilities:					
Compensated absences	7,341	7,771	(7,992)	7,120	381
OPEB liability	30,699	4,227	(2,651)	32,275	-
Net pension liability	97,465	26,566	(18,015)	106,016	-
Accrued claims and judgements	504	189	-	693	693
Water fee credits	976	-	(762)	214	-
Liability for landfill closure	1,177	-	-	1,177	85
Subtotal, other long-term liabilities	<u>138,162</u>	<u>38,753</u>	<u>(29,420)</u>	<u>147,495</u>	<u>1,159</u>
Total business-type activities	<u>\$ 666,557</u>	<u>\$ 101,555</u>	<u>\$ (58,544)</u>	<u>\$ 709,568</u>	<u>\$ 30,456</u>
Total long-term liabilities	<u>\$ 2,281,517</u>	<u>\$ 400,472</u>	<u>\$ (248,247)</u>	<u>\$ 2,433,742</u>	<u>\$ 83,265</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

Revenue and Other Bonds

Issued Amount

- \$130,425 1993 Refunded Revenue Bonds, Series A
Authorized and issued September 1993, due in annual installments of \$2,186 to \$8,875 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1986 Public Facilities Certificates of Participation and a portion of the 1991 Marks-Roos Revenue Bonds.
- \$95,480 1993 Refunded Revenue Bonds, Series B
Authorized and issued September 1993, due in annual installments of \$1,634 to \$6,070 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1989 Public Facilities Certificates of Participation.
- \$73,725 1997 Lease Revenue Bonds
Authorized and issued July 1997, due in annual installments of \$1,060 to \$2,665 through July 2017, at which time there will be a mandatory remarketing. The bonds were issued to finance the acquisition and lease back of a sports and entertainment arena. The bonds were issued as variable rate bonds for which a ten-year interest rate hedge was purchased to mitigate risk of interest rate fluctuations to a fixed rate of 5.607%. The debt service on the bonds is paid from lease revenue from the arena owner. The City pledged future lease revenues to repay the bonds. The bonds are payable solely from lease revenue through July 2027. Total remaining principal and interest of \$55,416 will be paid using 100% of future lease revenue. Current year principal and interest paid was \$5,758 and lease revenue was \$28,506.
- \$55,235 2006 Capital Improvement Revenue Bonds, Series B (Taxable)
Authorized and issued June 15, 2006, due in annual installments of \$720 to \$3,760 through December 1, 2036, bearing interest rates of 5.4% to 5.8%. Net proceeds of \$50,692 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including an arts rehearsal building, Pocket Area Library and other capital projects within the City of Sacramento.
- \$186,950 2006 Capital Improvement Revenue Bonds, Series E (Refunding)
Authorized and issued December 12, 2006, due in annual installments of \$402 to \$8,570 through December 1, 2033, bearing interest rates of 4% to 5.25%. Net proceeds of \$216,661 plus cash of \$13,441 have been utilized for the purpose of establishing an irrevocable escrow to defease \$218,000 principal amount of the outstanding 2001 Capital Improvement Revenue Bonds and a portion of the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, and the associated liabilities have been removed from the governmental and business-type activities columns of the statement of net position.
- \$215,195 2013 Water Revenue Bonds
Authorized and issued March 2013, due in annual installments of \$9,731 to \$14,018 through fiscal year 2043, bearing interest rates of 1% to 5%, for the purpose of financing the costs of improvements to the City’s municipal water system. The debt service on the bonds is secured by the pledge of, and payable solely from, the Trust Estate, which consist 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 \$364,409 as of June 30, 2017. Current year principal and interest paid was \$14,016 and Water Fund system revenue was \$108,867.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

- \$30,855 2013 Wastewater Revenue Bonds
Authorized and issued June 2013, due in annual installments of \$951 to \$1,958 through fiscal year 2043, bearing interest rates of 3% to 5%, for the purpose of financing the costs of improvements to the City's wastewater system. The debt service on the bonds 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 \$50,842 as of June 30, 2017. Current year principal and interest paid was \$1,955 and Wastewater Fund system revenue was \$34,311.
- \$183,380 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 cost of issuance. The refunded liabilities have been removed from the associated fund and government-wide financial statements. The net carrying value of the old debt exceeded the reacquisition price by \$1,983. The 2015 Refunding reduced total debt service payments by \$37,788, and resulted in an economic gain of \$21,552.
- \$272,870 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%.
- \$9,115 2016 Lease Financing – H Street Theater Complex
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 cost of issuance of the outstanding Sacramento Regional Arts Facilities 2002 Certificates of Participation.
- \$52,610 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 service on the bonds is secured by the pledge of, and payable solely from, the Trust Estate, which consist 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 \$103,102 as of June 30, 2017. Current year principal and interest paid was \$0 and Water Fund system revenue was \$108,867.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(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.
- \$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.
- \$1,829 1985 Sacramento Marina Note Payable, Phase III
Authorized July 1985, issued March 1988, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$50 to \$120 through August 2018, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina.
- \$1,117 1985 Sacramento Marina Note Payable, Phase IV
Authorized July 1985, issued February 1989, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$29 to \$73 through August 2019, bearing an interest rate of 4.5%, for the purpose of financing the expansion 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, for the purpose of constructing the South Basin Improvements at the Sacramento Marina. Principal and interest is due in 30 annual installments of \$204 to \$662, through August 2041, bearing an interest rate of 4.603%. The City has made no principal or interest payments on this loan since 2013, and is working with DB&W on a loan restructure. As of June 30, 2017, the DB&W and the City have not executed a formal agreement to restructure this loan.
- \$1,380 1997 State Department of Boating and Waterways Note Payable
Authorized January 1997, issued May 1999, due in annual installments of \$89 to \$98 through 2018, for the purpose of financing a visitor dock at Old Sacramento.
- \$2,619 State Water Resources Control Board Note Payable
Authorized July 1998, issued September 1998, due in annual installments of \$166 through March 2018, bearing an interest rate of 2.6% for the purpose of financing the City's reservoir rehabilitation project. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through March 2018. Total principal and interest remaining to be paid on the note is \$166. Current year principal and interest paid was \$166 and wastewater and storm drainage fee revenue was \$74,435.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

- \$37,016 State Water Resources Control Board Note Payable
Authorized March 1999, issued beginning July 1999, due in annual installments of \$2,373 through November 2020, bearing an interest rate of 2.2%, for the purpose of financing various wastewater projects. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through November 2020. Total principal and interest remaining to be paid on the note is \$9,468. Current year principal and interest paid was \$2,367 and wastewater and storm drainage fee revenue was \$74,435.
- \$5,177 State Water Resources Control Board Note Payable
Authorized March 2001, issued July 2001, due in annual installments of \$342 through September 2019, bearing an interest rate of 2.6%, for the purpose of financing the construction of underground storage and pumping facilities. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through September 2019. Total principal and interest remaining to be paid on the note is \$1,026. Current year principal and interest paid was \$342 and wastewater and storm drainage fee revenue was \$74,435.
- \$2,603 State Water Resources Control Board Note Payable
Authorized June 2001, issued beginning May 2002, due in annual installments of \$165 through May 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through May 2021. Total principal and interest remaining to be paid on the note is \$660. Current year principal and interest paid was \$165 and wastewater and storm drainage fee revenue was \$74,435.
- \$5,672 State Water Resources Control Board Note Payable
Authorized February 2002, issued beginning February 2002, due in annual installments of \$397 through February 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through February 2021. Total principal and interest remaining to be paid on the note is \$1,588. Current year principal and interest paid was \$397 and wastewater and storm drainage fee revenue was \$74,435.
- \$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 with annual principal and interest payments of approximately \$639. The City pledged future water enterprise fund revenue to repay the note. Water Fund system revenue was \$108,867. The note is payable solely from water enterprise fund revenue through 2033.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

\$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 \$3,332. Current year principal and interest paid was \$162 and storm drainage fee revenue was \$40,124.

Capital Lease Obligations

The City has entered into several long-term leases to finance the acquisition of building improvements and equipment. The leases qualify as capital leases for accounting purposes as defined under the GASB Statement No. 62 and have been recorded at the present value of the future minimum lease payments. As of June 30, 2017, future minimum lease payments to be made by the City's General, Solid Waste, Wastewater and Culture and Leisure Funds are as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2018	\$ 2,271	\$ 1,970	\$ 4,241
2019	1,358	1,399	2,757
2020	722	1,400	2,122
2021	139	984	1,123
2022	139	-	139
2023 - 2027	69	-	69
Total minimum lease payments	4,698	5,753	10,451
Less amounts representing interest	(243)	(179)	(422)
Net present value of minimum lease payments	\$ 4,455	\$ 5,574	\$ 10,029

The following is a schedule of property under capital leases by major classes at June 30, 2017:

	Governmental Activities	Business-Type Activities	Total
Buildings and improvements	\$ 1,523	\$ -	\$ 1,523
Equipment	21,970	16,019	37,989
Less: accumulated depreciation	(10,035)	(10,282)	(20,317)
Total	\$ 13,458	\$ 5,737	\$ 19,195

Other Long-term Liabilities

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

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.

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Other Long-term Liabilities (Continued)

OPEB liability (other post-employment benefits) – Actuarially determined obligation for retiree medical benefits. The City established its OPEB liability at zero as of June 30, 2007. This liability reflects eight years of contributing less than the annual required contribution. OPEB liabilities are generally liquidated by the City’s General Fund, internal service funds and enterprise funds. See note 9 for more information.

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

Derivative instrument - interest rate swap – Amount represents the fair value of the interest rate swap associated with the 1997 Lease Revenue bonds. See additional disclosures regarding interest rate swap below.

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 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.

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

Net Pension Liability – The net pension liability is \$758,731 and \$106,015 for governmental activities and business-type activities, respectively, at June 30, 2017. Refer to Note 8 for more detailed information.

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, 2017.

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

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 21,091	\$ 30,564	\$ 1,408	\$ 645
2019	21,165	29,453	669	616
2020	21,385	28,294	448	586
2021	21,916	27,315	377	567
2022	18,505	26,333	396	548
2023 - 2027	112,320	116,664	2,267	2,454
2028 - 2032	113,176	86,452	2,834	1,887
2033 - 2037	90,952	59,185	3,428	1,178
2038 - 2042	50,160	41,241	3,056	419
2043 - 2047	65,960	25,420	-	-
2048 - 2052	49,170	5,645	-	-
Subtotals	585,800	476,566	14,883	8,900
Less: Issuance discounts	(6)	-	-	-
Plus: Issuance premiums	20,303	-	-	-
Totals	\$ 606,097	\$ 476,566	\$ 14,883	\$ 8,900

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Future Debt Service Requirements (Continued)

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

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 20,709	\$ 22,499	\$ 3,674	\$ 564
2019	22,510	22,238	3,595	477
2020	23,655	21,072	3,679	392
2021	24,869	19,840	3,424	305
2022	15,215	18,875	575	225
2023 - 2027	85,005	82,311	3,108	885
2028 - 2032	102,549	58,361	3,538	446
2033 - 2037	71,993	35,717	1,006	96
2038 - 2042	78,180	18,552	149	3
2043 - 2047	29,670	3,176	-	-
2048 - 2052	3,292	86	-	-
Subtotals	477,647	302,727	22,748	3,393
Less: Issuance discounts	(186)	-	-	-
Plus: Issuance premiums	56,290	-	-	-
Totals	\$ 533,751	\$ 302,727	\$ 22,748	\$ 3,393

Derivative Instrument - Interest Rate Swap

Objective of the interest rate swap. In July 2007, the Sacramento City Financing Authority (the “Authority”) and Goldman Sachs Capital Markets, L.P. (“GSCM”) entered into an interest-rate swap in connection with the remarketing of the Authority’s 1997 Lease Revenue Bonds (ARCO Arena Acquisition) variable-rate bonds (the “Bonds”). In effect, the swap changed the Bonds variable rate to a synthetic fixed rate of 5.607% through the end of the swap agreement’s term, thereby hedging the Authority’s interest-rate risk and lowering the Authority’s borrowing cost compared to the cost of issuing traditional fixed-rate bonds. As of June 30, 2017, the amount of outstanding Bonds was \$54,650. The interest and principal payments on the Bonds are insured by National Public Finance Guarantee Corporation (“NPFGC”), formerly MBIA Insurance Corporation.

Terms. The Bonds mature on July 15, 2027; are subject to mandatory remarketing on July 19, 2017; and carry an interest rate equal to 3-month London Interbank Offered Rate (“LIBOR”) plus 0.25% (total rate not to exceed 14%), payable quarterly, until July 19, 2017. As noted, the swap was entered at the same time the Bonds were remarketed in July 2007. The swap agreement terminates on July 19, 2017, and has a notional amount as of June 30, 2017, of \$54,650. The notional amount of the swap and the par amount of the Bonds each decline according to the same schedule through July 19, 2017. Under the swap, the Authority pays the swap provider a fixed interest payment of 5.607% and receives a variable-interest payment of LIBOR plus 0.25% (total rate not to exceed 14%). The Authority’s payments to the swap provider are also insured by NPFGC.

Fair value. As of June 30, 2017, the swap had a negative value to the Authority of \$571, which reflects the decline in interest rates since 2007. (Because the interest rates on the Bonds adjust as LIBOR adjusts, the Bonds do not have a corresponding value increase.) The swap’s value was estimated using the zero-coupon method, which calculates the future net-settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot-interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This swap is categorized as Level 2 based on observable market data derived from LIBOR.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Derivative Instrument - Interest Rate Swap (Continued)

Provider credit risk. The value of the swap to the Authority depends on the “provider credit risk,” which is the swap provider’s ability to meet its payment obligations under the swap. Often this risk is addressed by requiring the swap provider to enter into a “collateral agreement” if its credit rating falls below specified levels. Such an agreement provides for the collateralization of the swap provider’s obligations under the swap, as measured by the estimated “settlement amount” if the swap is terminated. But when the Authority entered into this swap, the swap provider, GSCM, was not rated by credit rating agencies, so a rated affiliate of GSCM, The Goldman Sachs Group, Inc. (“GS Group”), provided credit support. GSCM was replaced in November 2008 by a rated swap provider, Goldman Sachs Bank USA (“GS Bank”).

The swap agreement requires the swap provider to enter into a collateral agreement if the credit support provider is rated A3 or lower by Moody’s Investor Service or A- or lower by Standard & Poor’s. As of June 30, 2017, the current swap provider, GS Bank, was rated A1 by Moody’s Investors Services and A+ by Standard & Poor’s; the credit support provider, GS Group, was rated A3 by Moody’s Investors Service and BBB+ by Standard & Poor’s; and GS Bank and the Authority had not entered into a collateral agreement.

Basis risk. The swap agreement provides that the payment received by the Authority must be at LIBOR plus 0.25% (total rate not to exceed 14%), which is identical to the interest rate on the Bonds. This mitigates the Authority’s exposure to basis risk.

Termination risk. Under certain circumstances, either the swap provider or the Authority may terminate the swap. If the swap is terminated, then the Authority would no longer pay a synthetic fixed-interest rate on the Bonds but would instead pay the variable rate. And if, at the time of termination, the swap has a negative value, then the Authority would be liable to the swap provider for a payment equal to the swap’s value.

Rollover Risk. The Authority is exposed to rollover risk on the swap because the maturity date of the swap agreement is July 2017 whereas the Bonds mature in July 2027.

Swap payments and associated debt. Using rates in effect on June 30, 2017, the debt-service requirements of the Bonds and the net swap payments, assuming interest rates remain the same through the July 2017 termination date of the swap and tender date on the Bonds, are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u> <u>Swaps, Net</u>	<u>Total</u>
2018	\$ 54,650	\$ 195	\$ 571	\$ 55,416
TOTAL	<u>\$ 54,650</u>	<u>\$ 195</u>	<u>\$ 571</u>	<u>\$ 55,416</u>

The interest rates on the Bonds will vary until July 2017, when the swap terminates, and the Bonds are remarketed.

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, 2017.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$158,030 at June 30, 2017. 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 Assessment Districts and Community Facilities Districts Agency Funds.

Conduit Debt

Outstanding obligations related to special facility and redevelopment agency revenue bonds total \$204,202 at June 30, 2017. 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.

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, 2017, the City reported total net pension liability, deferred outflows of resources and deferred inflows of resources for CalPERS (Miscellaneous and Safety Plans) and SCERS plan as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Miscellaneous Plan	\$ 293,925	\$ 75,211	\$ 9,474
Safety Plan	522,453	121,509	18,180
SCERS	48,369	1,837	-
Total	<u>\$ 864,747</u>	<u>\$ 198,557</u>	<u>\$ 27,654</u>

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

General Information about the Pension Plan

Plan Description – All qualified permanent 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 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/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

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 to full time employment. Members with five years of total service are eligible to retire at age 50 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.

The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
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	50-55	52-67
Monthly benefits, as a % of annual salary	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	6.82%	6.00%
Required employer contribution rates	16.48%	16.48%
	Safety	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
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	9.08%	11.50%
Required employer contribution rates	36.85%	36.85%

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	2,105	1,113
Inactive employees entitled to but not yet receiving benefits	4,071	380
Active employees	<u>2,585</u>	<u>1,185</u>
Total	<u><u>8,761</u></u>	<u><u>2,678</u></u>

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 the 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, 2017, the contributions for the miscellaneous and safety plans were \$30,084 and \$47,222 respectively.

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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾	3.3% - 14.2% ⁽¹⁾
Investment Rate of Return	7.65% ⁽²⁾	7.65% ⁽²⁾
Mortality	2014 CalPERS Experience Study	2014 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, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website at <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports.xml>.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 7.65% for each Plan. 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 the City’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. 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 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.

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.

In determining the long-term expected rate of return, CALPERSs staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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 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 rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Target Allocation	Real Return Years 1 - 10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	(0.55%)	(1.05%)
Total	100%		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3% used for this period.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017 are as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	<u>\$ 1,047,046</u>	<u>\$ 813,428</u>	<u>\$ 233,618</u>
Changes in the year:			
Service cost	23,374	-	23,374
Interest on the total pension liability	79,515	-	79,515
Changes of assumptions	-	-	-
Difference between Expected and Actual Experience	(333)	-	(333)
Plan to Plan resource movement	-	531	(531)
Contribution - employer	-	25,963	(25,963)
Contribution - employee	-	11,991	(11,991)
Net investment income	-	4,260	(4,260)
Benefit payments, including refunds of employee contributions	(37,980)	(37,980)	-
Administrative expense	-	(496)	496
Net changes	<u>64,576</u>	<u>4,269</u>	<u>60,307</u>
Balance at June 30, 2017	<u>\$ 1,111,622</u>	<u>\$ 817,697</u>	<u>\$ 293,925</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	<u>\$ 1,560,275</u>	<u>\$ 1,143,974</u>	<u>\$ 416,301</u>
Changes in the year:			
Service cost	31,672	-	31,672
Interest on the total pension liability	118,821	-	118,821
Changes of assumptions	-	-	-
Difference between Expected and Actual Experience	14,398	-	14,398
Plan to Plan resource movement	-	-	-
Contribution - employer	-	36,001	(36,001)
Contribution - employee	-	18,465	(18,465)
Net investment income	-	4,971	(4,971)
Benefit payments, including refunds of employee contributions	(74,572)	(74,572)	-
Administrative expense	-	(697)	697
Net changes	<u>90,319</u>	<u>(15,832)</u>	<u>106,151</u>
Balance at June 30, 2017	<u>\$ 1,650,594</u>	<u>\$ 1,128,142</u>	<u>\$ 522,452</u>
Totals of both Miscellaneous and Safety Plans	<u>\$ 2,762,216</u>	<u>\$ 1,945,839</u>	<u>\$ 816,377</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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	6.65%	6.65%	6.65%
Net Pension Liability	\$ 456,441	\$ 751,584	\$ 1,208,025
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 293,925	\$ 522,452	\$ 816,377
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 160,617	\$ 334,499	\$ 495,116

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 year ended June 30, 2017 the City recognized pension expense of \$25,296 and \$52,294 for the Miscellaneous and Safety Plans respectively. At June 30, 2017, 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>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 30,084	\$ -	\$ 47,222	\$ -	\$ 77,306	\$ -
Changes of assumption	-	6,254	-	17,811	-	24,065
Differences between actual and expected experience	-	2,974	11,629	369	11,629	3,343
Net differences between projected and actual earnings on plan investments	44,881	-	62,658	-	107,539	-
Proportionate share	246	246	-	-	246	246
Total	<u>\$ 75,211</u>	<u>\$ 9,474</u>	<u>\$ 121,509</u>	<u>\$ 18,180</u>	<u>\$ 196,720</u>	<u>\$ 27,654</u>

The amount of \$77,306 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 year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized as reductions of pension expense as follows:

Fiscal Year Ended June 30,	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
2018	\$ (2,512)	\$ 6,159	\$ 3,647
2019	6,493	6,159	12,652
2020	20,112	25,796	45,908
2021	11,560	17,440	29,000
2022	-	553	553
Total	<u>\$ 35,653</u>	<u>\$ 56,107</u>	<u>\$ 91,760</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 by writing the City of Sacramento Department of Finance, 915 I Street, 4th Floor, Sacramento, CA 95814. The following is a summary of significant accounting policies:

Basis of Accounting – SCERS’ financial statements are prepared using the accrual basis of accounting. 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 recorded 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. SCERS have 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 the 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 following:

<u>Retirement Age</u>	<u>Section 175</u>	<u>Section 399 and Equal Share</u>
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, 2017 the following employees were covered by the benefit terms for each Plan:

	<u>Section 399</u>	<u>Equal Shares</u>	<u>Section 175</u>	<u>Total</u>
Inactive members or beneficiaries receiving benefits	943	56	60	1,059
Inactive members entitled to but not yet receiving benefits	9	-	1	10
Active plan members	16	-	-	16
Total plan members	<u>968</u>	<u>56</u>	<u>61</u>	<u>1,085</u>

Cost-of-living Adjustment – This adjustment, established in 1969, provides for annual retirement benefit increases of up to 3% of normal benefits based on a corresponding rise in the consumer price index. Cost-of-living benefits are payable to retirees and beneficiaries of all of the above plans after one year of retirement. The cost-of-living adjustment was 2.8% for fiscal year 2017. 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 Reductions – For members participating in Social Security, their benefit will be reduced at the later of age 62 or actual retirement age. The amount of the reduction 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 the System plus the amount received from Social Security cannot be less than the member's benefit under the System calculated with no reductions as of this retirement age. 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 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 year ended June 30, 2017, the average active employee contribution rate was 6.35% of annual pay, and the City's average contribution rate was 1.7% of annual payroll. For the fiscal year ended June 30, 2017, the contributions for the SCERS plan were \$8,645.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Salary increase	3.25%	CPI Plus 0.5% merit, average
Investment rate of return	6.5%	percent, net of pension plan investment including inflation

Mortality rates for service retirements and beneficiaries were based on CalPERS 1997-2011 Mortality Table projected for future mortality improvement utilizing Society of Actuaries Scale AA. Mortality rates for disability retirements were based on CalPERS 1997-2011 Mortality Table for non-work Disabled Retirees for Miscellaneous and CalPERS 1997-2011 Mortality Table for work-related Disabled Retirees for Safety. Both tables were projected for future mortality improvement utilizing Society of Actuaries Scale AA.

The actuarial assumption used in the June 30, 2017 valuation were based on the results from the CalPERS 1997-2011 Experience Study, project with fully generational Scale AA.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.55%
Large Cap Growth	35%	5.35%
Equity Income	25%	5.35%
International	5%	5.35%
Total	100%	

An expected inflation of 2.75% used for this period.

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. 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 Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 SCERS Plan for the measurement date June 30, 2017 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	<u>\$ 366,141</u>	<u>\$ 285,170</u>	<u>\$ 80,971</u>
Changes in the year:			
Service Cost	96	-	96
Interest	22,759	-	22,759
Change of assumptions	(16,246)		(16,246)
Differences between expected and actual experience	(3,701)		(3,701)
Contribution - employer	-	8,645	(8,645)
Contribution - employee	-	64	(64)
Net investment income	-	26,801	(26,801)
Benefit payments, including refunds of employee contributions	(32,171)	(32,171)	-
Net changes	<u>(29,263)</u>	<u>3,339</u>	<u>(32,602)</u>
Balance at June 30, 2017	<u><u>\$ 336,878</u></u>	<u><u>\$ 288,509</u></u>	<u><u>\$ 48,369</u></u>

Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date – Inflation was changed from 3% to 2.75%, salary scale was changed from 3.5% to 3.25%, mortality improvement was changed from fully generational projection with Society of Actuaries Scale MP-2014 modified to converge to ultimate improvement rates in 2022 to Society of Actuaries Scale MP-2016.

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 Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% decrease (5.5%)	Current Discount Rate (6.5%)	1% increase (7.5%)
SCERS net pension liability	\$ 76,333	\$ 48,369	\$ 24,224

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued SCERS financial report.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2017, the City recognized pension expense of (\$13,307) attributable to the SCERS plans. At June 30, 2017, 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>\$ 1,837</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2018	\$ 1,622
2019	1,622
2020	397
2021	<u>(1,804)</u>
Total	<u>\$ 1,837</u>

Defined Contribution Plan

The City also provides defined contribution retirement benefits through City’s 401(a) Money Purchase Plan (the 401(a)). The 401(a) is administered by the 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 year ended June 30, 2017, employees contributed \$3,786 and the City contributed \$3,086 to the 401(a).

NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS

Plan Description

The City provides contributions for post-employment medical, dental and vision benefits to employees who retire directly from the City and their dependents through a single-employer defined benefit OPEB plan (the plan). The post-retirement health, dental and vision care employer contributions range from \$0 and \$794.69 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 post-employment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)

Funding Policy

The City is currently funding the OPEB plan on a pay-as-you-go basis. However, the City Council has authorized the City Manager to participate in the California Employers Retiree Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, California 94229. As of June 30, 2017, the City had deposited \$23,000 to the trust fund from the General Fund, Enterprise Funds, and Internal Service Funds. Additional deposit may be made in the future.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The current ARC rate is 12.4% of annual covered payroll. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the City's net OPEB obligation.

Annual required contribution (ARC)	\$	34,515
Interest on beginning OPEB liability		9,146
Adjustment to the ARC		(15,382)
Annual OPEB cost		<u>28,279</u>
Contributions made		(12,565)
Trust prefunding		<u>(9,336)</u>
Increase in net OPEB obligation		6,378
Net OPEB obligation - Beginning of year		<u>202,722</u>
Net OPEB obligation - End of year	\$	<u>209,100</u>
Covered payroll (active plan members)	\$	<u>270,677</u>
UAAL as a percentage of covered payroll		132.0%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year and the two preceding years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 41,311	\$ 14,524	35%	\$ 180,984
6/30/2016	43,138	21,400	50	202,722
6/30/2017	28,279	21,901	77	209,100

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)

Funding Status and Progress

As of June 30, 2015, the most recent actuarial valuation date of the plan was 1.5% funded. The actuarial accrued liability was \$362,824 and the actuarial value of assets was \$5,461 resulting in an unfunded actuarial accrued liability (UAAL) of \$357,363. The annual covered payroll was \$270,677 and the ratio of the unfunded actuarial accrued liability to the annual covered payroll was 132%. The Schedule of Funding Progress is presented as RSI following the notes to the financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into future. Examples of these estimates and assumptions include future employment trends, mortality and the health care cost trend. Amounts are determined regarding the funded status of the plan, and the annual required contribution of the employer are subject to the continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the June 30, 2015, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 3% inflation rate, a 4.5% discount rate and a medical trend rate of 7.1% for fiscal year 2017, reduced by decrements of 0.5% each year to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2015 was 18 years.

NOTE 10 – FUND EQUITY

At June 30, 2017, the government-wide statement of net position reported restricted net position of \$178,765 in governmental activities. Of this amount, \$29,144 is restricted for enabling legislation.

The Capital Grants Fund, a capital project fund, had a deficit fund balance of \$3,891 as of June 30, 2017. The deficit represents grant expenditures unreimbursed by granting agencies within the 60-day period of availability for which corresponding revenues have not been recorded. The deficit will be recovered upon receipt of grantor reimbursements.

The Culture and Leisure Fund, a special revenue fund, had a deficit fund balance of \$3,771 as of June 30, 2017. Both the Golf and Marina programs within this fund had deficit fund balances of \$5,607 and \$1,500, respectively. It is anticipated that this deficit will be funded by future operating subsidies and surpluses.

The 4th R Child Development Fund, an enterprise fund, had a deficit net position of \$1,888 as of June 30, 2017. It is anticipated that this deficit will be funded by future operating subsidies.

For the fiscal year ended June 30, 2017, expenditures exceeded appropriations in the Culture and Leisure special revenue funds by \$158 and CCOMWP special revenue funds by \$870. This overspending was funded by revenue collected in excess of budgeted amounts.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017:

	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental activities:				
General Fund	Debt service	\$ 2,385	\$ (26,981)	\$ (24,596)
General Fund	In-lieu tax transfers	29,962	-	29,962
General Fund	Program support	766	(1,978)	(1,212)
Capital Grants Fund	Program support	-	(38)	(38)
2015 Golden 1 Center				
Lease Revenue Bond Fund	Debt service	5,500	-	5,500
Other Governmental Funds	Debt service	25,369	(2,313)	23,056
Other Governmental Funds	Program support	2,404	(561)	1,843
Internal Service Funds	Debt service	424	(64)	360
Internal Service Funds	Program support	60	(384)	(324)
Adjustment for transfer of capital assets between governmental activities and business-type activities	Transfer of capital assets	-	(3,108)	(3,108)
Total governmental activities		<u>66,870</u>	<u>(35,427)</u>	<u>31,443</u>
Business-type activities:				
Water Fund	Debt service	-	(48)	(48)
Water Fund	In-lieu tax transfers	-	(11,660)	(11,660)
Water Fund	Program support	22	(480)	(458)
Wastewater Fund	Debt service	-	(64)	(64)
Wastewater Fund	In-lieu tax transfers	-	(3,639)	(3,639)
Wastewater Fund	Program support	135	-	135
Storm Drainage Fund	Debt service	-	(104)	(104)
Storm Drainage Fund	In-lieu tax transfers	-	(4,126)	(4,126)
Storm Drainage Fund	Program support	78	-	78
Solid Waste Fund	Debt service	-	(152)	(152)
Solid Waste Fund	In-lieu tax transfers	-	(6,650)	(6,650)
Solid Waste Fund	Program support	11	-	11
Community Center Fund	Debt service	-	(2,000)	(2,000)
Community Center Fund	In-lieu tax transfers	-	(1,847)	(1,847)
Community Center Fund	Program support	-	(37)	(37)
Other Enterprise Funds	Debt service	-	(1,952)	(1,952)
Other Enterprise Funds	In-lieu tax transfers	-	(2,040)	(2,040)
Other Enterprise Funds	Program support	2	-	2
Adjustment for transfer of capital assets between governmental activities and business-type activities	Transfer of capital assets	3,108	-	3,108
Total business-type activities		<u>3,356</u>	<u>(34,799)</u>	<u>(31,443)</u>
Total government-wide statements		<u>\$ 70,226</u>	<u>\$ (70,226)</u>	<u>\$ -</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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, 2017:

	<u>Receivables</u>	<u>Payables</u>	<u>Interfund Balances</u>
General Fund	\$ 3,800	\$ (534)	\$ 3,266
Capital Grants Fund	-	(856)	(856)
Other Governmental Funds	3,800	(6,930)	(3,130)
Internal Service Funds	13,653	-	13,653
Total governmental activities	<u>21,253</u>	<u>(8,320)</u>	<u>12,933</u>
Community Center Fund	-	(13,467)	(13,467)
Other Enterprise Funds	534	-	534
Total business-type activities	<u>534</u>	<u>(13,467)</u>	<u>(12,933)</u>
Total	<u>\$ 21,787</u>	<u>\$ (21,787)</u>	<u>\$ -</u>

\$13,653 was loaned by the City’s internal service funds to cover short-term operating deficits (approximately \$856) and to assist in development of community resources (approximately \$12,797). Included in the \$13,653 of interfund loans is \$13,081 that is not expected to be repaid within one year.

\$856 was borrowed by the Capital Grants Fund for short-term loans.

\$6,930 was borrowed by the Golf Fund for development of community resources and is not expected to be repaid within one year.

\$5,867 was borrowed by the Community Center Fund for development of community resources and is not expected to be repaid within one year.

\$534 was loaned to the General Fund by the Parking Fund to retrofit on-street parking meters and is not expected to be repaid within one year.

\$7,600 was borrowed by the Community Center Fund for short-term, i.e. \$3,800 from the General Fund and \$3,800 from the Innovation and Growth Fund, to finance a renovation of the Sacramento Convention Center.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to 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 California State Association of Counties’ Excess Insurance Authority and it provides statutory coverage over the City’s \$2,000 self-insured retention. The fund self-insures the first \$2,000 of general and auto liability claims plus claim costs that exceed commercial insurance coverage. Commercial insurance for general and automobile liability claims provides \$30,000 in coverage, with a \$1,000 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. 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, 2017, 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, 2017, the Risk Management Internal Service Fund had a net position of \$19,392.

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 claims liability estimate.

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

	2017	2016
Accrued claims and judgements, July 1	\$ 71,939	\$ 70,693
Incurred claims and adjustment expenses	27,187	17,560
Claim payments	<u>(18,377)</u>	<u>(16,314)</u>
Accrued claims and judgements, June 30	<u>\$ 80,749</u>	<u>\$ 71,939</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Commitment of Enterprise Fund Revenues

Revenue of the Water Enterprise Fund is pledged to the payment of principal and interest on the California Department of Public Health Notes Payable, the Water Revenue Bonds, Series 2013 and the Water Revenue Bonds, Series 2017. Revenue of the Wastewater Enterprise Fund is pledged to the payment of principal and interest on the State Water Resources Control Board Notes Payable and the payment of principal and interest on the Wastewater Revenue Bonds, Series 2013. Revenue of the Storm Drainage Enterprise Fund is pledged to the payment of principal and interest on the State Water Resources Control Board Notes Payable and the payment of principal and interest on the California Infrastructure and Economic Development Bank Loan. See Note 7 for more information.

Construction and Other Commitments

The City has commitments of \$97,465 for contracts awarded but not completed as of June 30, 2017. The following table shows the distribution of those commitments among major and non-major funds.

Governmental Activities:		Business-type Activities:	
General Fund	\$ 14,904	Water Fund	\$ 30,167
Measure U	1,315	Wastewater Fund	8,649
Capital Grants Fund	4,201	Storm Drainage Fund	1,819
Other governmental funds	8,101	Solid Waste Fund	1,128
Internal service funds	8,203	Community Center Fund	17,111
	<u> </u>	Other enterprise funds	<u>1,867</u>
Total governmental activities	<u>\$ 36,724</u>	Total business-type activities	<u>\$ 60,741</u>

The major contracts outstanding are \$15,673 for renovation of the convention center complex, \$10,251 for neighborhood water main replacement in Tahoe Park, \$10,000 for the purchase of vehicles, primarily fire suppression trucks and ambulances, \$9,989 for residential water meter projects, \$7,273 for upgrade and replacement of infrastructure in Old Sacramento, \$6,823 for sewer system upgrades, \$6,656 for design and construction of a 3 million gallon water storage reservoir, \$3,317 for design and construction of a fixed-rail streetcar system between downtown West Sacramento and Midtown Sacramento, and \$1,827 for a revenue control system for parking operations.

Contingent Liabilities

The City participates in a number of federal, state and local grant programs, the principal of which is the Federal Highway Planning and Construction 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 year ended June 30, 2016 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, 2016. Receipt of these grant revenues is not assured in the future.

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

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. A recent engineering report estimated that \$1,177 is required for future postclosure monitoring costs as of June 30, 2017. The estimate is based on current cost and may change due to inflation or deflation, technology, or applicable laws and regulations. The City received approval from state regulators to fund the postclosure costs, along with cost increases due to inflation, with user charges for solid waste disposal.

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 \$1,664 at June 30, 2016 and \$1,794 at June 30, 2017. Pollution remediation outlays totaled approximately \$656 for the fiscal year ended June 30, 2017. 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. Estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations total \$70.

NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

JOINT VENTURES

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 statement 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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

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

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, 2017, 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 Authority 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 General Fund and Measure U Fund contributions for the fiscal year ended June 30, 2017, were \$7,636. In addition, the City paid cost reimbursements and program support of \$8 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 also levies and passes through to the Library a parcel tax which totaled \$7,267 for the fiscal year ended June 30, 2017. 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 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 \$3,755 of support to SRFECC during the fiscal year ended June 30, 2017. 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, 2017, the City provided \$451 of annual support to the NCRPSTA. Payments for rent and training during the fiscal year ended June 30, 2017 were \$9. Financial statements may be obtained from the NCRPSTA Administrative Offices, 2409 Dean Street, Suite 119, McClellan, California, 95652.

Regional 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 Regional 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, 2017, the City provided general support of \$45, paid \$134 for training courses for City staff and provided staff support. Financial statements may be obtained from the Regional Fire and Rescue Training Authority Business Office, 9320 Tech Center Drive, Sacramento, CA 95826.

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 acquire, plan, design, finance, construct, own, operate and maintain a fixed-rail streetcar system that will operate within and between the two Cities. The City has committed \$7,000 for design and construction of the fixed-rail system. No payments were made to the Riverfront Joint Powers Authority during the fiscal year ended June 30, 2017.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

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

JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial support or have other financial transactions with these organizations, but it does not have a financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2017:

The City provided \$104 in annual support and \$260 in project/program expenses to the Regional Water Authority.

The City provided \$88 in annual support to the Sacramento Area Council of Governments.

The City provided \$132 in annual support to the Sacramento Groundwater Authority.

The City received \$490 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 the suppliers of services.

The City received \$206 in Workforce Investment Act grants from the Sacramento Employment and Training Agency.

NOTE 15 – SUCCESSOR AGENCY TRUST FUND

On December 29, 2011, the California Supreme Court Upheld Assembly Bill 1X 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 entity as of February 1, 2012.

On January 31, 2012, the City of Sacramento (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 1x26 (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, 2017, the successor agency had a deficit of \$230,167 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 bonds covenants after compliance with certain requirements.

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(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 can spend the Agency’s unencumbered bond funds in a manner consistent with the original bonds covenants. Pursuant to Health and Safety Code (HSC) section 34179.7, the DOF has verified that the Agency 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 DOF approved RASA’s Oversight Board action authorizing the RASA to refund certain outstanding tax-allocation obligations of the former Redevelopment Agency in accordance with Assembly Bill Nos. 1X 26 and 1484. The Redevelopment Agency Successor Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) and the Redevelopment Agency Successor Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable) were issued under the Indenture of Trust, dated October 1, 2015, to refund certain obligations of the former Redevelopment Agency of the City of Sacramento currently outstanding in 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 the issuance of the Bonds.

On October 6, 2015, the DOF approved the RASA’s Oversight Board action approving an Excess Bond Expenditures Plan, approving a Master Excess Bond Expenditure Agreement between the RASA 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 unspent housing bond proceeds to the Housing Authority of the City as the Housing Successor. The City will finance public and private development projects previously planned by the Agency and the Housing Authority will use the funds for low-moderate income housing projects.

On December 31, 2015, DOF, completed its review of RASA’s Long-Range Property Management Plan (LRPMP). DOF approve 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.

The contracts payable reported in the private-purpose trust fund are allocations of the SHRA OPEB and pension unfunded liabilities for the former redevelopment agency employees.

Capital Assets

The following is a summary of changes in capital assets:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated/amortized				
Land	\$ 23,062	\$ -	\$ (11,042)	\$ 12,020
Depreciable/amortizable capital assets				
Buildings and improvements	6,558	-	(2,837)	3,721
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,596)	(93)	688	(1,001)
Depreciable/amortizable capital assets, net	4,962	(93)	(2,149)	2,720
Total activities capital assets, net	<u>\$ 28,024</u>	<u>\$ (93)</u>	<u>\$ (13,191)</u>	<u>\$ 14,740</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017
(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 year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
2015 Tax Allocation Refunding Bonds TE, Series A	\$ 68,063	\$ -	\$ (8,136)	\$ 59,927 ⁽²⁾	\$ 7,360
2015 Tax Allocation Refunding Bonds TX, Series B	41,850	-	(2,422)	39,428 ⁽²⁾	3,340
Subtotal, revenue bonds	<u>109,913</u>	<u>-</u>	<u>(10,558)</u>	<u>99,355</u>	<u>10,700</u>
Notes Payable:					
1993 Merged Downtown TABS	21,705	1,078 ⁽¹⁾	(11,610)	11,173	11,395
2003 Del Paso TE TABS, Series A	4,950	295 ⁽¹⁾	(22)	5,223 ⁽²⁾	-
2005 Merged Downtown TE, Series A	119,284	6,676 ⁽¹⁾	(506)	125,454 ⁽²⁾	-
2005 Oak Park TE, Series A	3,155	174 ⁽¹⁾	(13)	3,316 ⁽²⁾	-
2006 65th Street TX Master Lease, Series B	3,575	-	(90)	3,485	95
2006 North Sacramento TX Master Lease, Series B	4,175	-	(105)	4,070	110
2006 Stockton Blvd Master Lease	1,990	-	-	1,990	-
2008 BOA Public Capital Corporation	2,225	-	(138)	2,087	145
2009 Army Depot TX Swap	2,877	-	(71)	2,806	77
2009 River District TX Swap	2,693	-	(68)	2,625	73
Boating and Waterways Loan	283	-	(91)	192	94
City of Sacramento CIEDB - Utilities/Detention Basin	1,225	-	(39)	1,186	41
Globe Mills	3,811	-	(251)	3,560	267
North Sacramento CIEDB Loan	3,274	-	(122)	3,152	125
Stockton Blvd CIEDB Loan	2,736	-	(103)	2,633	106
Subtotal, notes payable	<u>177,958</u>	<u>8,223</u>	<u>(13,229)</u>	<u>172,952</u>	<u>12,528</u>
Total, long-term debt	<u>\$ 287,871</u>	<u>\$ 8,223</u>	<u>\$ (23,787)</u>	<u>\$ 272,307</u>	<u>\$ 23,228</u>

- (1) Change in accreted value is recorded as adjustment of Notes Payable.
(2) 2015 Refunded and Refunding debts.

Future Debt Service Requirements

The following tables disclose the annual debt service requirements outstanding as of June 30, 2017:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 10,700	\$ 3,359	\$ 12,528	\$ 1,378
2019	19,180	2,953	1,214	1,321
2020	10,675	2,491	11,193	1,260
2021	19,855	1,984	1,491	1,202
2022	2,630	1,591	19,004	1,140
2023 - 2027	11,335	6,024	94,820	4,536
2028 - 2032	8,730	3,879	87,255	2,613
2033 - 2037	11,020	920	26,150	880
2038 - 2042	-	-	76	1
Subtotal	<u>94,125</u>	<u>23,201</u>	<u>253,731</u>	<u>14,331</u>
Less: Unaccreted interest	-	-	(80,779)	-
Less: Issuance discounts	(47)	-	-	-
Plus: Issuance premiums	5,277	-	-	-
Total	<u>\$ 99,355</u>	<u>\$ 23,201</u>	<u>\$ 172,952</u>	<u>\$ 14,331</u>

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2017
(dollar amounts expressed in thousands)

NOTE 16 – SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSES

Effective January 1, 2012, the City entered into a service concession agreement with Morton Golf LLC (Morton) under which Morton operates and maintains City golf courses, collects user fees and remits a monthly payment for rent to the City. Morton pays the City minimum installment payments plus a percentage of gross revenues over the 10-year lease period. The present value of the installment payments was initially estimated to be \$10,634. The City reports a loan receivable and deferred inflow of \$4,786 in the government-wide statement of net position as of June 30, 2017.

NOTE 17 – SUBSEQUENT EVENT

On July 19, 2017, the City closed on the mandatory Direct Purchase and Remarketing of the Sacramento City Financing Authority (SCFA) 1997 Lease Revenue Bonds, as adopted by the City Council Resolution 2017-0124. On that date, SCFA will prepay \$21,917 of the 1997 Lease Revenue Bonds using lease revenue received from the Kings Arena Limited Partnership, and the balance of \$32,733 will be remarketed in accordance with the Third Supplemental Indenture dated July 1, 2017.

THIS PAGE INTENTIONALLY LEFT BLANK

Required Supplementary Information

City of Sacramento
Required Supplementary Information
Agent Multiple-Employer Defined Benefit Pension Plan
CalPERS - Miscellaneous Plan
Last Ten Years *
Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

	Fiscal Year		
	2015	2016	2017
Total pension liability			
Service cost	\$ 23,110	\$ 22,342	\$ 23,374
Interest on the Total Pension Liability	70,942	74,835	79,515
Changes of assumptions	-	(20,153)	-
Differences between Expected and Actual Experience	-	(8,865)	(333)
Benefit payments, including refunds of employee contributions	(30,240)	(34,390)	(37,980)
Net change in total pension liability	63,812	33,769	64,576
Total pension liability -- beginning	949,465	1,013,277	1,047,046
Total pension liability -- ending (a)	\$ 1,013,277	\$ 1,047,046	\$ 1,111,622
Plan fiduciary net position			
Contributions - employer	\$ 21,613	\$ 22,827	\$ 25,963
Contributions - employee	11,670	11,302	11,991
Net investment income	118,326	18,047	4,260
Benefit payments, including refunds of employee contributions	(30,240)	(34,390)	(37,980)
Plan to Plan Resource Movement	-	(3,066)	531
Administrative Expense	-	(922)	(496)
Net change in fiduciary net position	121,369	13,798	4,269
Plan fiduciary net position -- beginning	678,261	799,630	813,428
Plan fiduciary net position -- ending (b)	\$ 799,630	\$ 813,428	\$ 817,697
Net pension liability -- ending (a) - (b)	\$ 213,647	\$ 233,618	\$ 293,925
Plan fiduciary net position as a percentage of the total pension liability	78.92%	77.69%	73.56%
Covered payroll **	\$ 156,032	\$ 157,449	\$ 166,403
Net pension liability as a percentage of covered payroll	136.93%	148.38%	176.63%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016

Notes to the Required Supplementary Information

* Fiscal year 2015 was the first year of implementation, therefore, only three 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
Last Ten Years*
Schedule of Contributions
(in thousands)

	Fiscal Year		
	2015	2016	2017
Actuarially determined contributions	\$ 22,827	\$ 26,156	\$ 30,084
Contributions in relation to the actuarially determined contribution	22,827	26,156	30,084
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 157,449	\$ 166,403	\$ 177,179
Contributions as a percentage of covered payroll	14.50%	15.72%	16.98%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Average Remaining Period	23 Years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Investment Rate of Return	7.65% (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 three 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
Last Ten Years *
Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

	Fiscal Year		
	2015	2016	2017
Total pension liability			
Service cost	\$ 29,539	\$ 29,653	\$ 31,672
Interest on the Total Pension Liability	107,189	112,331	118,821
Changes in assumptions	-	(28,604)	-
Difference between Expected and Actual Experience	-	(593)	14,398
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)	(74,572)
Net change in total pension liability	70,513	42,242	90,319
Total pension liability -- beginning	1,447,520	1,518,033	1,560,275
Total pension liability -- ending (a)	<u>\$ 1,518,033</u>	<u>\$ 1,560,275</u>	<u>\$ 1,650,594</u>
Plan fiduciary net position			
Contributions - employer	\$ 27,935	\$ 30,798	\$ 36,001
Contributions - employee	16,094	15,565	18,465
Net investment income	171,795	25,341	4,971
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)	(74,572)
Plan to Plan Resource Movement	-	1	-
Administrative Expense	-	(1,288)	(697)
Net change in fiduciary net position	149,609	(128)	(15,832)
Plan fiduciary net position -- beginning	994,493	1,144,102	1,143,974
Plan fiduciary net position -- ending (b)	<u>\$ 1,144,102</u>	<u>\$ 1,143,974</u>	<u>\$ 1,128,142</u>
Net pension liability -- ending (a) - (b)	<u>\$ 373,931</u>	<u>\$ 416,301</u>	<u>\$ 522,452</u>
Plan fiduciary net position as a percentage of the total pension liability	75.37%	73.32%	68.35%
Covered payroll **	<u>\$ 107,176</u>	<u>\$ 112,067</u>	<u>\$ 120,120</u>
Net pension liability as a percentage of covered payroll	348.89%	371.48%	434.94%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016

Notes to the Required Supplementary Information

* Fiscal year 2015 was the first year of implementation, therefore, only three 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
Last Ten Years *
Schedule of Contributions
(in thousands)

	Fiscal Year		
	2015	2016	2017
Actuarially determined contributions	\$ 30,798	\$ 40,959	\$ 47,222
Contributions in relation to the actuarially determined contribution	30,798	40,959	47,222
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll **	\$ 112,067	\$ 120,120	\$ 125,152
Contributions as a percentage of covered payroll	27.48%	34.10%	37.73%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	27 years as of the valuation date
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Investment Rate of Return	7.65%, (net of administrative expenses)
Retirement age	50 - 57 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 three years are shown.

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

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

	Fiscal Year		
	2015	2016	2017
Total pension liability			
Service cost	\$ 131	\$ 103	\$ 96
Interest	23,134	23,416	22,759
Differences between expected and actual experience	(8,783)	(1,173)	(3,701)
Changes of assumptions	23,117	-	(16,246)
Benefit payments, including refunds of member contributions	(33,791)	(32,683)	(32,171)
Net change in total pension liability	3,808	(10,337)	(29,263)
Total pension liability -- beginning	372,670	376,478	366,141
Total pension liability -- ending (a)	<u>\$ 376,478</u>	<u>\$ 366,141</u>	<u>\$ 336,878</u>
Plan fiduciary net position			
Contributions -- employer	\$ 9,183	\$ 8,645	\$ 8,645
Contributions -- member	82	146	64
Net investment income	13,375	7,799	26,801
Benefits payments, including refunds of member contributions	(33,791)	(32,683)	(32,171)
Net change in fiduciary net position	(11,151)	(16,093)	3,339
Plan fiduciary net position -- beginning	312,414	301,263	285,170
Plan fiduciary net position -- ending (b)	<u>\$ 301,263</u>	<u>\$ 285,170</u>	<u>\$ 288,509</u>
Net pension liability -- ending (a) - (b)	<u>\$ 75,215</u>	<u>\$ 80,971</u>	<u>\$ 48,369</u>
Plan fiduciary net position as a percentage of the total pension liability	80.02%	77.89%	85.64%
Covered payroll **	\$ 1,180	\$ 1,020	\$ 1,049
Net pension liability as a percentage of covered payroll	6374.15%	7938.33%	4610.96%
Measurement Date	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 three years are shown.

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

City of Sacramento
Required Supplementary Information
Sacramento City Employees' Retirement System, a Single-Employer Defined Benefit Pension Plan
Last Ten Years *
Schedule of Contributions
(in thousands)

	Fiscal Year		
	2015	2016	2017
Actuarially determined contributions	\$ 9,183	\$ 8,645	\$ 8,645
Contributions in relation to the actuarially determined contribution	9,183	8,645	8,645
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll **	\$ 1,180	\$ 1,020	\$ 1,049
Contributions as a percentage of covered payroll	778%	848%	824%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar payments over 14 years, open period
Asset valuation method	3 year smoothed market value
Inflation	3%
Salary increases	3.25%
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 175 are assumed to retire at age 65
Mortality	CalPERS 1997-2011 Mortality Tables with Scale MP-2014

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

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

City of Sacramento
Required Supplementary Information
Schedule of Funding Progress (Unaudited)
Other Post-Employment Benefits
(in millions)

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Valued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2012	\$ -	\$ 447	\$ 447	0.00%	\$ 262	170.9%
6/30/2013	-	434	434	0.00	257	168.4
6/30/2015	5	363	357	1.50	271	132.0

Notes to the Required Supplementary Information

1. This information is intended to help users assess the OPEB funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER GOVERNMENTAL FUNDS

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

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

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 CAFR.

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 CAFR.

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 CAFR.

City of Sacramento
Other Governmental Funds
Combining Balance Sheet
June 30, 2017
(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	\$ 108,992	\$ 4,925	\$ 112,032	\$ 5,720	\$ 231,669
Cash and investments held by fiscal agent	-	14	-	-	14
Receivables, net:					
Taxes	4,274	-	-	-	4,274
Accounts	2,602	1	348	-	2,951
Loans	2,410	192	-	-	2,602
Intergovernmental	6,482	13,841	6,954	-	27,277
Interest	3	3	167	13	186
Due from other funds	3,800	-	-	-	3,800
Restricted assets:					
Cash and investments held by City	102	-	20,815	-	20,917
Cash and investments held by fiscal agent	726	9,864	4,468	-	15,058
Total assets	\$ 129,391	\$ 28,840	\$ 144,784	\$ 5,733	\$ 308,748
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,364	\$ -	\$ 8,228	\$ -	\$ 16,592
Accrued payroll	169	-	-	-	169
Accrued claims and judgements	31	-	-	-	31
Matured notes and interest payable	2,647	-	-	-	2,647
Deposits	1,505	656	-	-	2,161
Unearned revenue	69	-	4,619	-	4,688
Advances from other funds	6,930	-	-	-	6,930
Total liabilities	19,715	656	12,847	-	33,218
Deferred inflows of resources:					
Unavailable revenue	3,502	13,844	1,802	-	19,148
Total deferred inflows of resources	3,502	13,844	1,802	-	19,148
Fund balances:					
Nonspendable:					
Noncurrent assets	-	193	-	-	193
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	16,211	-	131,532	-	147,743
Debt service	828	9,218	-	-	10,046
Public works programs	13,152	-	-	-	13,152
Economic development programs	41,548	-	-	-	41,548
Other programs	23,576	-	356	4,855	28,787
Committed:					
Capital projects	1,581	-	-	-	1,581
Debt service	-	3,063	-	-	3,063
Other programs	19,750	-	-	-	19,750
Assigned:					
Debt service	-	1,866	-	-	1,866
Unassigned	(10,472)	-	(1,753)	-	(12,225)
Total fund balances	106,174	14,340	130,135	5,733	256,382
Total liabilities, deferred inflows of resources and fund balances	\$ 129,391	\$ 28,840	\$ 144,784	\$ 5,733	\$ 308,748

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	\$ 15,910	\$ -	\$ 4,071	\$ -	\$ 19,981
Intergovernmental	18,296	335	25,180	-	43,811
Charges for services	19,206	-	460	-	19,666
Fines, forfeits and penalties	523	-	-	-	523
Interest, rents, and concessions	3,062	1,609	1,385	500	6,556
Community service fees	1,830	-	27,910	-	29,740
Assessment levies	43,916	-	157	-	44,073
Contributions and donations	481	-	3,956	-	4,437
Miscellaneous	72	-	52	-	124
Total revenues	103,296	1,944	63,171	500	168,911
Expenditures:					
Current:					
General government	3,574	-	384	157	4,115
Police	7,414	-	-	-	7,414
Fire	1,965	-	-	-	1,965
Public works	22,344	-	9,776	-	32,120
Convention and cultural services	7,859	-	-	7	7,866
Economic development	10,852	-	81	-	10,933
Parks and recreation	10,861	-	176	-	11,037
Community development	8,932	-	2,843	-	11,775
Library	7,267	-	-	-	7,267
Utilities	337	-	41	-	378
Capital outlay	10,303	-	30,576	-	40,879
Debt service:					
Principal	1,285	15,034	6,988	-	23,307
Interest and fiscal charges	1,095	13,482	244	-	14,821
Bond issuance costs	-	1	-	-	1
Total expenditures	94,088	28,517	51,109	164	173,878
Excess (deficiency) of revenues over (under) expenditures	9,208	(26,573)	12,062	336	(4,967)
Other financing sources (uses):					
Transfers in	2,404	25,369	-	-	27,773
Transfers out	(326)	-	(2,548)	-	(2,874)
Issuance of long-term debt	-	-	1,976	-	1,976
Total other financing sources (uses)	2,078	25,369	(572)	-	26,875
Net change in fund balances	11,286	(1,204)	11,490	336	21,908
Fund balances, beginning of year	94,888	15,544	118,645	5,397	234,474
Fund balances, end of year	<u>\$ 106,174</u>	<u>\$ 14,340</u>	<u>\$ 130,135</u>	<u>\$ 5,733</u>	<u>\$ 256,382</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:

THE 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.

THE 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.

THE 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.

THE ECONOMIC DEVELOPMENT FUND accounts for the receipts and disbursements of former redevelopment property tax revenues as well as the Brownfield Revolving Loan Program and the Sheraton Master Owner Participation Agreement (MOPA).

THE OPERATING GRANTS FUND is used to account for federal, state and other agency grants received for various specific purposes.

THE CCOMWP FUND is used to account for the revenue and expenditures associated with the City/County Office of Metropolitan Water Planning. 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.

OTHER SPECIAL REVENUE FUNDS (continued)

THE SPECIAL DISTRICTS SPECIAL REVENUE 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 Special Revenue Fund includes the Business Improvement Districts Program, the Landscaping and Lighting Districts Program, the Maintenance Benefit Area Program and the Assessment District Maintenance Program.

THE CAL EPA FUND is used to account for the expenditures associated with the maintenance of the Joe Serna, Jr. California EPA Headquarters Building.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
ASSETS				
Cash and investments held by City	\$ 37,517	\$ 5,101	\$ 9,478	\$ 31,553
Receivables, net:				
Taxes	-	-	-	4,274
Accounts	617	252	6	12
Loans	-	9	-	2,401
Intergovernmental	-	-	1,078	-
Interest	-	-	3	-
Due from other funds	-	-	-	3,800
Restricted assets:				
Cash and investments held by City	-	102	-	-
Cash and investments held by fiscal agent	-	726	-	-
Total assets	\$ 38,134	\$ 6,190	\$ 10,565	\$ 42,040
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,049	\$ 112	\$ 406	\$ 492
Accrued payroll	-	26	123	-
Accrued claims and judgements	-	-	31	-
Matured notes and interest payable	-	2,647	-	-
Deposits	1,187	150	-	-
Unearned revenue	-	26	-	-
Advances from other funds	-	6,930	-	-
Total liabilities	2,236	9,891	560	492
Deferred Inflows of resources:				
Unavailable revenue	145	70	-	-
Total deferred inflows of resources	145	70	-	-
Fund balances:				
Restricted:				
Capital projects	6,690	54	6,370	-
Debt service	-	828	-	-
Public works programs	13,152	-	-	-
Economic development programs	-	-	-	41,548
Other programs	-	1,559	2,739	-
Committed:				
Capital projects	194	387	-	-
Other programs	15,717	1,271	437	-
Unassigned	-	(7,870)	459	-
Total fund balances (deficit)	35,753	(3,771)	10,005	41,548
Total liabilities, deferred inflows of resources and fund balances	\$ 38,134	\$ 6,190	\$ 10,565	\$ 42,040

City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Other Special Revenue Funds
ASSETS					
Cash and investments held by City	\$ 3,896	\$ 1,979	\$ 17,925	\$ 1,543	\$ 108,992
Receivables, net:					
Taxes	-	-	-	-	4,274
Accounts	71	-	1,644	-	2,602
Loans	-	-	-	-	2,410
Intergovernmental	5,116	244	-	44	6,482
Interest	-	-	-	-	3
Due from other funds	-	-	-	-	3,800
Restricted assets:					
Cash and investments held by City	-	-	-	-	102
Cash and investments held by fiscal agent	-	-	-	-	726
Total assets	<u>\$ 9,083</u>	<u>\$ 2,223</u>	<u>\$ 19,569</u>	<u>\$ 1,587</u>	<u>\$ 129,391</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,698	\$ 247	\$ 4,360	\$ -	\$ 8,364
Accrued payroll	-	20	-	-	169
Accrued claims and judgements	-	-	-	-	31
Matured notes and interest payable	-	-	-	-	2,647
Deposits	168	-	-	-	1,505
Unearned revenue	43	-	-	-	69
Advances from other funds	-	-	-	-	6,930
Total liabilities	<u>1,909</u>	<u>267</u>	<u>4,360</u>	<u>-</u>	<u>19,715</u>
Deferred inflows of resources:					
Unavailable revenue	<u>3,069</u>	<u>218</u>	<u>-</u>	<u>-</u>	<u>3,502</u>
Total deferred inflows of resources	<u>3,069</u>	<u>218</u>	<u>-</u>	<u>-</u>	<u>3,502</u>
Fund balances:					
Restricted:					
Capital projects	-	-	3,097	-	16,211
Debt service	-	-	-	-	828
Public works programs	-	-	-	-	13,152
Economic development programs	-	-	-	-	41,548
Other programs	7,166	-	12,112	-	23,576
Committed:					
Capital projects	-	-	-	1,000	1,581
Other programs	-	1,738	-	587	19,750
Unassigned	<u>(3,061)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,472)</u>
Total fund balances (deficit)	<u>4,105</u>	<u>1,738</u>	<u>15,209</u>	<u>1,587</u>	<u>106,174</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,083</u>	<u>\$ 2,223</u>	<u>\$ 19,569</u>	<u>\$ 1,587</u>	<u>\$ 129,391</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, 2017
(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	\$ 10,712	\$ -	\$ -	\$ 5,198
Intergovernmental	-	-	3,968	-
Charges for services	15,315	1,966	54	-
Fines, forfeits and penalties	519	-	4	-
Interest, rents, and concessions	329	1,542	476	422
Community service fees	577	-	1,253	-
Assessment levies	414	-	-	-
Contributions and donations	-	50	338	-
Miscellaneous	-	-	-	72
Total revenues	27,866	3,558	6,093	5,692
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	9,323	-	-	-
Convention and cultural services	-	1,609	-	-
Economic development	-	-	-	1,732
Parks and recreation	-	-	4,710	-
Community development	7,974	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Capital outlay	4,192	541	1,127	659
Debt service:				
Principal	-	1,285	-	-
Interest and fiscal charges	-	1,095	-	-
Total expenditures	21,489	4,530	5,837	2,391
Excess (deficiency) of revenues over (under) expenditures	6,377	(972)	256	3,301
Other financing sources (uses):				
Transfers in	1,333	-	590	-
Transfers out	(275)	-	-	-
Total other financing sources (uses)	1,058	-	590	-
Net change in fund balances	7,435	(972)	846	3,301
Fund balances (deficit), beginning of year	28,318	(2,799)	9,159	38,247
Fund balances (deficit), end of year	\$ 35,753	\$ (3,771)	\$ 10,005	\$ 41,548

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

For the Fiscal Year Ended June 30, 2017

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Other Special Revenue Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,910
Intergovernmental	11,359	2,785	-	184	18,296
Charges for services	1,868	3	-	-	19,206
Fines, forfeits and penalties	-	-	-	-	523
Interest, rents, and concessions	51	15	209	18	3,062
Community service fees	-	-	-	-	1,830
Assessment levies	-	-	43,502	-	43,916
Contributions and donations	93	-	-	-	481
Miscellaneous	-	-	-	-	72
Total revenues	13,371	2,803	43,711	202	103,296
Expenditures:					
Current:					
General government	-	2,914	660	-	3,574
Police	7,414	-	-	-	7,414
Fire	1,965	-	-	-	1,965
Public works	-	-	13,019	2	22,344
Convention and cultural services	77	-	6,173	-	7,859
Economic development	741	-	8,379	-	10,852
Parks and recreation	533	-	5,618	-	10,861
Community development	838	-	120	-	8,932
Library	-	-	7,267	-	7,267
Utilities	-	-	337	-	337
Capital outlay	2,834	-	477	473	10,303
Debt service:					
Principal	-	-	-	-	1,285
Interest and fiscal charges	-	-	-	-	1,095
Total expenditures	14,402	2,914	42,050	475	94,088
Excess (deficiency) of revenues over (under) expenditures	(1,031)	(111)	1,661	(273)	9,208
Other financing sources (uses):					
Transfers in	-	481	-	-	2,404
Transfers out	(51)	-	-	-	(326)
Total other financing sources (uses)	(51)	481	-	-	2,078
Net change in fund balances	(1,082)	370	1,661	(273)	11,286
Fund balances (deficit), beginning of year	5,187	1,368	13,548	1,860	94,888
Fund balances (deficit), end of year	\$ 4,105	\$ 1,738	\$ 15,209	\$ 1,587	\$ 106,174

City of Sacramento
Transportation and Development Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,563	\$ 10,559	\$ 10,712	\$ 153
Fines, forfeits and penalties	700	700	519	(181)
Interest, rents, and concessions	24	20	47	27
Total revenues	11,287	11,279	11,278	(1)
Expenditures:				
Current:				
Public works	9,240	9,797	9,249	548
Capital outlay	3,827	3,821	3,321	500
Total expenditures	13,067	13,618	12,570	1,048
Net change in fund balance for budgeted activities	\$ (1,780)	\$ (2,339)	(1,292)	\$ 1,047
Net change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted.			8,727	
Net change in fund balance			\$ 7,435	

City of Sacramento
Culture and Leisure Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,696	\$ 1,552	\$ 1,966	\$ 414
Interest, rents and concessions	1,544	1,544	1,542	(2)
Contributions and donations	45	45	50	5
Total revenues	3,285	3,141	3,558	417
Expenditures:				
Current:				
Convention and cultural services	1,532	1,392	1,609	(217)
Capital outlay	490	490	541	(51)
Debt service:				
Principal	1,395	1,395	1,285	110
Interest and fiscal charges	1,095	1,095	1,095	-
Total expenditures	4,512	4,372	4,530	(158)
Net change in fund balance for budgeted activities	(1,227)	(1,231)	(972)	259
Net change in fund balance	\$ (1,227)	\$ (1,231)	\$ (972)	\$ 259

City of Sacramento
Parks and Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,844	\$ 3,475	\$ 3,968	\$ 493
Charges for services	223	223	54	(169)
Interest, rents and concessions	45	45	49	4
Community service fees	46	46	72	26
Total revenues	<u>3,158</u>	<u>3,789</u>	<u>4,143</u>	<u>354</u>
Expenditures:				
Current:				
Parks and recreation	<u>3,936</u>	<u>4,667</u>	<u>4,406</u>	<u>261</u>
Total expenditures	<u>3,936</u>	<u>4,667</u>	<u>4,406</u>	<u>261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(778)</u>	<u>(878)</u>	<u>(263)</u>	<u>615</u>
Other financing sources (uses):				
Transfers in	<u>709</u>	<u>709</u>	<u>590</u>	<u>(119)</u>
Total other financing sources (uses)	<u>709</u>	<u>709</u>	<u>590</u>	<u>(119)</u>
Net change in fund balance for budgeted activities	<u>\$ (69)</u>	<u>\$ (169)</u>	<u>327</u>	<u>\$ 496</u>
Net change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			<u>519</u>	
Net change in fund balance			<u>\$ 846</u>	

City of Sacramento
CCOMWP Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,112	\$ 1,112	\$ 2,785	\$ 1,673
Interest, rents and concessions	-	-	15	15
Charges for services	-	-	3	3
Total revenues	<u>1,112</u>	<u>1,112</u>	<u>2,803</u>	<u>1,691</u>
Expenditures:				
Current:				
General government	<u>2,032</u>	<u>2,044</u>	<u>2,914</u>	<u>(870)</u>
Excess (deficiency) of revenues over (under) expenditures	(920)	(932)	(111)	821
Other financing sources				
Operating transfers in	<u>481</u>	<u>481</u>	<u>481</u>	<u>-</u>
Net change in fund balance	<u>\$ (439)</u>	<u>\$ (451)</u>	<u>\$ 370</u>	<u>\$ 821</u>

City of Sacramento
Special Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest, rents, and concessions	\$ -	\$ -	\$ 209	\$ 209
Assessment levies	47,712	42,560	43,502	942
Total revenues	47,712	42,560	43,711	1,151
Expenditures:				
Current:				
General government	673	733	660	73
Public works	13,216	12,170	13,019	(849)
Convention and cultural services	5,144	5,654	6,173	(519)
Economic development	7,171	9,631	8,379	1,252
Parks and recreation	6,095	6,095	5,618	477
Community development	150	150	120	30
Library	7,410	7,410	7,267	143
Utilities	372	670	337	333
Capital outlay	1,037	1,037	477	560
Debt service:				
Principal	581	581	-	581
Interest and fiscal charges	-	-	-	-
Total expenditures	41,849	44,131	42,050	2,081
Net change in fund balance	\$ 5,863	\$ (1,571)	\$ 1,661	\$ (930)

City of Sacramento
Cal EPA Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

For the Fiscal Year Ended June 30, 2017
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 173	\$ 173	\$ 184	\$ 11
Interest, rents, and concessions	-	-	18	18
Total revenues	<u>173</u>	<u>173</u>	<u>202</u>	<u>29</u>
Expenditures:				
Current:				
Public Works	-	8	2	6
Capital outlay	-	935	473	462
Total Expenditures	<u>-</u>	<u>943</u>	<u>475</u>	<u>468</u>
Net change in fund balance	<u>\$ 173</u>	<u>\$ (770)</u>	<u>\$ (273)</u>	<u>\$ 497</u>

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER DEBT SERVICE FUNDS

Other debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The following debt service funds have been classified as nonmajor funds:

THE 1993 SERIES A REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1986 COP issue and for the debt service activity related to the partial refunding of the City of Sacramento's 1991 Marks-Roos Revenue Bond issuance.

THE 1993 SERIES B REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1989 COP issuance.

THE 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.

THE 2006 SERIES D REVENUE BOND FUND is used to account for debt service activities related to financing the City's new Richards Boulevard building and improvements.

THE 2006 SERIES E REVENUE BOND FUND is used to account for refunding debt service related to refinancing all of the 2001 Capital Improvement Revenue Bonds and a portion of the 2002 and 2003 Capital Improvement Revenue Bonds.

THE 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.

THE 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).

THE OTHER CITY DEBT FUND is used to account for debt service activities related to the financing the other programs of the City.

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2006 Series B Revenue Bond Fund
<u>ASSETS</u>			
Assets:			
Cash and investments held by City	\$ 26	\$ 30	\$ 3,049
Cash and investments held by fiscal agent	-	-	14
Receivables, net:			
Accounts	-	-	-
Loans	-	-	-
Intergovernmental	-	-	11,851
Interest	1	2	-
Restricted assets:			
Cash and investments held by fiscal agent	1,202	3,288	3,958
Total assets	<u>\$ 1,229</u>	<u>\$ 3,320</u>	<u>\$ 18,872</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred inflows of resources:			
Unavailable revenue	1	2	11,851
Total deferred inflows of resources	1	2	11,851
Fund balances:			
Nonspendable:			
Noncurrent assets	-	-	-
Restricted:			
Debt service	1,212	3,288	3,958
Committed:			
Debt service	-	-	3,063
Assigned:			
Debt service	16	30	-
Total fund balances	1,228	3,318	7,021
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,229</u>	<u>\$ 3,320</u>	<u>\$ 18,872</u>

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue Bond Fund
<u>ASSETS</u>			
Assets:			
Cash and investments held by City	\$ 3	\$ -	\$ 1,816
Cash and investments held by fiscal agent	-	-	-
Receivables, net:			
Accounts	-	-	1
Loans	-	-	-
Intergovernmental	-	1,990	-
Interest	-	-	-
Restricted assets:			
Cash and investments held by fiscal agent	-	-	-
Total assets	<u>\$ 3</u>	<u>\$ 1,990</u>	<u>\$ 1,817</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred inflows of resources:			
Unavailable revenue	-	1,990	-
Total deferred inflows of resources	-	1,990	-
Fund balances:			
Nonspendable:			
Noncurrent assets	-	-	-
Restricted:			
Debt service	-	-	-
Committed:			
Debt service	-	-	-
Assigned:			
Debt service	3	-	1,817
Total fund balances	3	-	1,817
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3</u>	<u>\$ 1,990</u>	<u>\$ 1,817</u>

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2017

(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	\$ 4,925
Cash and investments held by fiscal agent	-	-	14
Receivables, net:			
Accounts	-	-	1
Loans	-	192	192
Intergovernmental	-	-	13,841
Interest	-	-	3
Restricted assets:			
Cash and investments held by fiscal agent	1,416	-	9,864
Total assets	<u>\$ 1,416</u>	<u>\$ 193</u>	<u>\$ 28,840</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ 656	\$ -	\$ 656
Deferred inflows of resources:			
Unavailable revenue	-	-	13,844
Total deferred inflows of resources	-	-	13,844
Fund balances:			
Nonspendable:			
Noncurrent assets	-	193	193
Restricted:			
Debt service	760	-	9,218
Committed:			
Debt service	-	-	3,063
Assigned:			
Debt service	-	-	1,866
Total fund balances	760	193	14,340
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,416</u>	<u>\$ 193</u>	<u>\$ 28,840</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, 2017

(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2006 Series B Revenue Bond Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 335
Interest, rents, and concessions	(14)	(38)	870
Total revenues	<u>(14)</u>	<u>(38)</u>	<u>1,205</u>
Expenditures:			
Debt service:			
Principal	830	2,352	1,185
Interest and fiscal charges	227	644	2,771
Bond issuance cost	-	-	-
Total expenditures	<u>1,057</u>	<u>2,996</u>	<u>3,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,071)</u>	<u>(3,034)</u>	<u>(2,751)</u>
Other financing sources:			
Transfers in	<u>1,054</u>	<u>2,985</u>	<u>2,401</u>
Total other financing sources (uses)	<u>1,054</u>	<u>2,985</u>	<u>2,401</u>
Net change in fund balances	(17)	(49)	(350)
Fund balances, beginning of year	<u>1,245</u>	<u>3,367</u>	<u>7,371</u>
Fund balances, end of year	<u>\$ 1,228</u>	<u>\$ 3,318</u>	<u>\$ 7,021</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, 2017

(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue Bond Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Interest, rents, and concessions	-	105	25
Total revenues	<u>-</u>	<u>105</u>	<u>25</u>
Expenditures:			
Debt service:			
Principal	475	-	9,217
Interest and fiscal charges	12	4,132	5,095
Bond issuance cost	-	-	1
Total expenditures	<u>487</u>	<u>4,132</u>	<u>14,313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(487)</u>	<u>(4,027)</u>	<u>(14,288)</u>
Other financing sources:			
Transfers in	<u>487</u>	<u>3,981</u>	<u>14,290</u>
Total other financing sources (uses)	<u>487</u>	<u>3,981</u>	<u>14,290</u>
Net change in fund balances	-	(46)	2
Fund balances, beginning of year	<u>3</u>	<u>46</u>	<u>1,815</u>
Fund balances, end of year	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,817</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, 2017

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 335
Interest, rents, and concessions	656	5	1,609
Total revenues	<u>656</u>	<u>5</u>	<u>1,944</u>
Expenditures:			
Debt service:			
Principal	735	240	15,034
Interest and fiscal charges	275	326	13,482
Bond issuance cost	-	-	1
Total expenditures	<u>1,010</u>	<u>566</u>	<u>28,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354)</u>	<u>(561)</u>	<u>(26,573)</u>
Other financing sources:			
Transfers in	-	171	25,369
Total other financing sources (uses)	<u>-</u>	<u>171</u>	<u>25,369</u>
Net change in fund balances	(354)	(390)	(1,204)
Fund balances, beginning of year	<u>1,114</u>	<u>583</u>	<u>15,544</u>
Fund balances, end of year	<u>\$ 760</u>	<u>\$ 193</u>	<u>\$ 14,340</u>

(continued)

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:

THE GENERAL FUND CAPITAL PROJECTS FUND is used to account for the proceeds of bond issues and associated capital projects.

THE TRANSPORTATION AND DEVELOPMENT CAPITAL PROJECTS FUND is used to account for the receipts of taxes and fees which are used to construct transportation-related capital projects.

THE 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.

THE FINANCING PLANS FUND is used to account for the construction of public infrastructure funded by developer impact fees authorized under financing plans.

THE SPECIAL DISTRICTS CAPITAL PROJECTS 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.

THE ECONOMIC DEVELOPMENT FUND is used to account for the excess proceeds of Redevelopment Agency (RDA) pre-2011 non-housing bond issues and associated capital projects.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2017
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund
<u>ASSETS</u>			
Cash and investments held by City	\$ -	\$ 40,428	\$ -
Receivables, net:			
Accounts	-	1	-
Interest	-	-	-
Intergovernmental	-	6,954	-
Restricted assets:			
Cash and investments held by City	3,099	-	125
Cash and investments held by fiscal agent	4,468	-	-
Total assets	<u>\$ 7,567</u>	<u>\$ 47,383</u>	<u>\$ 125</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,910	\$ 1,951	\$ -
Unearned revenue	-	577	-
Total liabilities	<u>4,910</u>	<u>2,528</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	-	1,753	-
Total deferred inflows of resources	<u>-</u>	<u>1,753</u>	<u>-</u>
Fund balances:			
Restricted:			
Capital projects	2,657	44,855	125
Other programs	-	-	-
Unassigned	-	(1,753)	-
Total fund balances	<u>2,657</u>	<u>43,102</u>	<u>125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,567</u>	<u>\$ 47,383</u>	<u>\$ 125</u>

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2017
(in thousands)

	Financing Plans Fund	Special Districts Capital Projects Fund	Economic Development Fund	Total Other Capital Projects Funds
<u>ASSETS</u>				
Cash and investments held by City	\$ 64,757	\$ 6,847	\$ -	\$ 112,032
Receivables, net:				
Accounts	343	4	-	348
Interest	167	-	-	167
Intergovernmental	-	-	-	6,954
Restricted assets:				
Cash and investments held by City	-	-	17,591	20,815
Cash and investments held by fiscal agent	-	-	-	4,468
Total assets	<u>\$ 65,267</u>	<u>\$ 6,851</u>	<u>\$ 17,591</u>	<u>\$ 144,784</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,367	\$ -	\$ -	\$ 8,228
Unearned revenue	4,042	-	-	4,619
Total liabilities	<u>5,409</u>	<u>-</u>	<u>-</u>	<u>12,847</u>
Deferred inflows of resources:				
Unavailable revenue	49	-	-	1,802
Total deferred inflows of resources	<u>49</u>	<u>-</u>	<u>-</u>	<u>1,802</u>
Fund balances:				
Restricted:				
Capital projects	59,453	6,851	17,591	131,532
Other programs	356	-	-	356
Unassigned	-	-	-	(1,753)
Total fund balances	<u>59,809</u>	<u>6,851</u>	<u>17,591</u>	<u>130,135</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,267</u>	<u>\$ 6,851</u>	<u>\$ 17,591</u>	<u>\$ 144,784</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, 2017
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund
Revenues:			
Interest, rents, and concessions	\$ 79	\$ 564	\$ 2
Community service fees	-	-	-
Assessment levies	-	-	-
Contributions and donations	-	-	-
Taxes	-	4,071	-
Intergovernmental	-	25,180	-
Charges for services	-	460	-
Miscellaneous	-	-	-
Total revenues	79	30,275	2
Expenditures:			
Current:			
General government	-	-	-
Public works	-	9,776	-
Parks and recreation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Utilities	-	-	-
Capital outlay	1,903	19,434	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,903	29,210	-
(Deficiency) excess of revenues (under) over expenditures	(1,824)	1,065	2
Other financing sources (uses):			
Transfers out	-	-	-
Issuance of long-term debt	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(1,824)	1,065	2
Fund balances, beginning of year	4,481	42,037	123
Fund balances, end of year	<u>\$ 2,657</u>	<u>\$ 43,102</u>	<u>\$ 125</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, 2017
(in thousands)

	Financing Plans Fund	Special Districts Capital Projects Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
Interest, rents, and concessions	\$ 490	\$ 80	\$ 170	\$ 1,385
Community service fees	27,910	-	-	27,910
Assessment levies	-	157	-	157
Contributions and donations	386	510	3,060	3,956
Taxes	-	-	-	4,071
Intergovernmental	-	-	-	25,180
Charges for services	-	-	-	460
Miscellaneous	52	-	-	52
Total revenues	28,838	747	3,230	63,171
Expenditures:				
Current:				
General government	361	23	-	384
Public works	-	-	-	9,776
Parks and recreation	176	-	-	176
Economic development	-	-	81	81
Community development	2,843	-	-	2,843
Utilities	41	-	-	41
Capital outlay	6,436	2,646	157	30,576
Debt service:				
Principal	6,988	-	-	6,988
Interest and fiscal charges	244	-	-	244
Total expenditures	17,089	2,669	238	51,109
(Deficiency) excess of revenues (under) over expenditures	11,749	(1,922)	2,992	12,062
Other financing sources (uses):				
Transfers out	(2,548)	-	-	(2,548)
Issuance of long-term debt	1,976	-	-	1,976
Total other financing sources (uses)	(572)	-	-	(572)
Net change in fund balances	11,177	(1,922)	2,992	11,490
Fund balances, beginning of year	48,632	8,773	14,599	118,645
Fund balances, end of year	<u>\$ 59,809</u>	<u>\$ 6,851</u>	<u>\$ 17,591</u>	<u>\$ 130,135</u>

THIS PAGE INTENTIONALLY LEFT BLANK

PERMANENT FUNDS

Permanent funds are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The resources must be spent as provided in legal trust agreements and related state laws. The following permanent funds have been classified as nonmajor funds:

THE ANN LAND FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE BERTHA HENSCHEL FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE 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.

THE 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.

THE SACRAMENTO HISTORY MUSEUM FUND is used to account for gifts to the Museum. The investment income is available to help pay the operating expenses of the Museum.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Permanent Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>
<u>ASSETS</u>			
Cash and investments held by City	\$ 1,043	\$ 3,130	\$ 1,194
Receivables, net:			
Interest	<u>3</u>	<u>8</u>	<u>2</u>
Total assets	<u>\$ 1,046</u>	<u>\$ 3,138</u>	<u>\$ 1,196</u>
 <u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 272	\$ 278	\$ 25
Restricted:			
Other programs	<u>774</u>	<u>2,860</u>	<u>1,171</u>
Total fund balances	<u>\$ 1,046</u>	<u>\$ 3,138</u>	<u>\$ 1,196</u>

City of Sacramento
Permanent Funds
Combining Balance Sheet

June 30, 2017

(in thousands)

	<u>Alice Miller Fund</u>	<u>Sacramento History Museum Fund</u>	<u>Total Permanent Funds</u>
<u>ASSETS</u>			
Cash and investments held by City	\$ 44	\$ 309	\$ 5,720
Receivables, net:			
Interest	-	-	13
Total assets	<u>\$ 44</u>	<u>\$ 309</u>	<u>\$ 5,733</u>
 <u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 3	\$ 300	\$ 878
Restricted:			
Other programs	41	9	4,855
Total fund balances	<u>\$ 44</u>	<u>\$ 309</u>	<u>\$ 5,733</u>

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

For the Fiscal Year Ended June 30, 2017

(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>
Revenues:			
Interest, rents, and concessions	\$ 78	\$ 235	\$ 184
Total revenues	<u>78</u>	<u>235</u>	<u>184</u>
Expenditures:			
Current:			
General government	33	101	23
Convention and cultural services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>33</u>	<u>101</u>	<u>23</u>
Net change in fund balances	45	134	161
Fund balances, beginning of year	<u>1,001</u>	<u>3,004</u>	<u>1,035</u>
Fund balances, end of year	<u>\$ 1,046</u>	<u>\$ 3,138</u>	<u>\$ 1,196</u>

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

For the Fiscal Year Ended June 30, 2017

(in thousands)

	<u>Alice Miller Fund</u>	<u>Sacramento History Museum Fund</u>	<u>Total Permanent Funds</u>
Revenues:			
Interest, rents, and concessions	\$ -	\$ 3	\$ 500
Total revenues	<u>-</u>	<u>3</u>	<u>500</u>
Expenditures:			
Current:			
General government	-	-	157
Convention and cultural services	<u>7</u>	<u>-</u>	<u>7</u>
	<u>7</u>	<u>0</u>	<u>164</u>
Net change in fund balances	(7)	3	336
Fund balances, beginning of year	<u>51</u>	<u>306</u>	<u>5,397</u>
Fund balances, end of year	<u>\$ 44</u>	<u>\$ 309</u>	<u>\$ 5,733</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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:

THE PARKING FUND is used to account for the operation and maintenance of the City's off-street parking facilities throughout the City.

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

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2017
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 25,066	\$ 1,622	\$ 26,688
Receivables, net:			
Accounts	559	237	796
Interest	105	-	105
Prepaid items	35	-	35
Intangible asset, current portion	-	8	8
Total current assets	<u>25,765</u>	<u>1,867</u>	<u>27,632</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	1,743	39	1,782
Cash and investments held by fiscal agent	1,776	-	1,776
Advances to other funds	534	-	534
Loans receivable	1	-	1
Intangible assets	-	143	143
Capital assets:			
Land	5,825	-	5,825
Buildings and improvements	60,384	1,546	61,930
Machinery and equipment	3,591	-	3,591
Construction in progress	6,634	13	6,647
Software	32	-	32
Less: accumulated depreciation/amortization	(36,460)	(1,025)	(37,485)
Total noncurrent assets	<u>44,060</u>	<u>716</u>	<u>44,776</u>
Total assets	<u>69,825</u>	<u>2,583</u>	<u>72,408</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>1,063</u>	<u>1,064</u>	<u>2,127</u>
Total deferred outflows of resources	<u>1,063</u>	<u>1,064</u>	<u>2,127</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2017
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,394	52	2,446
Accrued payroll	175	242	417
Accrued compensated absences	30	12	42
Interest payable	131	-	131
Unearned revenue	515	175	690
Accrued claims and judgements	6	41	47
Capital leases payable	1,324	-	1,324
Revenue and other bonds payable, net	2,520	-	2,520
Total current liabilities	<u>7,095</u>	<u>522</u>	<u>7,617</u>
Noncurrent liabilities:			
Accrued compensated absences	260	241	501
OPEB liability	1,528	221	1,749
Capital leases payable	3,685	-	3,685
Net pension liability	4,499	4,173	8,672
Revenue and other bonds payable, net	20,491	-	20,491
Total noncurrent liabilities	<u>30,463</u>	<u>4,635</u>	<u>35,098</u>
Total liabilities	<u>37,558</u>	<u>5,157</u>	<u>42,715</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Gain on debt refunding	291	-	291
Deferred inflows related to pensions	125	378	503
Total deferred inflows of resources	<u>416</u>	<u>378</u>	<u>794</u>
<u>NET POSITION</u>			
Net investment in capital assets	21,006	534	21,540
Unrestricted	11,908	(2,422)	9,486
Total net position (deficit)	<u>\$ 32,914</u>	<u>\$ (1,888)</u>	<u>\$ 31,026</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 17,898	\$ 5,709	\$ 23,607
Rents and concessions	476	-	476
Miscellaneous	20	4	24
Total operating revenues	<u>18,394</u>	<u>5,713</u>	<u>24,107</u>
Operating expenses:			
Employee services	3,707	4,913	8,620
Services and supplies	5,545	744	6,289
Depreciation/amortization	1,693	85	1,778
Claims and judgements	3	1	4
Total operating expenses	<u>10,948</u>	<u>5,743</u>	<u>16,691</u>
Operating income (loss)	<u>7,446</u>	<u>(30)</u>	<u>7,416</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	91	15	106
Revenue from other agencies	1	621	622
Interest expense	(1,007)	-	(1,007)
Gain or (loss) on disposition of capital assets	17	-	17
Total nonoperating revenues (expenses)	<u>(898)</u>	<u>636</u>	<u>(262)</u>
Income (loss) before transfers	6,548	606	7,154
Transfers in	2	-	2
Transfers out	(3,992)	-	(3,992)
Change in net position	2,558	606	3,164
Total net position (deficit), beginning of year	<u>30,356</u>	<u>(2,494)</u>	<u>27,862</u>
Total net position (deficit), end of year	<u>\$ 32,914</u>	<u>\$ (1,888)</u>	<u>\$ 31,026</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 18,478	\$ 5,726	\$ 24,204
Payments to suppliers	(4,704)	(758)	(5,462)
Payments to employees	(3,884)	(5,174)	(9,058)
Claims and judgements paid	(1)	(1)	(2)
Net cash provided by (used for) operating activities	<u>9,889</u>	<u>(207)</u>	<u>9,682</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	2	-	2
Transfers out to other funds	(2,040)	-	(2,040)
Loans made to other funds	(534)	-	(534)
Intergovernmental revenue received	1	624	625
Net cash provided by (used for) noncapital financing activities	<u>(2,571)</u>	<u>624</u>	<u>(1,947)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(4,043)	(13)	(4,056)
Proceeds from sale of capital assets	17	-	17
Principal payments on capital debt	(3,580)	-	(3,580)
Interest payments on capital debt	(1,192)	-	(1,192)
Transfers out to other funds	(1,952)	-	(1,952)
Net cash provided by (used for) capital and related financing activities	<u>(10,750)</u>	<u>(13)</u>	<u>(10,763)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	101	15	116
Loan repayments received	85	-	85
Net cash provided by (used for) investing activities	<u>186</u>	<u>15</u>	<u>201</u>
Net increase (decrease) in cash and cash equivalents	(3,246)	419	(2,827)
Cash and cash equivalents, beginning of year	<u>31,831</u>	<u>1,242</u>	<u>33,073</u>
Cash and cash equivalents, end of year	<u>\$ 28,585</u>	<u>\$ 1,661</u>	<u>\$ 30,246</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 25,066	\$ 1,622	\$ 26,688
Restricted cash and investments held by City	1,743	39	1,782
Restricted cash and investments held by fiscal agent	1,776	-	1,776
Total cash and cash equivalents, end of year	<u>\$ 28,585</u>	<u>\$ 1,661</u>	<u>\$ 30,246</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017
(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)	\$ 7,446	\$ (30)	\$ 7,416
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,690	77	1,767
Amortization of intangible assets	3	8	11
Pension expense	(245)	(228)	(473)
Changes in assets and liabilities:			
Accounts receivable, net	95	13	108
Prepaid items	2	-	2
Accounts payable	839	(14)	825
Accrued payroll	32	28	60
Accrued compensated absences	46	(7)	39
Accrued claims and judgements	2	-	2
OPEB liabilities	(10)	(54)	(64)
Unearned revenue	(11)	-	(11)
Net cash provided by (used for) operating activities	<u>\$ 9,889</u>	<u>\$ (207)</u>	<u>\$ 9,682</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 127	\$ -	\$ 127
Amortization of bond loss on refunding	(24)	-	(24)
Capitalized interest	13	-	13
Purchase of capital assets on accounts payable	275	-	275

THIS PAGE INTENTIONALLY LEFT BLANK

WATER FUND

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ -	\$ 112,192	\$ -
Receivables, net:			
Accounts	-	17,701	-
Loans	1,206	-	-
Intergovernmental	-	-	3,490
Interest	15	819	-
Due from other funds	-	2,778	-
Inventories	-	1,333	-
Prepaid items	-	369	-
	<u>1,221</u>	<u>135,192</u>	<u>3,490</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	33,683	-	-
Cash and investments held by fiscal agent	-	285	-
Loans receivable	891	200	-
Capital assets:			
Land	584	1,170	-
Buildings and improvements	-	39,123	37
Machinery and equipment	-	16,143	582
Transmission and distribution systems	1,282	601,090	1,944
Construction in progress	8,822	24,466	2,417
Software	-	643	-
Easement	-	134	-
Less: accumulated depreciation/amortization	(94)	(249,936)	(537)
	<u>45,168</u>	<u>433,318</u>	<u>4,443</u>
Total noncurrent assets			
Total assets	<u>46,389</u>	<u>568,510</u>	<u>7,933</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding of debt	-	5,243	-
Deferred outflows related to pensions	-	9,904	-
	<u>-</u>	<u>15,147</u>	<u>-</u>
Total deferred outflows of resources			

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2017
(in thousands)

	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund	Eliminations	Total Water Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 112,192
Receivables, net:				
Accounts	-	-	-	17,701
Loans	-	-	-	1,206
Intergovernmental	-	-	-	3,490
Interest	-	-	-	834
Due from other funds	-	-	(2,778)	-
Inventories	-	-	-	1,333
Prepaid items	-	-	-	369
	<u>-</u>	<u>-</u>	<u>(2,778)</u>	<u>137,125</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	5,848	56,628	-	96,159
Cash and investments held by fiscal agent	6,944	6	-	7,235
Loans receivable	-	-	-	1,091
Capital assets:				
Land	-	-	-	1,754
Buildings and improvements	1,205	-	-	40,365
Machinery and equipment	-	-	-	16,725
Transmission and distribution systems	83,102	-	-	687,418
Construction in progress	185,113	5,992	-	226,810
Software	-	-	-	643
Easement	-	-	-	134
Less: accumulated depreciation/amortization	(2,793)	-	-	(253,360)
	<u>279,419</u>	<u>62,626</u>	<u>-</u>	<u>824,974</u>
Total noncurrent assets				
Total assets	<u>279,419</u>	<u>62,626</u>	<u>(2,778)</u>	<u>962,099</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	-	5,243
Deferred outflows related to pensions	-	-	-	9,904
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,147</u>
Total deferred outflows of resources				

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	963	6,938	645
Due to other funds	-	-	2,778
Accrued payroll	-	1,562	-
Accrued compensated absences	-	124	-
Interest payable	-	588	-
Deposits	-	14	-
Unearned revenue	1,335	2,137	62
Accrued claims and judgements	-	194	-
Revenue and other bonds payable, net	-	6,902	-
Notes payable	-	437	-
Total current liabilities	<u>2,298</u>	<u>18,896</u>	<u>3,485</u>
Noncurrent liabilities:			
Accrued compensated absences	-	2,666	-
Water fee credits	-	214	-
OPEB liability	-	9,925	-
Revenue and other bonds payable, net	-	128,775	-
Notes payable	-	7,725	-
Net pension liability	-	33,506	-
Total noncurrent liabilities	<u>-</u>	<u>182,811</u>	<u>-</u>
Total liabilities	<u>2,298</u>	<u>201,707</u>	<u>3,485</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Gain on debt refunding	-	762	-
Deferred inflows related to pensions	-	1,132	-
Total deferred inflows of resources	<u>-</u>	<u>1,894</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	10,594	296,357	4,443
Restricted for:			
Capital projects	33,497	-	-
Unrestricted	-	83,699	5
Total net position	<u>\$ 44,091</u>	<u>\$ 380,056</u>	<u>\$ 4,448</u>

(continued)

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund	Eliminations	Total Water Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	1,793	-	-	10,339
Due to other funds	-	-	(2,778)	-
Accrued payroll	-	-	-	1,562
Accrued compensated absences	-	-	-	124
Interest payable	3,384	-	-	3,972
Deposits	-	-	-	14
Unearned revenue	-	-	-	3,534
Accrued claims and judgements	-	-	-	194
Revenue and other bonds payable, net	5,071	329	-	12,302
Notes payable	-	-	-	437
	<u>10,248</u>	<u>329</u>	<u>(2,778)</u>	<u>32,478</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	2,666
Water fee credits	-	-	-	214
OPEB liability	-	-	-	9,925
Revenue and other bonds payable, net	227,479	62,473	-	418,727
Notes payable	-	-	-	7,725
Net pension liability	-	-	-	33,506
	<u>227,479</u>	<u>62,473</u>	<u>-</u>	<u>472,763</u>
Total noncurrent liabilities				
Total liabilities	<u>237,727</u>	<u>62,802</u>	<u>(2,778)</u>	<u>505,241</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	-	-	762
Deferred inflows related to pensions	-	-	-	1,132
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,894</u>
Total deferred inflows of resources				
<u>NET POSITION</u>				
Net investment in capital assets	47,064	-	-	358,458
Restricted for:				
Capital projects	-	-	-	33,497
Unrestricted	(5,372)	(176)	-	78,156
	<u>41,692</u>	<u>(176)</u>	<u>-</u>	<u>470,111</u>
Total net position	<u>\$ 41,692</u>	<u>\$ (176)</u>	<u>\$ -</u>	<u>\$ 470,111</u>

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ 108,810	\$ -
Miscellaneous	-	57	-
Total operating revenues	-	108,867	-
Operating expenses:			
Employee services	-	33,575	96
Services and supplies	-	16,594	1,189
Depreciation/amortization	19	17,379	148
Claims and judgements	-	137	-
Total operating expenses	19	67,685	1,433
Operating income (loss)	(19)	41,182	(1,433)
Nonoperating revenues (expenses):			
Interest and investment revenue	462	80	-
Revenue from other agencies	-	185	2,750
Interest expense	-	(4,524)	-
Amoritzation of bond prepaid insurance	-	(23)	-
Total nonoperating revenues (expenses)	462	(4,282)	2,750
Income (loss) before contributions and transfers	443	36,900	1,317
Capital contributions	4,165	1,336	-
Transfers in	-	22	-
Transfers out	-	(26,431)	-
Change in net position	4,608	11,827	1,317
Total net position (deficit), beginning of year	39,483	368,229	3,131
Total net position (deficit), end of year	\$ 44,091	\$ 380,056	\$ 4,448

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Water Revenue Bonds Funds	2017 Water Revenue Bonds Funds	Eliminations	Total Water Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ -	\$ -	\$ 108,810
Miscellaneous	-	-	-	57
Total operating revenues	-	-	-	108,867
Operating expenses:				
Employee services	-	-	-	33,671
Services and supplies	4,143	489	-	22,415
Depreciation/amortization	1,680	-	-	19,226
Claims and judgements	-	-	-	137
Total operating expenses	5,823	489	-	75,449
Operating income (loss)	(5,823)	(489)	-	33,418
Nonoperating revenues (expenses):				
Interest and investment revenue	-	20	-	562
Revenue from other agencies	-	-	-	2,935
Interest expense	(180)	-	-	(4,704)
Amortization of bond prepaid insurance	-	-	-	(23)
Total nonoperating revenues (expenses)	(180)	20	-	(1,230)
Income (loss) before contributions and transfers	(6,003)	(469)	-	32,188
Capital contributions	-	-	-	5,501
Transfers in	13,950	293	(14,243)	22
Transfers out	-	-	14,243	(12,188)
Change in net position	7,947	(176)	-	25,523
Total net position (deficit), beginning of year	33,745	-	-	444,588
Total net position (deficit), end of year	\$ 41,692	\$ (176)	\$ -	\$ 470,111

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ 108,738	\$ -
Payments to suppliers	-	(15,840)	(885)
Payments to employees	-	(34,364)	(96)
Claims and judgements paid	-	(81)	-
Net cash provided by (used for) operating activities	-	58,453	(981)
Cash flows from noncapital financing activities:			
Interfund cashflow loans	-	(2,778)	2,778
Loan made to water agency	-	(200)	-
Transfers in from other funds	-	22	-
Transfers out to other funds	-	(11,660)	-
Interfund loan repayments	-	1,189	(1,189)
Intergovernmental revenue received	-	185	834
Net cash provided by (used for) noncapital financing activities	-	(13,242)	2,423
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(4,902)	(7,460)	(1,442)
Proceeds from issuance of debt	-	-	-
Principal payments on capital debt	-	(5,821)	-
Interest payments on capital debt	-	(6,565)	-
Transfers in from other funds	-	-	-
Transfers out to other funds	-	(14,771)	-
Capital contributions received	7,645	-	-
Loan repayments received	2,473	-	-
Net cash provided by (used for) capital and related financing activities	5,216	(34,617)	(1,442)
Cash flows from investing activities:			
Collection of interest and investment revenue	602	(173)	-
Net cash provided by (used for) investing activities	602	(173)	-
Net increase (decrease) in cash and cash equivalents	5,818	10,421	-
Cash and cash equivalents, beginning of year	27,865	102,056	-
Cash and cash equivalents, end of year	\$ 33,683	\$ 112,477	\$ -
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ -	\$ 112,192	\$ -
Restricted cash and investments held by City	33,683	-	-
Restricted cash and investments held by fiscal agent	-	285	-
Total cash and cash equivalents, end of year	\$ 33,683	\$ 112,477	\$ -

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund	Eliminations	Total Water Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 108,738
Payments to suppliers	(4,143)	(489)	-	(21,357)
Payments to employees	-	-	-	(34,460)
Claims and judgements paid	-	-	-	(81)
Net cash provided by (used for) operating activities	(4,143)	(489)	-	52,840
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	-	-	-
Loan made to water agency	-	-	-	(200)
Transfers in from other funds	-	-	-	22
Transfers out to other funds	-	-	-	(11,660)
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	-	-	-	1,019
Net cash provided by (used for) noncapital financing activities	-	-	-	(10,819)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(8,326)	(5,992)	-	(28,122)
Proceeds from issuance of debt	-	62,802	-	62,802
Principal payments on capital debt	(3,780)	-	-	(9,601)
Interest payments on capital debt	(10,236)	-	-	(16,801)
Transfers in from other funds	13,950	293	(14,243)	-
Transfers out to other funds	-	-	14,243	(528)
Capital contributions received	-	-	-	7,645
Loan repayments received	-	-	-	2,473
Net cash provided by (used for) capital and related financing activities	(8,392)	57,103	-	17,868
Cash flows from investing activities:				
Collection of interest and investment revenue	(17)	20	-	432
Net cash provided by (used for) investing activities	(17)	20	-	432
Net increase (decrease) in cash and cash equivalents	(12,552)	56,634	-	60,321
Cash and cash equivalents, beginning of year	25,344	-	-	155,265
Cash and cash equivalents, end of year	\$ 12,792	\$ 56,634	\$ -	\$ 215,586
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 112,192
Restricted cash and investments held by City	5,848	56,628	-	96,159
Restricted cash and investments held by fiscal agent	6,944	6	-	7,235
Total cash and cash equivalents, end of year	\$ 12,792	\$ 56,634	\$ -	\$ 215,586

(continued)

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (19)	\$ 41,182	\$ (1,433)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	19	17,325	148
Amortization of intangible assets	-	54	-
Pension expense	-	(2,370)	-
Changes in assets and liabilities:			
Accounts receivable, net	-	(501)	-
Inventories	-	604	-
Accounts payable	-	150	304
Accrued payroll	-	502	-
Accrued compensated absences	-	385	-
OPEB liabilities	-	694	-
Accrued claims and judgements	-	56	-
Deposits	-	5	-
Unearned revenue	-	367	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 58,453</u>	<u>\$ (981)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 40	\$ -
Transfer of capital assets from governmental funds, net of depreciation	-	535	-
Capitalized interest	-	877	-
Amortization of bond premium and discount	-	1,277	-
Amortization of bond loss on refunding	-	(328)	-
Amortization of bond gain on refunding	-	190	-
Amortization of bond prepaid insurance	-	(23)	-
Capital asset acquisitions on accounts payable	963	4,499	311
Water fee credits usage	-	762	-

(continued)

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund	Eliminations	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (5,823)	\$ (489)	\$ -	\$ 33,418
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	1,680	-	-	19,172
Amortization of intangible assets	-	-	-	54
Pension expense	-	-	-	(2,370)
Changes in assets and liabilities:				
Accounts receivable, net	-	-	-	(501)
Inventories	-	-	-	604
Accounts payable	-	-	-	454
Accrued payroll	-	-	-	502
Accrued compensated absences	-	-	-	385
OPEB liabilities	-	-	-	694
Accrued claims and judgements	-	-	-	56
Deposits	-	-	-	5
Unearned revenue	-	-	-	367
Net cash provided by (used for) operating activities	<u>\$ (4,143)</u>	<u>\$ (489)</u>	<u>\$ -</u>	<u>\$ 52,840</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 40
Transfer of capital assets from governmental funds, net of depreciation	-	-	-	535
Capitalized interest	8,906	-	-	9,783
Amortization of bond premium and discount	1,111	-	-	2,388
Amortization of bond loss on refunding	-	-	-	(328)
Amortization of bond gain on refunding	-	-	-	190
Amortization of bond prepaid insurance	-	-	-	(23)
Capital asset acquisitions on accounts payable	1,793	-	-	7,566
Water fee credits usage	-	-	-	762

THIS PAGE INTENTIONALLY LEFT BLANK

WASTEWATER FUND

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	<u>Development Impact Fee Fund</u>	<u>User Fee Fund</u>	<u>Grant Projects Fund</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ -	\$ 39,411	\$ 688
Receivables, net:			
Accounts	-	10,886	-
Loans	-	133	-
Intergovernmental	-	-	852
Interest	-	177	-
Inventories	-	28	-
Prepaid items	-	5	-
	<u>-</u>	<u>50,640</u>	<u>1,540</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	4,084	832	-
Cash and investments held by fiscal agent	-	-	-
Loans receivable	-	418	-
Capital assets:			
Land	-	1,138	-
Buildings and improvements	-	15,219	-
Machinery and equipment	-	4,846	-
Transmission and distribution systems	938	154,926	525
Construction in progress	490	1,536	3,903
Software	-	364	-
Less: accumulated depreciation/amortization	(33)	(75,503)	(23)
	<u>5,479</u>	<u>103,776</u>	<u>4,405</u>
Total noncurrent assets			
Total assets	<u>5,479</u>	<u>154,416</u>	<u>5,945</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	-	2,273	-
Total deferred outflows of resources	<u>-</u>	<u>2,273</u>	<u>-</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	<u>2013 Wastewater Revenue Bonds Fund</u>	<u>Eliminations</u>	<u>Total Wastewater Fund</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ -	\$ -	\$ 40,099
Receivables, net:			
Accounts	-	-	10,886
Loans	-	-	133
Intergovernmental	-	-	852
Interest	-	-	177
Inventories	-	-	28
Prepaid items	-	-	5
	<u>-</u>	<u>-</u>	<u>52,180</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	478	-	5,394
Cash and investments held by fiscal agent	983	-	983
Loans receivable	-	-	418
Capital assets:			
Land	-	-	1,138
Buildings and improvements	11,332	-	26,551
Machinery and equipment	301	-	5,147
Transmission and distribution systems	12,176	-	168,565
Construction in progress	9,202	-	15,131
Software	-	-	364
Less: accumulated depreciation/amortization	(779)	-	(76,338)
	<u>33,693</u>	<u>-</u>	<u>147,353</u>
Total noncurrent assets			
Total assets	<u>33,693</u>	<u>-</u>	<u>199,533</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	-	-	2,273
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>2,273</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	<u>Development Impact Fee Fund</u>	<u>User Fee Fund</u>	<u>Grant Projects Fund</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	142	13,164	241
Accrued payroll	-	414	-
Accrued compensated absences	-	21	-
Interest payable	-	33	-
Unearned revenue	-	-	1,299
Accrued claims and judgements	-	71	-
Revenue and other bonds payable, net	-	-	-
Notes payable	-	789	-
	<u>142</u>	<u>14,492</u>	<u>1,540</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	-	727	-
OPEB liability	-	3,529	-
Revenue and other bonds payable, net	-	-	-
Notes payable	-	2,265	-
Net pension liability	-	11,688	-
	<u>-</u>	<u>18,209</u>	<u>-</u>
Total noncurrent liabilities			
Total liabilities	<u>142</u>	<u>32,701</u>	<u>1,540</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	-	300	-
Total deferred inflows of resources	<u>-</u>	<u>300</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,395	99,472	4,405
Restricted for:			
Capital projects	3,942	-	-
Unrestricted	-	24,216	-
Total net position (deficit)	<u>\$ 5,337</u>	<u>\$ 123,688</u>	<u>\$ 4,405</u>

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2017
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	24	-	13,571
Accrued payroll	-	-	414
Accrued compensated absences	-	-	21
Interest payable	455	-	488
Unearned revenue	-	-	1,299
Accrued claims and judgements	-	-	71
Revenue and other bonds payable, net	662	-	662
Notes payable	-	-	789
	<u>1,141</u>	<u>-</u>	<u>17,315</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	-	-	727
OPEB liability	-	-	3,529
Revenue and other bonds payable, net	30,504	-	30,504
Notes payable	-	-	2,265
Net pension liability	-	-	11,688
	<u>30,504</u>	<u>-</u>	<u>48,713</u>
Total noncurrent liabilities			
	<u>31,645</u>	<u>-</u>	<u>66,028</u>
Total liabilities			
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	-	-	300
	<u>-</u>	<u>-</u>	<u>300</u>
Total deferred inflows of resources			
<u>NET POSITION</u>			
Net investment in capital assets	3,107	-	108,379
Restricted for:			
Capital projects	-	-	3,942
Unrestricted	(1,059)	-	23,157
	<u>\$ 2,048</u>	<u>\$ -</u>	<u>\$ 135,478</u>
Total net position (deficit)			

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ 33,305	\$ -
Charge to other agencies for contract services	-	1,006	-
Total operating revenues	-	34,311	-
Operating expenses:			
Employee services	-	9,893	-
Services and supplies	-	14,061	29
Depreciation/amortization	9	3,608	6
Claims and judgements	-	68	-
Total operating expenses	9	27,630	35
Operating income (loss)	(9)	6,681	(35)
Nonoperating revenues (expenses):			
Interest and investment revenue	43	140	-
Interest expense	-	(69)	-
Total nonoperating revenues (expenses)	43	71	-
Income (loss) before contributions and transfers	34	6,752	(35)
Capital contributions	831	489	351
Transfers in	-	135	-
Transfers out	-	(5,658)	-
Change in net position	865	1,718	316
Total net position (deficit), beginning of year	4,472	121,970	4,089
Total net position (deficit), end of year	<u>\$ 5,337</u>	<u>\$ 123,688</u>	<u>\$ 4,405</u>

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ -	\$ 33,305
Charge to other agencies for contract services	-	-	1,006
Total operating revenues	-	-	34,311
Operating expenses:			
Employee services	-	-	9,893
Services and supplies	936	-	15,026
Depreciation/amortization	373	-	3,996
Claims and judgements	-	-	68
Total operating expenses	1,309	-	28,983
Operating income (loss)	(1,309)	-	5,328
Nonoperating revenues (expenses):			
Interest and investment revenue	-	-	183
Interest expense	(23)	-	(92)
Total nonoperating revenues (expenses)	(23)	-	91
Income (loss) before contributions and transfers	(1,332)	-	5,419
Capital contributions	-	-	1,671
Transfers in	1,955	(1,955)	135
Transfers out	-	1,955	(3,703)
Change in net position	623	-	3,522
Total net position (deficit), beginning of year	1,425	-	131,956
Total net position (deficit), end of year	<u>\$ 2,048</u>	<u>\$ -</u>	<u>\$ 135,478</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ 34,475	\$ -
Payments to suppliers	-	(12,488)	(5)
Payments to employees	-	(10,428)	-
Claims and judgements paid	-	(47)	-
Net cash provided by (used for) operating activities	-	11,512	(5)
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	135	-
Transfers out to other funds	-	(3,639)	-
Net cash provided by (used for) noncapital financing activities	-	(3,504)	-
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(278)	(1,259)	(109)
Principal payments on capital debt	-	(921)	-
Interest payments on capital debt	-	(92)	-
Transfers in from other funds	-	-	-
Transfers out to other funds	-	(2,019)	-
Capital contributions received	831	-	103
Loan repayments received	-	131	-
Net cash provided by (used for) capital and related financing activities	553	(4,160)	(6)
Cash flows from investing activities:			
Collection of interest and investment revenue	43	134	-
Net cash provided by (used for) investing activities	43	134	-
Net increase (decrease) in cash and cash equivalents	596	3,982	(11)
Cash and cash equivalents, beginning of year	3,488	36,261	699
Cash and cash equivalents, end of year	\$ 4,084	\$ 40,243	\$ 688
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ -	\$ 39,411	\$ 688
Restricted cash and investments held by City	4,084	832	-
Restricted cash and investments held by fiscal agent	-	-	-
Total cash and cash equivalents, end of year	\$ 4,084	\$ 40,243	\$ 688

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Elimination	Total Wastewater Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ -	\$ 34,475
Payments to suppliers	(936)	-	(13,429)
Payments to employees	-	-	(10,428)
Claims and judgements paid	-	-	(47)
Net cash provided by (used for) operating activities	(936)	-	10,571
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	-	135
Transfers out to other funds	-	-	(3,639)
Net cash provided by (used for) noncapital financing activities	-	-	(3,504)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,908)	-	(3,554)
Principal payments on capital debt	(580)	-	(1,501)
Interest payments on capital debt	(1,375)	-	(1,467)
Transfers in from other funds	1,955	(1,955)	-
Transfers out to other funds	-	1,955	(64)
Capital contributions received	-	-	934
Loan repayments received	-	-	131
Net cash provided by (used for) capital and related financing activities	(1,908)	-	(5,521)
Cash flows from investing activities:			
Collection of interest and investment revenue	(3)	-	174
Net cash provided by (used for) investing activities	(3)	-	174
Net increase (decrease) in cash and cash equivalents	(2,847)	-	1,720
Cash and cash equivalents, beginning of year	4,308	-	44,756
Cash and cash equivalents, end of year	<u>\$ 1,461</u>	<u>\$ -</u>	<u>\$ 46,476</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ -	\$ -	\$ 40,099
Restricted cash and investments held by City	478	-	5,394
Restricted cash and investments held by fiscal agent	983	-	983
Total cash and cash equivalents, end of year	<u>\$ 1,461</u>	<u>\$ -</u>	<u>\$ 46,476</u>

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2017
(in thousands)

	<u>Development Impact Fee Fund</u>	<u>User Fee Fund</u>	<u>Grant Projects Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (9)	\$ 6,681	\$ (35)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	9	3,579	6
Amortization of intangible assets	-	29	-
Pension expense	-	(785)	-
Changes in assets and liabilities:			
Accounts receivable, net	-	164	-
Inventories	-	50	-
Prepaid items	-	(5)	-
Accounts payable	-	1,528	24
Accrued payroll	-	125	-
Accrued compensated absences	-	(32)	-
Accrued claims and judgements	-	21	-
OPEB liabilities	-	157	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 11,512</u>	<u>\$ (5)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 3	\$ -
Transfer of capital assets from governmental funds, net of depreciation	-	486	-
Capitalized interest	-	14	-
Amortization of bond premium and discount	-	-	-
Capital asset acquisitions on accounts payable	-	815	-

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2017
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Elimination	Total Wastewater Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (1,309)	\$ -	\$ 5,328
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	373	-	3,967
Amortization of intangible assets	-	-	29
Pension expense	-	-	(785)
Changes in assets and liabilities:			
Accounts receivable, net	-	-	164
Inventories	-	-	50
Prepaid items	-	-	(5)
Accounts payable	-	-	1,552
Accrued payroll	-	-	125
Accrued compensated absences	-	-	(32)
Accrued claims and judgements	-	-	21
OPEB liabilities	-	-	157
Net cash provided by (used for) operating activities	<u>\$ (936)</u>	<u>\$ -</u>	<u>\$ 10,571</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ -	\$ 3
Transfer of capital assets from governmental funds, net of depreciation	-	-	486
Capitalized interest	1,291	-	1,305
Amortization of bond premium and discount	57	-	57
Capital asset acquisitions on accounts payable	24	-	839

THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments on a cost reimbursement basis. The following are internal service funds:

THE 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.

THE RISK MANAGEMENT FUND is used to account for the City's self-funded general and automobile insurance program and workers' compensation insurance program.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2017
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 16,628	\$ 91,681	\$ 108,309
Cash and investments held by fiscal agent	-	194	194
Receivables, net:			
Accounts	74	159	233
Interest	-	302	302
Due from other funds	-	1,106	1,106
Prepaid items	3,390	3	3,393
Total current assets	<u>20,092</u>	<u>93,445</u>	<u>113,537</u>
Noncurrent assets:			
Advances to other funds	-	12,547	12,547
Capital assets:			
Buildings and improvements	7,159	-	7,159
Machinery and equipment	543	-	543
Vehicles	145,625	-	145,625
Software	256	-	256
Construction in progress	202	-	202
Less: accumulated depreciation/amortization	<u>(96,225)</u>	<u>-</u>	<u>(96,225)</u>
Total noncurrent assets	<u>57,560</u>	<u>12,547</u>	<u>70,107</u>
Total assets	<u>77,652</u>	<u>105,992</u>	<u>183,644</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>1,534</u>	<u>957</u>	<u>2,491</u>
Total deferred outflows of resources	<u>1,534</u>	<u>957</u>	<u>2,491</u>

City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2017
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	6,640	886	7,526
Accrued payroll	324	172	496
Accrued compensated absences	63	20	83
Interest payable	6	-	6
Unearned revenue	-	348	348
Accrued claims and judgements	51	20,183	20,234
Capital leases payable	28	-	28
Revenue and other bonds payable, net	403	-	403
	<u>7,515</u>	<u>21,609</u>	<u>29,124</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	565	279	844
OPEB liability	3,676	603	4,279
Accrued claims and judgements	-	60,566	60,566
Capital leases payable	44	-	44
Revenue and other bonds payable, net	1,207	-	1,207
Net pension liability	7,452	4,377	11,829
	<u>12,944</u>	<u>65,825</u>	<u>78,769</u>
Total noncurrent liabilities			
Total liabilities			
	<u>20,459</u>	<u>87,434</u>	<u>107,893</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	209	123	332
Total deferred inflows of resources			
	<u>209</u>	<u>123</u>	<u>332</u>
<u>NET POSITION</u>			
Net investment in capital assets	55,878	-	55,878
Unrestricted	2,640	19,392	22,032
Total net position			
	<u>\$ 58,518</u>	<u>\$ 19,392</u>	<u>\$ 77,910</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

For the Fiscal Year Ended June 30, 2017
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 45,522	\$ 32,602	\$ 78,124
Miscellaneous	59	2	61
Total operating revenues	<u>45,581</u>	<u>32,604</u>	<u>78,185</u>
Operating expenses:			
Employee services	6,722	3,509	10,231
Services and supplies	19,594	6,909	26,503
Depreciation/amortization	10,091	-	10,091
Insurance premiums	-	4,124	4,124
Claims and judgements	28	27,187	27,215
Total operating expenses	<u>36,435</u>	<u>41,729</u>	<u>78,164</u>
Operating income (loss)	<u>9,146</u>	<u>(9,125)</u>	<u>21</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	131	1,051	1,182
Revenue from other agencies	453	7	460
Insurance and other claim recoveries	-	297	297
Interest expense	(44)	-	(44)
Gain (loss) on disposition of capital assets	(22)	-	(22)
Total nonoperating revenues (expenses)	<u>518</u>	<u>1,355</u>	<u>1,873</u>
Income (loss) before contributions and transfers	9,664	(7,770)	1,894
Transfers in	424	60	484
Transfers out	(448)	-	(448)
Change in net position	9,640	(7,710)	1,930
Total net position, beginning of year	<u>48,878</u>	<u>27,102</u>	<u>75,980</u>
Total net position, end of year	<u>\$ 58,518</u>	<u>\$ 19,392</u>	<u>\$ 77,910</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 45,566	\$ 96,231	\$ 141,797
Payments to suppliers	(19,479)	(74,086)	(93,565)
Payments to employees	(6,686)	(3,600)	(10,286)
Claims and judgements paid	(13)	(18,377)	(18,390)
Net cash provided by (used for) operating activities	<u>19,388</u>	<u>168</u>	<u>19,556</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	60	60
Transfers out to other funds	(384)	-	(384)
Collections on interfund loans	-	3,267	3,267
Loans made to other funds	-	(856)	(856)
Intergovernmental revenue received	453	7	460
Claim and judgement recoveries	-	190	190
Net cash provided by (used for) noncapital financing activities	<u>69</u>	<u>2,668</u>	<u>2,737</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(12,290)	-	(12,290)
Proceeds from sale of capital assets	422	-	422
Principal payments on capital debt	(370)	-	(370)
Interest payments on capital debt	(85)	-	(85)
Transfers in from other funds	360	-	360
Net cash used for capital and related financing activities	<u>(11,963)</u>	<u>-</u>	<u>(11,963)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	<u>131</u>	<u>1,045</u>	<u>1,176</u>
Net cash provided by investing activities	<u>131</u>	<u>1,045</u>	<u>1,176</u>
Net increase in cash and cash equivalents	7,625	3,881	11,506
Cash and cash equivalents, beginning of year	<u>9,003</u>	<u>87,994</u>	<u>96,997</u>
Cash and cash equivalents, end of year	<u>\$ 16,628</u>	<u>\$ 91,875</u>	<u>\$ 108,503</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 16,628	\$ 91,681	\$ 108,309
Cash and investments held by fiscal agent	-	194	194
Total cash and cash equivalents, end of year	<u>\$ 16,628</u>	<u>\$ 91,875</u>	<u>\$ 108,503</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017
(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)	\$ 9,146	\$ (9,125)	\$ 21
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	10,074	-	10,074
Amortization of intangible assets	17	-	17
Pension expense	(103)	(62)	(165)
Changes in assets and liabilities:			
Accounts receivable, net	(15)	1	(14)
Prepaid items	23	(3)	20
Accounts payable	92	594	686
Accrued payroll	63	(14)	49
Accrued compensated absences	13	(39)	(26)
Unearned revenue	-	(18)	(18)
Accrued claims and judgements	15	8,810	8,825
OPEB liabilities	63	24	87
Net cash provided by (used for) operating activities	<u>\$ 19,388</u>	<u>\$ 168</u>	<u>\$ 19,556</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium, discount	\$ 40	\$ -	\$ 40
Capital asset acquisitions on accounts payable	3,907	-	3,907

THIS PAGE INTENTIONALLY LEFT BLANK

INVESTMENT TRUST FUNDS

Investment trust funds account for assets and related liabilities of legally separate entities for which the City provides investment services.

Investment Pool is used to account for assets and liabilities held for external participants in the City Sponsored Investment Pool.

Individual Investment Accounts are used to account for assets and liabilities, held for entities external to the City, which are not invested in the City Sponsored Investment Pool.

City of Sacramento
Investment Trust Funds
Combining Statement of Fiduciary Net Position

June 30, 2017
(in thousands)

	<u>Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
<u>ASSETS</u>			
Cash and investments held by City	\$ 67,534	\$ 84,442	\$ 151,976
Receivables, net:			
Interest	191	278	469
Total assets	<u>67,725</u>	<u>84,720</u>	<u>152,445</u>
<u>NET POSITION</u>			
Held in trust	<u>\$ 67,725</u>	<u>\$ 84,720</u>	<u>\$ 152,445</u>

City of Sacramento
Investment Trust Funds
Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2017
(in thousands)

	<u>Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
Additions:			
From investment activities:			
Net appreciation in fair value of investments	\$ (306)	\$ (585)	\$ (891)
Interest	808	1,130	1,938
Total investment earnings	502	545	1,047
Less investment expenses:			
Banking, interest, and fiscal agent expenses	142	-	142
Net income from investing activities	360	545	905
Net investment income	360	545	905
Deposits	68,493	4,613	73,106
Total additions	68,853	5,158	74,011
Deductions:			
Withdrawals	66,619	4,224	70,843
Change in net position	2,234	934	3,168
Net position, beginning of year	65,491	83,786	149,277
Net position, end of year	<u>\$ 67,725</u>	<u>\$ 84,720</u>	<u>\$ 152,445</u>

AGENCY FUNDS

Agency funds account for assets held for other organizations, governments, or private individuals and includes:

THE ASSESSMENT DISTRICTS FUND is used to account for parcel assessments and debt service for bonds issued under the Improvement Bond Act of 1915.

THE COMMUNITY FACILITIES DISTRICTS FUND is used to account for special tax assessments, debt service payments and the payment of other costs related to Mello-Roos districts within the City.

City of Sacramento
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2017
(in thousands)

<u>ASSESSMENT DISTRICTS FUND</u>	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
<u>ASSETS</u>				
Cash and investments held by City	\$ 2,365	\$ 1,205	\$ 1,590	\$ 1,980
Cash and investments held by fiscal agent	937	987	996	928
Receivables, net:				
Accounts	10	13	10	13
Total assets	<u>\$ 3,312</u>	<u>\$ 2,205</u>	<u>\$ 2,596</u>	<u>\$ 2,921</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2	\$ 8	\$ 10	\$ -
Due to bondholders	3,310	1,205	1,594	2,921
Total liabilities	<u>\$ 3,312</u>	<u>\$ 1,213</u>	<u>\$ 1,604</u>	<u>\$ 2,921</u>
<u>COMMUNITY FACILITIES DISTRICTS FUND</u>	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
<u>ASSETS</u>				
Cash and investments held by City	\$ 10,161	\$ 35,023	\$ 31,627	\$ 13,557
Cash and investments held by fiscal agent	14,183	13,796	12,400	15,579
Receivables, net:				
Taxes	217	272	273	216
Interest	15	31	15	31
Total assets	<u>\$ 24,576</u>	<u>\$ 49,122</u>	<u>\$ 44,315</u>	<u>\$ 29,383</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	\$ 61	\$ 112	\$ 173	\$ -
Due to bondholders	24,515	37,914	33,046	29,383
Total liabilities	<u>\$ 24,576</u>	<u>\$ 38,026</u>	<u>\$ 33,219</u>	<u>\$ 29,383</u>
<u>TOTAL - ALL AGENCY FUNDS</u>	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
<u>ASSETS</u>				
Cash and investments held by City	\$ 12,526	\$ 36,228	\$ 33,217	\$ 15,537
Cash and investments held by fiscal agent	15,120	14,783	13,396	16,507
Receivables, net:				
Taxes	217	272	273	216
Accounts	10	13	10	13
Interest	15	31	15	31
Total assets	<u>\$ 27,888</u>	<u>\$ 51,327</u>	<u>\$ 46,911</u>	<u>\$ 32,304</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	\$ 63	\$ 120	\$ 183	\$ -
Due to bondholders	27,825	39,119	34,640	32,304
Total liabilities	<u>\$ 27,888</u>	<u>\$ 39,239</u>	<u>\$ 34,823</u>	<u>\$ 32,304</u>

THIS PAGE INTENTIONALLY LEFT BLANK

Statistical Section

Statistical Section

This part of the City's Comprehensive Annual 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				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 1,165,658	\$ 1,249,993	\$ 1,286,576	\$ 1,328,932	\$ 1,367,540
Restricted for:					
Capital projects	239,377	221,594	186,619	156,157	149,904
Debt service	531	544	494	1,105	1,101
Public works programs	-	-	-	21,484	18,103
Economic development programs	-	-	-	-	-
Ambulance services	-	-	-	-	-
Other programs	30,996	30,836	32,443	23,544	23,274
Trust and endowments:					
Expendable	6,159	4,442	4,690	5,659	6,870
Nonexpendable	1,934	1,934	1,934	1,934	878
Unrestricted	124,408	84,092	76,953	16,107	6,128
Total governmental activities net position	\$ 1,569,063	\$ 1,593,435	\$ 1,589,709	\$ 1,554,922	\$ 1,573,798
Business-type activities					
Net investment in capital assets	\$ 656,951	\$ 687,417	\$ 691,197	\$ 701,157	\$ 705,527
Restricted for:					
Capital projects	-	16,866	25,781	30,184	33,209
Other programs	-	-	-	-	530
Unrestricted	119,975	92,458	106,148	113,804	123,265
Total business-type activities net position	\$ 776,926	\$ 796,741	\$ 823,126	\$ 845,145	\$ 862,531
Primary government					
Net investment in capital assets	\$ 1,822,609	\$ 1,937,410	\$ 1,977,773	\$ 2,030,089	\$ 2,073,067
Restricted for:					
Capital projects	239,377	238,460	212,400	186,341	183,113
Debt service	531	544	494	1,105	1,101
Public works programs	-	-	-	21,484	18,103
Economic development programs	-	-	-	-	-
Ambulance services	-	-	-	-	-
Other programs	30,996	30,836	32,443	23,544	23,804
Trust and endowments:					
Expendable	6,159	4,442	4,690	5,659	6,870
Nonexpendable	1,934	1,934	1,934	1,934	878
Unrestricted	244,383	176,550	183,101	129,911	129,393
Total primary government net position	\$ 2,345,989	\$ 2,390,176	\$ 2,412,835	\$ 2,400,067	\$ 2,436,329

- Notes: (1) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
- (2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
- (3) 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.
- (4) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (5) 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.
- (6) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

Source: City of Sacramento Comprehensive Annual 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				
	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	\$ 1,573,602	\$ 1,610,616	\$ 1,043,612	\$ 1,073,117	\$ 1,040,836
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
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 assets	\$ 893,941	\$ 946,264	\$ 891,261	\$ 952,170	\$ 998,815
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	\$ 2,467,543	\$ 2,556,880	\$ 1,934,873	\$ 2,025,287	\$ 2,039,651

- Notes: (1) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
- (2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
- (3) 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.
- (4) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (5) 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.
- (6) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses ⁽³⁾					
<i>Governmental Activities</i>					
General government	\$ 49,841	\$ 45,956	\$ 44,278	\$ 42,238	\$ 40,846
Police	159,207	153,874	152,922	159,908	153,392
Fire	104,149	107,119	109,210	111,174	116,418
Public works	-	-	-	-	-
General Services ⁽⁴⁾	24,462	25,067	26,110	22,614	23,083
Transportation	89,016	95,238	89,358	97,350	98,384
Economic development	10,048	10,055	9,815	10,467	9,704
Convention and cultural services	21,518	18,573	18,064	21,348	19,857
Parks and recreation	60,930	54,209	51,984	56,162	45,448
Code enforcement	10,154	10,882	10,984	-	-
Community development	-	-	18,848	25,821	24,286
Neighborhood services	1,667	1,370	1,105	-	-
Development services	30,247	24,063	-	-	-
Planning	6,830	2,973	-	-	-
Library	9,935	13,976	16,827	14,635	13,301
Interest on long-term debt	31,157	29,284	29,658	24,903	23,583
Total governmental activities expenses	609,161	592,639	579,163	586,620	568,302
<i>Business type activities</i>					
Water	63,364	66,757	60,902	63,073	67,335
Wastewater	18,330	20,498	17,389	18,990	20,491
Storm drainage	38,570	38,483	37,040	37,815	37,692
Solid waste	48,735	67,911	47,076	48,203	53,205
Community center	20,507	20,342	19,563	18,530	18,125
Child development	6,604	7,617	6,797	6,274	5,885
Marina	1,257	1,045	1,625	2,662	2,008
Parking	17,154	16,009	16,390	15,786	15,732
Total business-type activities	214,521	238,662	206,782	211,333	220,473
Total primary government expenses	\$ 823,682	\$ 831,301	\$ 785,945	\$ 797,953	\$ 788,775

Notes: (1) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses ⁽³⁾					
<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 ⁽⁴⁾	15,343	13,807	15,619	-	-
Transportation	-	-	-	-	-
Economic development	10,468	17,080	11,075	13,049	13,397
Convention and cultural services	19,537	17,916	19,441	24,139	20,380
Parks and recreation	48,457	52,336	56,573	53,911	50,156
Code enforcement	-	-	-	-	-
Community development	29,253	26,484	30,221	36,251	41,726
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
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
Child development	6,116	6,297	6,151	5,519	5,743
Marina	-	-	-	-	-
Parking	15,358	15,238	13,704	14,451	11,955
Total business-type activities	<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 City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 5,233	\$ 5,290	\$ 6,614	\$ 5,827	\$ 5,608
Police	4,203	4,819	4,098	10,316	9,714
Fire	17,936	24,448	22,711	21,998	21,643
Public works	-	-	-	-	-
General services	10,471	10,878	9,964	10,442	10,965
Transportation	19,574	26,391	28,857	28,614	28,309
Economic development	8,143	8,345	8,497	9,136	8,800
Convention and cultural services	9,425	11,026	9,689	9,364	7,985
Parks and recreation	13,343	10,187	10,122	10,039	11,579
Code enforcement	3,800	7,932	5,627	-	-
Community development	-	-	8,752	15,409	15,459
Neighborhood services	123	195	166	-	-
Development services	19,867	16,115	-	-	-
Planning	114	108	-	-	-
Library	-	-	-	-	-
Total charge for services	112,232	125,734	115,097	121,145	120,062
Operating grants and contributions	51,845	53,206	59,179	51,289	54,287
Capital grants and contributions	141,919	119,689	90,888	69,234	112,247
Total governmental activities program revenues	305,996	298,629	265,164	241,668	286,596
<i>Business - type activities</i>					
Charge for services					
Water	65,411	62,619	70,463	79,315	79,809
Wastewater	20,704	19,775	20,284	21,360	21,513
Storm drainage	33,289	32,747	34,082	34,160	34,545
Solid waste	52,434	55,949	58,901	62,906	64,055
Community center	7,556	7,651	7,020	6,780	7,521
Child development	5,587	5,640	5,473	5,309	5,232
Marina	1,378	1,748	1,782	1,464	1,359
Parking	19,626	18,661	18,784	18,660	18,769
Total charge for services	205,985	204,790	216,789	229,954	232,803
Operating grants and contributions	1,824	2,343	2,381	2,358	3,744
Capital grants and contributions	11,661	38,094	14,148	10,417	5,289
Total business - type activities program revenues	219,470	245,227	233,318	242,729	241,836
Total primary government program revenues	\$ 525,466	\$ 543,856	\$ 498,482	\$ 484,397	\$ 528,432
Net (Expense) Revenue					
Governmental activities	\$ (303,165)	\$ (294,010)	\$ (313,999)	\$ (344,952)	\$ 286,596
Business - type activities	4,949	6,565	26,536	31,396	239,828
Total primary government net expenses	\$ (298,216)	\$ (287,445)	\$ (287,463)	\$ (313,556)	\$ 526,424

Notes: (1) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
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	3,175	1,756	1,251	-	-
Transportation	-	-	-	-	-
Economic development	8,685	8,205	7,659	7,889	9,140
Convention and cultural services	8,817	9,311	9,303	10,085	10,860
Parks and recreation	10,604	13,359	15,004	13,792	12,954
Code enforcement	-	-	-	-	-
Community development	15,423	17,141	25,069	27,025	32,428
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Library	33	59	29	-	-
Total charge for services	115,963	124,397	141,438	145,299	158,817
Operating grants and contributions	81,822	47,430	52,306	35,442	36,938
Capital grants and contributions	69,323	89,539	115,354	122,528	86,856
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
Child development	5,426	5,632	5,553	6,073	5,713
Marina	-	-	-	-	-
Parking	18,823	18,643	16,595	17,646	18,374
Total charge for services	241,244	251,478	260,383	262,985	278,425
Operating grants and contributions	1,095	1,963	2,142	3,435	3,967
Capital grants and contributions	7,480	4,403	7,292	7,433	6,764
Total business - type activities program revenues	<u>249,819</u>	<u>257,844</u>	<u>269,817</u>	<u>273,853</u>	<u>289,156</u>
Total primary government program revenues	<u>\$ 516,927</u>	<u>\$ 519,210</u>	<u>\$ 578,915</u>	<u>\$ 577,122</u>	<u>\$ 571,767</u>
Net (Expense) Revenue					
Governmental activities	\$ (330,323)	\$ (329,686)	\$ (318,426)	\$ (353,609)	\$ (375,805)
Business - type activities	33,126	41,127	48,433	49,434	53,428
Total primary government net expenses	<u>\$ (297,197)</u>	<u>\$ (288,559)</u>	<u>\$ (269,993)</u>	<u>\$ (304,175)</u>	<u>\$ (322,377)</u>

Notes: (1) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 137,782	\$ 135,806	\$ 123,681	\$ 118,801	\$ 114,874
Utility user taxes	57,561	57,775	58,693	58,907	58,787
Other taxes	23,865	20,358	18,591	18,327	17,403
Sales taxes shared state revenue	54,821	48,905	46,769	47,680	50,683
In-lieu sales tax	16,344	15,745	14,332	14,548	14,081
Grants and other intergovernmental revenue not restricted to specific programs	-	4,224	4,591	2,610	-
Investment earnings	34,343	14,896	11,508	6,260	10,953
Miscellaneous	12,142	10,368	12,743	12,464	11,005
Contributions to permanent fund	7	-	-	4	1
Gain (loss) on disposition of capital assets	-	2,912	-	2,336	-
Special items, net	18,791	(929)	-	-	-
Transfers	12,898	8,348	19,365	28,229	22,722
Total Governmental activities	368,554	318,408	310,273	310,166	300,509
<i>Business-type activities</i>					
Taxes:					
Other taxes	17,538	15,852	14,233	15,403	15,781
Investment earnings	6,898	5,746	4,964	3,449	2,957
Miscellaneous	353	-	-	-	-
Gain (loss) on disposition of capital assets	5,645	-	17	-	7
Special items, net	-	-	-	-	-
Transfers	(12,898)	(8,348)	(19,365)	(28,229)	(22,722)
Total business-type activities	17,536	13,250	(151)	(9,377)	(3,977)
Total primary government	\$ 386,090	\$ 331,658	\$ 310,122	\$ 300,789	\$ 296,532
Change in Net Position					
Governmental activities	\$ 65,389	\$ 24,398	\$ (3,726)	\$ (34,786)	\$ 300,509
Business-type activities	22,485	19,815	26,385	22,019	(3,977)
Total primary government	\$ 87,874	\$ 44,213	\$ 22,659	\$ (12,767)	\$ 296,532

Notes: (1) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

City of Sacramento
Changes in Net Position ^{(1) (2) (3) (4)}
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	-
Grants and other intergovernmental revenue not restricted to specific programs	-	-	-	-	-
Investment earnings	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, net	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	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, net	-	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	\$ 37,014	\$ 69,866	\$ 29,505	\$ (32,281)
Business-type activities	31,978	52,323	42,519	60,909	47,180
Total primary government	\$ 36,589	\$ 89,337	\$ 112,385	\$ 90,414	\$ 14,899

Notes: (1) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds ^{(1) (2)}
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Reserved for:					
Noncurrent assets	\$ 1,604	\$ 969	\$ 514	\$ -	\$ -
Encumbrances	8,947	5,189	6,301	-	-
Inventories and prepaids	449	316	304	-	-
Unreserved	87,962	65,614	47,988	-	-
Nonspendable:					
Prepaid items	-	-	-	63	23
Due from Other Funds					
Noncurrent assets	-	-	-	245	71
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	-	86	64
Committed:					
Economic uncertainty	-	-	-	14,340	20,263
Capital projects	-	-	-	19,612	21,542
Community center theater renovation	-	-	-	-	-
B Street Theater project	-	-	-	-	-
Fire program	-	-	-	-	-
OPEB	-	-	-	-	-
Homeless programs	-	-	-	-	-
Gas Tax					
Other programs	-	-	-	12,468	9,349
Assigned:					
Unrealized investment gains	-	-	-	972	402
Next year's budget	-	-	-	5,138	9,354
Unassigned	-	-	-	-	-
Total general fund	\$ 98,962	\$ 72,088	\$ 55,107	\$ 52,924	\$ 61,068
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	\$ 875	\$ 746	\$ 1,149	\$ -	\$ -
Encumbrances	113,669	78,390	30,000	-	-
Debt service	22,634	20,517	20,269	-	-
Inventories and prepaids	1,344	35	35	-	-
Trust obligations	1,934	1,934	1,934	-	-
Capital projects	-	-	2,210	-	-
Unreserved, reported in:					
Special revenue funds	79,289	73,626	93,583	-	-
Capital projects funds	131,595	104,824	100,308	-	-
Debt service funds	9,200	9,868	10,047	-	-
Permanent funds	3,700	2,567	2,798	-	-
Nonspendable:					
Prepaid items	-	-	-	30	29
Noncurrent assets	-	-	-	1,577	605
Permanent fund principal	-	-	-	1,934	878
Restricted:					
Capital projects	-	-	-	161,365	150,475
Debt service	-	-	-	20,870	18,230
Public works programs	-	-	-	-	-
Ambulance service	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	-	50,264	50,026
Committed:					
Capital projects	-	-	-	606	469
Grant retention	-	-	-	-	-
Debt service	-	-	-	2,278	2,278
B Street Theater project	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	-	646	2,096
Assigned:					
Debt service	-	-	-	2,878	2,068
Unrealized investment gains	-	-	-	120	42
Other programs	-	-	-	2,281	4,093
Unassigned	-	-	-	(31,287)	(48,094)
Total all other governmental funds	\$ 364,240	\$ 292,507	\$ 262,333	\$ 213,562	\$ 183,195

Notes: (1) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds ^{(1) (2)}
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Reserved for:					
Noncurrent assets	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	24	66	7	2	12
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	-
B Street Theater project	-	-	2,500	-	-
Fire program	-	-	4,420	5,720	1,386
OPEB	2,000	-	6,717	6,752	5,324
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					
Reserved for:					
Noncurrent assets	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	-	-	-	-	-
Debt service	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-
Trust obligations	-	-	-	-	-
Capital projects	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Permanent funds	-	-	-	-	-
Nonspendable:					
Prepaid items	44	24	24	-	-
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:					
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
B Street Theater project	-	-	16,391	21,360	-
Economic development programs	-	5,125	-	-	-
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) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds ^{(1) (2)}
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 286,498	\$ 277,370	\$ 260,749	\$ 254,705	\$ 256,564
Intergovernmental	137,341	161,418	174,214	125,758	154,937
Charges for services	63,285	70,403	62,962	67,831	62,760
Fines, forfeits and penalties	9,916	12,213	12,118	11,093	11,891
Interest, rents, and concessions	28,430	15,414	10,928	9,627	15,494
Community service fees	16,831	13,297	7,875	3,647	3,058
Assessment levies	25,894	33,204	31,970	33,482	35,294
Contributions from property owners	31,753	8,132	7,972	9,440	6,170
Miscellaneous	296	212	196	411	2,090
Total revenues	600,244	591,663	568,984	515,994	548,258
Expenditures					
General Government	33,778	31,938	27,471	26,049	24,610
Police	148,392	145,148	147,059	144,081	142,204
Fire	94,284	99,613	102,430	97,573	98,749
General Services	23,198	23,396	21,025	19,353	19,388
Transportation	30,235	32,902	31,023	29,708	33,183
Neighborhood Services	1,547	1,363	1,007	-	-
Convention and cultural services	16,080	15,116	13,196	13,291	10,670
Economic Development	8,035	9,472	9,136	9,819	9,396
Parks and Recreation	53,499	45,845	40,312	36,650	30,393
Code enforcement	9,595	10,605	10,279	-	-
Community Development	-	-	15,873	23,307	21,819
Library	9,366	13,406	12,366	12,398	11,739
Utilities	83	67	67	137	97
Nondepartmental	27,373	26,028	26,818	33,407	32,269
Citywide and community support	-	-	-	-	-
Public Works	-	-	-	-	-
Development Services	28,261	21,881	-	-	-
Planning	5,626	2,709	-	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay					
Capital Outlay	153,507	180,125	156,146	91,902	118,259
Subtotal - capital outlay	<u>153,507</u>	<u>180,125</u>	<u>156,146</u>	<u>91,902</u>	<u>118,259</u>
Debt Service					
City					
Principal	19,529	45,789	18,577	44,189	21,595
Interest and fiscal charges	30,689	30,468	29,697	25,209	24,028
Bond issuance costs	607	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	<u>50,825</u>	<u>76,257</u>	<u>48,274</u>	<u>69,398</u>	<u>45,623</u>
Total Expenditures	693,684	735,871	662,482	607,073	598,399
Excess (deficiency) of revenues over (under) expenditures	<u>(93,440)</u>	<u>(144,208)</u>	<u>(93,498)</u>	<u>(91,079)</u>	<u>(50,141)</u>
Other Financing Sources (uses)					
Transfers in	58,989	65,076	53,621	58,006	55,435
Transfers out	(39,780)	(33,695)	(30,241)	(27,025)	(27,590)
Issuance of long-term debt	5,666	10,981	22,963	6,808	73
Premium on long term debt	-	-	-	-	-
Proceeds from sale of property	-	2,992	-	2,336	-
Proceeds of long-term capital-related debt	-	-	-	-	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Total other financing sources (uses)	24,875	45,354	46,343	40,125	27,918
Special items, net	18,791	(929)	-	-	-
Net change in fund balances	\$ (49,774)	\$ (99,783)	\$ (47,155)	\$ (50,954)	\$ (22,223)
Debt services as a percentage of noncapital expenditures	9.41%	13.72%	9.35%	13.06%	9.41%

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.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds ^{(1) (2)}
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 from property owners	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
General Services	10,306	9,564	10,058	-	-
Transportation	-	-	-	-	-
Neighborhood Services	-	-	-	-	-
Convention and cultural services	9,804	10,481	10,978	11,738	12,838
Economic Development	10,221	12,418	10,797	9,871	13,270
Parks and Recreation	32,257	35,632	38,894	37,801	38,707
Code enforcement	-	-	-	-	-
Community Development	23,568	23,902	26,819	34,110	40,499
Library	12,362	12,482	14,496	14,771	14,903
Utilities	979	607	522	701	1,583
Nondepartmental	-	-	-	-	-
Citywide and community support	33,105	36,965	37,216	47,961	48,435
Public Works	34,995	34,706	35,502	42,194	45,457
Development Services	-	-	-	-	-
Planning	-	-	-	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Capital Outlay	116,705	106,840	128,805	337,817	82,465
Subtotal - capital outlay	<u>116,705</u>	<u>106,840</u>	<u>128,805</u>	<u>337,817</u>	<u>82,465</u>
Debt Service					
City					
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
Payment to refunded bond escrow	-	-	-	38,052	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	<u>42,419</u>	<u>48,990</u>	<u>57,192</u>	<u>84,838</u>	<u>57,281</u>
Total Expenditures	587,842	604,948	659,803	928,058	684,393
Excess (deficiency) of revenues over (under) expenditures	<u>(15,044)</u>	<u>5,532</u>	<u>(8,561)</u>	<u>(218,164)</u>	<u>10,038</u>
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	-	6,050	3,984	401,943	1,976
Premium on long term debt	-	-	-	13,972	-
Proceeds from sale of property	-	4,902	12,500	-	-
Proceeds of long-term capital-related debt	2,837	-	-	-	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	(133,931)	-
Total other financing sources (uses)	30,553	40,009	52,334	318,436	36,491
Special items, net	31,208	-	-	(8,830)	-
Net change 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.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property	Tax Increment	Sales & Use	Utility Users	Others	Total
2008	\$ 150,901	-	\$ 54,821	\$ 57,561	\$ 23,215	\$ 286,498
2009	151,551	-	48,905	57,775	19,139	277,370
2010	140,013	-	45,670	58,700	16,366	260,749
2011	133,099	-	47,680	58,887	15,039	254,705
2012	130,287	-	50,683	58,787	16,807	256,564
2013	130,864 ⁽²⁾	-	57,121 ⁽³⁾	59,066	18,554	265,605
2014	140,690 ⁽²⁾	-	99,615 ⁽³⁾	59,613	20,914	320,832
2015	147,415 ⁽²⁾	-	102,596 ⁽³⁾	59,948	24,690	334,649
2016	164,719 ⁽²⁾	-	110,212 ⁽³⁾	61,404	29,147	365,482
2017	159,566 ⁽²⁾	-	125,560 ⁽³⁾	62,997	34,032	382,155

Notes: (1) In lieu sales tax is reported as property tax in fiscal year 2007 and subsequent fiscal years.

(2) Includes residual property tax from redevelopment agency dissolution.

(3) Includes Measure U local sales and use tax.

Sources: (A) City of Sacramento Comprehensive Annual 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 ⁽²⁾
	Real Property	Personal Property	Public Utility	Total			
2008	\$ 39,286,839	\$ 1,548,914	\$ 15,371 ⁽³⁾	\$ 40,851,124	\$ 505,519	\$ 40,345,605	1.00
2009	40,360,550	1,691,096	11,948	42,063,594	503,159	41,560,435	1.00
2010	37,446,222	1,819,726	11,937	39,277,885	499,878	38,778,007	1.00
2011	36,388,660	1,742,824	11,977	38,143,461	496,459	37,647,002	1.00
2012	35,267,406	1,711,462	12,132	36,991,000	488,888	36,502,112	1.00
2013	34,332,037	1,626,943	13,157	35,972,137	477,326	35,494,811	1.00
2014	35,829,529	1,546,891	12,381	37,388,801	464,546	36,924,255	1.00
2015	37,918,666	1,585,876	18,173	39,522,715	455,212	39,067,503	1.00
2016	39,823,777	1,513,519	9,267	41,346,563	448,779	40,897,784	1.00
2017	42,300,010	1,623,203	9,193	43,932,406	446,683	43,485,723	1.00

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

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

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

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

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

**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
2007	1.0000	-	0.0922	-	1.0922
2008	1.0000	-	0.0956	-	1.0956
2009	1.0000	-	0.1012	-	1.1012
2010	1.0000	-	0.1035	-	1.1035
2011	1.0000	-	0.1069	-	1.1069
2012	1.0000	-	0.1174	-	1.1174
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

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	2017			2008		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Hines VAF II Sacramento	\$ 318,082	1	0.73%	\$ -	-	-
CIM Sacramento LP	217,479	2	0.50%	-	-	-
Arden Fair Associates	146,061	3	0.34%	126,223	4	0.31%
500 Capitol Mall LLC	133,482	4	0.31%	-	-	0.00%
621 Capitol Mall LLC	129,788	5	0.30%	-	-	-
GPT Propertties Trust	122,616	6	0.28%	-	-	-
300 Capitol Association NF LP	114,000	7	0.26%	89,999	7	0.22%
HP Hood LLC	107,024	8	0.25%	-	-	-
M H VI Projects LLC	96,420	9	0.22%	-	-	-
GSA Sacramento CA LLC	91,372	10	0.21%	-	-	-
Teachers Ins. Annuity	-	-	-	162,180	1	0.40%
400 Capital Mall Venture	-	-	-	149,202	2	0.37%
Downtown Plaza	-	-	-	138,987	3	0.34%
CLPF Promemade LP	-	-	-	108,658	5	0.27%
M H Realty Partners VI LP	-	-	-	104,040	6	0.26%
RT Sacramento Funding Co.	-	-	-	80,937	8	0.20%
Pardee Homes	-	-	-	77,889	9	0.19%
Valley View Investors LLC	-	-	-	77,386	10	0.19%
	<u>1,476,324</u>		<u>3.39%</u>	<u>1,115,501</u>		<u>2.76%</u>
All other taxpayers	<u>42,009,399</u>		<u>96.61%</u>	<u>39,230,104</u>		<u>97.24%</u>
Total	<u>\$ 43,485,723</u>		<u>100.00%</u>	<u>\$ 40,345,605</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 Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 151,667	\$ 146,828	96.81%	\$ 4,839	\$ 151,667	100.00%
2009	151,480	147,780	97.56%	3,700	151,480	100.00%
2010	138,701	136,313	98.28%	2,388	138,701	100.00%
2011	132,440	130,711	98.69%	1,729	132,440	100.00%
2012	129,123	127,914	99.06%	1,209	129,123	100.00%
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%

- Notes: (1) Property taxes in 2007 and subsequent years till 2016 include in lieu sales tax revenue from prior year. Program was started 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.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

Fiscal Year	Governmental Activities				
	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capital Leases
2008	\$ 532,354	-	-	\$ 25,875	\$ 8,806
2009	514,431	-	-	812	7,354
2010	496,641	-	-	746	11,203
2011	477,588	-	-	677	9,910
2012	457,324	-	-	605	8,439
2013 ⁽¹⁾	435,962	-	-	530	9,446
2014 ⁽²⁾	419,477	-	-	16,053	13,562
2015	398,544	-	-	15,680	10,456
2016 ⁽³⁾	627,351	-	-	15,290	7,294
2017	606,097	-	-	14,883	4,455

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 have been reclassified to governmental activities.

(3) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.

(NA) Personal income data 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	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Population	Per Capita
	Revenue Bonds	Certificates of Participation	Notes Payable	Capital Leases				
2008	\$ 322,965	-	\$ 49,977	\$ 2,710	\$ 942,687	NA	475,743	\$ 1,982
2009	312,967	-	49,103	6,487	891,154	NA	481,097	1,852
2010	302,064	-	56,307	8,295	875,256	NA	486,189	1,800
2011	289,950	-	56,388	7,066	841,579	NA	469,566	1,792
2012	277,241	-	55,131	11,693	810,433	NA	470,956	1,721
2013 ⁽¹⁾	542,347	-	52,536	9,466	1,050,287	NA	473,509	2,218
2014 ⁽²⁾	540,117	-	33,288	6,098	1,028,595	NA	475,122	2,165
2015	519,869	-	29,844	4,075	978,468	NA	480,105	2,038
2016 ⁽³⁾	493,406	-	26,340	8,654	1,178,335	NA	485,683	2,426
2017	533,751	-	22,748	5,574	1,187,508	NA	493,025	2,409

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 have been reclassified to governmental activities.

(3) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.

(NA) Personal income data 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
2008	-	-	-	40,345,605	0.00%	475,743	-
2009	-	-	-	41,560,435	0.00%	481,097	-
2010	-	-	-	38,778,007	0.00%	486,189	-
2011	-	-	-	37,647,002	0.00%	469,566	-
2012	-	-	-	36,502,112	0.00%	470,956	-
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	-	-	-	40,897,784	0.00%	485,683	-
2017	-	-	-	43,485,723	0.00%	493,025	-

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

City of Sacramento
Direct and Overlapping Governmental Activities Debt ⁽¹⁾
As of June 30, 2017
(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	\$ 340,100	25.426 %	\$ 86,474
Elk Grove Unified School District	82,100	10.908	8,955
Natomas Unified School District	252,966	88.372	223,551
Sacramento Unified School District	528,758	84.546	447,044
San Juan Unified School District	476,115	2.972	14,150
Twin Rivers Unified School District	3,136	47.831	1,500
Twin Rivers Unified School District (former Elementary School District bonds)	67,690	47.831	32,377
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	222,605	47.409	105,535
Robla School District	40,019	52.043	20,827
City of Sacramento Community Facilities Districts	151,915	100.000	151,915
Elk Grove Unified School District Community Facilities District No. 1	205,378	10.908	22,403
City of Sacramento 1915 Act Bonds	4,655	100.000	4,655
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	278,195	83.303	231,745
Sacramento Area Flood Control Agency Operation and Maintenance Assessment District	2,690	63.308	1,703
Sacramento Area Flood Control Agency Natomas Local Assessment District	34,210	84.065	28,759
Subtotal - Overlapping Tax and Assessment debt			1,381,592
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	235,694	30.976	73,009
Sacramento County Pension Obligations	944,016	30.976	292,418
Sacramento County Board of Education Certificates of Participation	5,675	30.976	1,758
Los Rios Community College District Certificates of Participation	700	25.426	178
Natomas Unified School District Certificates of Participation	8,995	88.372	7,949
Sacramento Unified School District Certificates of Participation	67,920	84.546	57,424
San Juan Unified School District Certificates of Participation	498	2.972	15
Twin Rivers Unified School District Certificates of Participation	66,440	47.409	31,499
Sacramento Metropolitan Fire District General Fund Obligations	9,305	0.001	0
Sacramento Metropolitan Fire District General Pension Obligations	52,364	0.001	1
Subtotal - Lease Obligation Debt			464,250
Total Overlapping Debt			1,845,841
City of Sacramento Direct Debt			625,435
Total Direct and Overlapping Debt			\$ 2,471,276

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		
2008	\$ 40,345,605	\$ 6,051,841	-	-	-	\$ 6,051,841	0.00%
2009	41,560,435	6,234,065	-	-	-	6,234,065	0.00%
2010	38,778,007	5,816,701	-	-	-	5,816,701	0.00%
2011	37,647,002	5,647,050	-	-	-	5,647,050	0.00%
2012	36,502,112	5,475,317	-	-	-	5,475,317	0.00%
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	40,897,784	6,134,668	-	-	-	6,134,668	0.00%
2017	43,485,723	6,522,858	-	-	-	6,522,858	0.00%

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

City of Sacramento
Demographic and Economic Statistics for Sacramento County
Last Ten Calendar Years

Year	Population (A)	Personal Income (in millions of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (B)	Unemployment Rate (C)
2008	1,424,415	NA	NA	NA	NA	238,522	7.0 %
2009	1,433,187	NA	NA	NA	NA	237,722	11.9
2010	1,445,327	NA	NA	NA	NA	237,916	12.6
2011	1,428,355	NA	NA	NA	NA	237,567	12.7
2012	1,435,153	NA	NA	NA	NA	237,362	11.1
2013	1,445,806	NA	NA	NA	NA	238,290	8.7
2014	1,454,406	NA	NA	NA	NA	240,216	7.1
2015	1,470,912	64,638	43,944	34	NA	241,022	5.8
2016	1,495,297	69,590	46,539	33	NA	242,725	5.8
2017	1,514,770	72,894	48,122	34	NA	244,394	5.4

Sources: (A) <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php> (Population estimates are as of January 1st each year)
(B) California Department of Education, report on Sacramento County: <http://dq.cde.ca.gov/dataquest/>
(C) 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)	2017			2008		
	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B) ⁽²⁾	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B)
State of California	74,462	1	11.23%	73,872	1	11.30%
Sacramento County	12,514	2	1.89%	14,513	2	2.22%
Kaiser Permanente	10,517	3	1.59%	6,260	6	0.96%
UC Davis Health System	10,467	4	1.58%	7,927	3	1.21%
U.S. Government	10,322	5	1.56%	-	-	-
Sutter Health	9,911	6	1.49%	7,140	4	1.09%
Dignity Health	8,039	7	1.21%	-	-	-
Intel Corporation	6,000	8	0.90%	6,000	7	0.92%
Apple, Inc.	5,000	9	0.75%	-	-	-
Elk Grove Unified School District	4,620	10	0.70%	5,813	9	0.89%
City of Sacramento	4,458	11	0.67%	-	-	-
Sacramento City Unified School District	-	-	-	7,000	5	1.07%
Los Rios Community College	-	-	-	6,000	8	0.92%
Mercy/Catholic Healthcare West	-	-	-	5,647	10	0.86%
San Juan Unified School District	-	-	-	4,999	11	0.76%

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 663,000 (per Employment Development Department website) in June 2017.

Sources: (A) Sacramento Business Journal, July 8, 2016. List of largest employers in Sacramento County.
(B) Employment Development Department, State of California.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property ^{(1) (2)}
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year				
	2008	2009	2010	2011	2012
Merged Downtown					
Secured	\$ 2,203,787	\$ 2,549,340	\$ 2,656,453	\$ 2,504,312	\$ 2,427,850
Unsecured	146,071	174,529	172,285	160,110	145,125
Utility	4,107	997	997	997	997
Total	<u>\$ 2,353,965</u>	<u>\$ 2,724,866</u>	<u>\$ 2,829,735</u>	<u>\$ 2,665,419</u>	<u>\$ 2,573,972</u>
Del Paso Heights					
Secured	\$ 393,968	\$ 414,673	\$ 317,546	\$ 305,405	\$ 286,172
Unsecured	11,076	14,272	37,627	17,112	10,267
Utility	-	1	1	1	1
Total	<u>\$ 405,044</u>	<u>\$ 428,946</u>	<u>\$ 355,174</u>	<u>\$ 322,518</u>	<u>\$ 296,440</u>
Alkali Flat					
Secured	\$ 122,660	\$ 126,892	\$ 132,387	\$ 128,304	\$ 121,651
Unsecured	4,701	4,273	4,759	3,740	2,962
Utility	-	-	-	-	-
Total	<u>\$ 127,361</u>	<u>\$ 131,165</u>	<u>\$ 137,146</u>	<u>\$ 132,044</u>	<u>\$ 124,613</u>
Oak Park					
Secured	\$ 618,602	\$ 611,302	\$ 460,439	\$ 438,987	\$ 428,226
Unsecured	10,363	11,361	13,418	10,613	8,973
Utility	-	-	-	-	-
Total	<u>\$ 628,965</u>	<u>\$ 622,663</u>	<u>\$ 473,857</u>	<u>\$ 449,600</u>	<u>\$ 437,199</u>
River District (formerly Richards Blvd)					
Secured	\$ 404,185	\$ 434,882	\$ 454,256	\$ 405,518	\$ 403,771
Unsecured	34,967	44,693	45,813	41,732	31,661
Utility	4,120	4,120	4,200	4,200	4,264
Total	<u>\$ 443,272</u>	<u>\$ 483,695</u>	<u>\$ 504,269</u>	<u>\$ 451,450</u>	<u>\$ 439,696</u>
North Sacramento					
Secured	\$ 581,880	\$ 613,238	\$ 563,978	\$ 555,744	\$ 526,139
Unsecured	30,238	37,027	33,239	36,014	35,675
Utility	-	-	-	-	-
Total	<u>\$ 612,118</u>	<u>\$ 650,265</u>	<u>\$ 597,217</u>	<u>\$ 591,758</u>	<u>\$ 561,814</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
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				
	2008	2009	2010	2011	2012
Franklin Boulevard					
Secured	\$ 595,198	\$ 615,732	\$ 571,385	\$ 571,094	\$ 554,662
Unsecured	45,819	47,150	44,573	41,821	38,551
Utility	-	-	-	-	-
Total	<u>\$ 641,017</u>	<u>\$ 662,882</u>	<u>\$ 615,958</u>	<u>\$ 612,915</u>	<u>\$ 593,213</u>
Stockton Boulevard					
Secured	\$ 463,344	\$ 476,809	\$ 390,475	\$ 372,566	\$ 355,452
Unsecured	15,416	16,399	16,598	17,048	17,468
Utility	-	-	-	-	-
Total	<u>\$ 478,760</u>	<u>\$ 493,208</u>	<u>\$ 407,073</u>	<u>\$ 389,614</u>	<u>\$ 372,920</u>
Army Depot					
Secured	\$ 995,435	\$ 1,011,483	\$ 835,497	\$ 826,480	\$ 810,113
Unsecured	145,115	118,889	120,863	119,918	116,198
Utility	578	578	578	578	579
Total	<u>\$ 1,141,128</u>	<u>\$ 1,130,950</u>	<u>\$ 956,938</u>	<u>\$ 946,976</u>	<u>\$ 926,890</u>
65th Street					
Secured	\$ 243,734	\$ 240,544	\$ 224,753	\$ 242,905	\$ 230,618
Unsecured	22,673	29,115	25,010	25,040	25,808
Utility	-	-	-	-	-
Total	<u>\$ 266,407</u>	<u>\$ 269,659</u>	<u>\$ 249,763</u>	<u>\$ 267,945</u>	<u>\$ 256,426</u>
Railyards					
Secured	\$ -	\$ -	\$ 49,467	\$ 71,772	\$ 80,928
Unsecured	-	-	-	251	3,521
Utility	-	-	641	680	768
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,108</u>	<u>\$ 72,703</u>	<u>\$ 85,217</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
 Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
 Merged Downtown
 As of June 30, 2017
 (in thousands)**

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
300 CAPITOL MALL	\$ 114,000	\$ 102,000	\$ (12,000)	0.43%
CIM	100,554	50,275	(50,279)	1.80%
1415 MERIDIAN PLAZA	75,500	59,000	(16,500)	0.59%
COMCAST CABLE	54,441	20,960	(33,481)	1.20%
HILTON HOTELS (WORLDWIDE)	33,600	2,400	(31,200)	1.12%
HILTON HOTELS	29,059	3,230	(25,829)	0.92%
ONE CAPITOL MALL	20,948	19,760	(1,188)	0.04%
COMCAST OF SACRAMENTO	20,820	16,647	(4,173)	0.15%
CIM	18,533	9,265	(9,268)	0.33%
COMCAST OF SACRAMENTO	16,701	14,705	(1,996)	0.07%
Sub Total	484,156	298,242	(185,914)	6.65%
All Other Taxpayers	2,310,154	-	-	-
Total	\$ 2,794,310	\$ 298,242	\$ (185,914)	6.65%

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 March 1, 2017.

Source: Sacramento County Assessor

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
COMCAST CABLE	\$ 1,470	\$ 418	\$ (1,052)	0.30%
COMCAST OF SACRAMENTO	623	374	(249)	0.07%
COMCAST OF SACRAMENTO	391	344	(47)	0.01%
COMCAST CABLE	312	89	(223)	0.06%
COMCAST CABLE	279	79	(200)	0.06%
COMCAST CABLE	243	69	(174)	0.05%
COMCAST CABLE	151	43	(108)	0.03%
MONA SUE AYERS	120	52	(68)	0.02%
COMCAST CABLE	106	30	(76)	0.02%
COMCAST OF SACRAMENTO	83	73	(10)	0.00%
Sub Total	3,778	1,571	(2,207)	0.62%
All Other Taxpayers	350,017	-	-	-
Total	\$ 353,795	\$ 1,571	\$ (2,099)	0.62%

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 March 1, 2017.

Source: Sacramento County Assessor

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
REALTY ADVISORS INC	\$ 7,480	\$ 3,500	\$ (3,980)	2.85%
LYNN HOULIHAN	2,244	1,675	(569)	0.41%
COMCAST CABLE	540	146	(394)	0.28%
ALDON BOLANOS	375	100	(275)	0.20%
COMCAST OF SACRAMENTO	137	121	(16)	0.01%
Sub Total	10,776	5,542	(5,234)	3.75%
All Other Taxpayers	128,775	-	-	-
Total	<u>\$ 139,551</u>	<u>\$ 5,542</u>	<u>\$ (5,234)</u>	<u>3.75%</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 March 1, 2017.

Source: Sacramento County Assessor

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
BIMBO BAKERIES USA INC	\$ 19,813	\$ 15,797	\$ (4,016)	0.67%
BIMBO BAKERIES USA INC	16,065	8,032	(8,032)	1.35%
RAINBOW BAKING CO OF SACTO VALLEY	12,202	3,660	(8,542)	1.43%
COMCAST CABLE	2,617	782	(1,835)	0.31%
CAMPBELL TAGGART BAKING CO	1,379	414	(965)	0.16%
COMCAST OF SACRAMENTO	738	650	(88)	0.01%
COMCAST CABLE	579	316	(263)	0.04%
WALGREEN CO	429	260	(169)	0.03%
COMCAST CABLE	354	108	(246)	0.04%
COMCAST OF SACRAMENTO	320	256	(64)	0.01%
Sub Total	54,496	30,275	(24,220)	4.07%
All Other Taxpayers	541,220	-	-	-
Total	\$ 595,716	\$ 30,275	\$ (24,220)	4.07%

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 March 1, 2017.

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
JUNO COMM REAL EST	\$ 9,462	\$ 4,731	\$ (4,731)	1.07%
CLEAR CHANNEL OUTDOOR	1,598	750	(848)	0.19%
CLEAR CHANNEL OUTDOOR	1,574	800	(774)	0.18%
REALTY ADVISORS INC	752	371	(381)	0.09%
Sub Total	13,386	6,652	(6,734)	1.53%
All Other Taxpayers	428,120	-	-	-
Total	\$ 441,506	\$ 6,652	\$ (6,734)	1.53%

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 March 1, 2017.

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SEVEN UP BOTTLING CO OF SF	\$ 33,618	\$ 5,000	\$ (28,618)	4.83%
OMNINET SACRAMENTO LLC	8,183	5,004	(3,179)	0.54%
COLUMBIA WOODLAKE	7,868	3,500	(4,368)	0.74%
SENT EXPO POINTE LLC & SENT INV	7,800	4,485	(3,315)	0.56%
RECREATIONAL EQUIPMENT	7,758	3,418	(4,340)	0.73%
COLUMBIA WOODLAKE LLC	7,750	6,000	(1,750)	0.30%
OMNINET SACRAMENTO LLC	5,482	3,353	(2,129)	0.36%
BELL EXPO LLC	3,046	1,978	(1,068)	0.18%
AMERICAN BOTTLING COMPANY	3,003	1,500	(1,503)	0.25%
OMNINET SACRAMENTO LLC	1,898	1,200	(698)	0.12%
Sub Total	86,406	35,438	(50,968)	8.61%
All Other Taxpayers	505,594	-	-	-
Total	<u>\$ 592,000</u>	<u>\$ 35,438</u>	<u>\$ (50,968)</u>	<u>8.61%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of March 1, 2017.

Source: Sacramento County Assessor

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
O'REILLY AUTO ENTERPRISES LLC	\$ 4,563	\$ 1,370	\$ (3,193)	0.60%
CHATEAU LANG APARTMENTS LLC	3,257	2,856	(401)	0.08%
O'REILLY AUTO ENTERPRISES LLC	2,323	697	(1,626)	0.30%
AU ENERGY	2,089	1,540	(549)	0.10%
COMCAST CABLE	931	283	(648)	0.12%
COMCAST CABLE	667	202	(465)	0.09%
COMCAST CABLE	374	113	(261)	0.05%
COMCAST CABLE	288	87	(201)	0.04%
COMCAST OF SACRAMENTO	286	181	(105)	0.02%
COMCAST OF SACRAMENTO	267	235	(32)	0.01%
Sub Total	15,045	7,564	(4,288)	0.80%
All Other Taxpayers	518,097	-	-	-
Total	<u>\$ 533,142</u>	<u>\$ 7,564</u>	<u>\$ (4,288)</u>	<u>0.80%</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 March 1, 2017.

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
ESS PRISA II LLC	\$ 5,587	\$ 4,500	\$ (1,087)	0.26%
LEONARD W GRAY	3,450	1,145	(2,305)	0.55%
AARONS INC	1,520	-	(1,520)	0.36%
COMCAST CABLE	1,423	432	(991)	0.24%
COMCAST CABLE	904	274	(630)	0.15%
COMCAST OF SACRAMENTO	605	384	(221)	0.05%
SMART & FINAL #406	513	257	(256)	0.06%
RENT-A-CENTER WEST INC	452	395	(57)	0.01%
COMCAST OF SACRAMENTO	406	358	(48)	0.01%
COMCAST CABLE	344	104	(240)	0.06%
Sub Total	15,204	7,849	(7,355)	1.75%
All Other Taxpayers	404,219	-	-	-
Total	<u>\$ 419,423</u>	<u>\$ 7,849</u>	<u>\$ (7,355)</u>	<u>1.75%</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 March 1, 2017.

Source: Sacramento County Assessor

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
RI FLORIN PERKINS LLC	\$ 15,993	\$ 4,797	\$ (11,196)	1.03%
RI FLORIN PERKINS LLC	15,871	13,761	(2,110)	0.19%
SOUTHDOWN CA CEMENT, LLC DBA CEMEX	5,896	1,000	(4,896)	0.45%
AFP POWER INN ROAD LLC	3,708	2,000	(1,708)	0.16%
COMCAST CABLE	2,553	775	(1,778)	0.16%
DO TRINH FAMILY REVOCABLE LIVING TRUST	1,503	976	(527)	0.05%
R/G HAYWARD LLC	1,232	370	(862)	0.08%
RIACHARD REESE FAMILY	1,096	781	(315)	0.03%
COMCAST CABLE	872	264	(608)	0.06%
COMCAST OF SACRAMENTO	730	643	(87)	0.01%
Sub Total	49,454	25,367	(24,087)	2.22%
All Other Taxpayers	1,037,934	-	-	-
Total	<u>\$ 1,087,388</u>	<u>\$ 25,367</u>	<u>\$ (24,087)</u>	<u>2.22%</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 March 1, 2017.

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, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
TARGET CORPORATION	\$ 27,114	\$ 1,400	\$ (25,714)	8.82%
TARGET CORPORATION	26,726	1,380	(25,346)	8.69%
COMCAST CABLE	636	193	(443)	0.15%
COMCAST OF SACRAMENTO	182	160	(22)	0.01%
COMCAST CABLE	91	25	(66)	0.02%
U-NEAC FASTENERS INC	49	5	(44)	0.02%
COMCAST OF SACRAMENTO	23	21	(2)	0.00%
MATERIAL TRANSPORT	19	-	(19)	0.01%
Sub Total	54,840	3,184	(51,656)	17.71%
All Other Taxpayers	236,798	-	-	-
Total	<u>\$ 291,638</u>	<u>\$ 3,184</u>	<u>\$ (51,656)</u>	<u>17.71%</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 March 1, 2017.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Railyards
As of June 30, 2017
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
PETER C THOMPSON	\$ 12,000	\$ 7,144	\$ (4,856)	6.95%
COMCAST OF SACRAMENTO	2,219	1,259	(960)	1.37%
SIMS METAL MGMT	1,417	709	(708)	1.01%
COMCAST OF SACRAMENTO	800	475	(325)	0.46%
Sub Total	16,436	9,587	(6,849)	9.80%
All Other Taxpayers	53,474	-	-	-
Total	\$ 69,910	\$ 9,587	\$ (6,849)	9.80%

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 March 1, 2017.

Source: Sacramento County Assessor

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

Assessee	2017			2008		
	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)	\$ 411,221	1	14.72%	\$ -	-	-
400 Capitol Mall Owner LP	175,630	2	6.29%	237,472	1	10.09%
500 Capitol Mall LLC	138,357	3	4.95%	75,657	9	3.21%
621 Capitol Mall LLC	132,506	4	4.74%	81,998	8	3.48%
CIM/980 9th St Sacramento LP	117,626	5	4.21%	-	-	-
300 Capitol Associates NF LP	114,000	6	4.08%	135,252	4	5.75%
SG Downtown LLC	108,021	7	3.87%	-	-	-
CIM/J Street Hotel Sacramento LP	95,756	8	3.43%	122,495	5	5.20%
GSA Sacramento CA LLC	93,200	9	3.34%	83,168	7	3.53%
Capital Towers Apartments	92,000	10	3.29%	-	-	-
Teachers Insurance/Annuity Assn of America	-	-	-	213,893	2	9.09%
Downtown Plaza	-	-	-	152,005	3	-
Sacramento Equities REIT	-	-	-	89,804	6	3.82%
CA Assn Hosp/Hlth Sym (Tsakopoulos Family)	-	-	-	75,511	10	3.21%
Sub Total	1,067,096		38.19%	1,267,255		53.83%
All Other Taxpayers	1,727,214		61.81%	1,086,710		46.17%
Total	\$ 2,794,310		100.00%	\$2,353,965		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
North Avenue Apartments	\$ 7,413	1	2.10%	\$ 8,412	1	2.15%
Greater Sacramento Urban League	6,456	2	1.82%	5,691	2	1.46%
Research Properties	5,569	3	1.57%	3,470	5	0.89%
BM Ventures LLC	5,502	4	1.56%	-		-
Ramon Canyon Associates LP	3,028	5	0.86%	-		-
John A/Leta K Nichols 1994 Rev Trust	2,933	6	0.83%	2,553	8	0.65%
Garin Elisa R/Etal	2,711	7	0.77%	-		-
US Rentals Inc	2,454	8	0.69%	2,682	7	0.69%
Proffutt Limited Partnership	2,318	9	0.66%	-		-
Terkensha Associates	2,173	10	0.61%	-		-
Deutsche Bank National Trust Company	-		-	4,822	3	1.23%
Woodhaven Senior Residence	-		-	4,246	4	1.09%
Federal Home Loan Mortgage Corp.	-		-	2,967	6	0.76%
Lundblom Family Trust	-		-	2,379	9	0.61%
23002 Moulton Parkway LLC	-		-	2,293	10	0.59%
Sub Total	26,688		7.54%	25,412		6.50%
All Other Taxpayers	327,107		92.46%	365,529		93.50%
Total	<u>\$ 353,795</u>		<u>100.00%</u>	<u>\$ 390,941</u>		<u>100.00%</u>

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Hearst-Argyle Stations Inc	\$ 17,221	1	12.34%	\$ 9,059	2	7.11%
Efren R Cota LTD	12,606	2	9.03%	-	-	-
Blackpine City Flats LLC	11,127	3	7.97%	-	-	-
Realty Advisors Inc	7,629	4	5.47%	6,876	3	5.40%
Blackpine City Flats LLC	5,307	5	3.80%	-	-	-
1001 G State Rehabilitation Limited Partnership	2,856	6	2.05%	-	-	-
1220 E State LLC	2,856	7	2.05%	-	-	-
520 Ninth St	2,289	8	1.64%	2,063	9	1.62%
John Dailey Trust / Charles D Deloney	2,069	9	1.48%	-	-	-
700 E Street Building Partnership	1,520	10	1.09%	-	-	-
GMA Investors LP	-	-	-	12,933	1	10.15%
MND Creamery LLC	-	-	-	5,979	4	4.69%
Washington SHRWD II LP	-	-	-	5,538	5	4.35%
Norman/Sara Evans 1990 Trust	-	-	-	4,269	6	3.35%
Boys and Girls Club	-	-	-	4,001	7	3.14%
US Housing Partners II LP	-	-	-	3,969	8	3.12%
James Fortino Trust/Court on G Inc.	-	-	-	2,040	10	1.60%
Sub Total	65,480		46.92%	56,727		44.54%
All Other Taxpayers	74,071		53.08%	70,634		55.46%
Total	\$ 139,551		100.00%	\$ 127,361		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Rainbow Baking Co of Sac Valley	\$ 11,600	1	1.95%	\$ 14,544	2	2.31%
Regents University CA	11,155	2	1.87%	9,853	4	1.57%
Broadway/Stockton Food Source Inv LLC	5,447	3	0.91%	6,587	5	-
Great Chi Investment LLC	4,740	4	0.80%	-	-	-
Crestwood-Medical Center Hospital	4,582	5	0.77%	4,206	9	0.67%
Security Public Storage-Sacramento	3,975	6	0.67%	-	-	0.00%
Roman Catholic Bishop of Sacramento	5,546	7	0.93%	-	-	0.00%
Edmar Invs LLC	3,375	8	0.57%	-	-	0.00%
Broadway Triangle LLC	3,056	9	0.51%	-	-	-
Oak Park Senior Housing	2,220	10	0.37%	-	-	-
Glassrock Partnership	-	-	-	19,772	1	3.14%
Stockton Boulevard Partners	-	-	-	13,560	3	2.16%
Ticon III	-	-	-	5,774	6	0.92%
Deutsche Bank National Trust Co.	-	-	-	5,182	7	0.82%
Sac Properties LLC	-	-	-	5,027	8	0.80%
Security Public Storage	-	-	-	3,465	10	0.55%
Sub Total	55,696		9.35%	87,970		13.99%
All Other Taxpayers	540,020		90.65%	540,995		86.01%
Total	\$ 595,716		100.00%	\$ 628,965		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
California Almond Growers Exchange	\$ 79,094	1	17.91%	\$ 27,703	2	6.19%
Grove River District LLC	36,101	2	8.18%	-	-	-
T9 Affordable Housig Partners L	15,562	3	3.52%	-	-	-
Mendell Allan/Etal	12,000	4	2.72%	12,483	6	2.79%
Capitol Station 65 LLC	10,129	5	2.29%	9,640	7	2.15%
New Sac Arena Props LLC	7,542	6	1.71%	-	-	-
Detmer Family Limited Partnership	6,600	7	1.49%	5,937	9	1.33%
Dos Rios Venture	6,563	8	1.49%	-	-	-
Sacramento Loaves/Fishes	6,425	9	1.46%	-	-	-
Touchstone Climbing Inc	6,255	10	1.42%	-	-	-
Grove Investment Company	-	-	-	30,146	1	6.74%
RECP HAW Sacramento LLC	-	-	-	20,375	3	4.55%
New Baytree LLC	-	-	-	14,913	4	3.33%
CCAA Partners LLC/Bruce W. Bell/et al	-	-	-	14,812	5	3.31%
Riverpark Business Center LLC	-	-	-	6,251	8	1.40%
REA Limited Partnership	-	-	-	5,420	10	1.21%
Sub Total	186,271		42.19%	147,680		32.99%
All Other Taxpayers	255,235		57.81%	299,908		67.01%
Total	\$ 441,506		100.00%	\$ 447,588		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Seven Up Bottling Company of San Francisco	\$ 32,441	1	5.48%	\$ 9,690	7	1.58%
Price Company	22,155	2	3.74%	16,779	3	2.74%
Omninet Sacramento LLC	19,500	3	3.29%	-	-	-
McCuen Acoma Street Investors	12,529	4	2.12%	11,292	5	1.84%
Columbia Woodlake LLC	8,527	5	1.44%	-	-	-
Meriliz Incorporated	7,929	6	1.34%	-	-	-
Sent Expo Pointe LLC	7,800	7	1.32%	-	-	-
Plaza Ave Apartments LLC	7,316	8	1.24%	-	-	-
Recreational Equipment Inc	7,079	9	1.20%	-	-	-
Slobe Robert J/North Sacramento Land Company	6,548	10	1.11%	-	-	-
JB Management LP	-	-	-	28,455	1	4.65%
PD Hotel Associates LLC	-	-	-	22,056	2	3.60%
North Sacramento Land Co	-	-	-	12,117	4	1.98%
AKRKS Investments LLC	-	-	-	10,403	6	1.70%
Dos Robles Limited Partnership	-	-	-	7,491	8	1.22%
CMM Expo Parkway LLC	-	-	-	5,890	9	0.96%
CMS Woodlake	-	-	-	5,882	10	0.96%
Sub Total	131,824		22.27%	130,055		21.25%
All Other Taxpayers	460,176		77.73%	482,063		78.75%
Total	\$ 592,000		100.00%	\$ 612,118		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
6200 Franklin LLC	\$ 19,758	1	3.71%	\$ -	-	-
United States Cold Storage Calif	10,309	2	1.93%	7,930	5	1.24%
Hillside Apartments LLC	7,704	3	1.45%	-	-	-
Greystone Place INVS LLC	6,987	4	1.31%	-	-	-
ARB INVS	6,885	5	1.29%	-	-	-
Rosedown Associates LLC	6,199	6	1.16%	9,481	4	1.48%
Extra Space Props Ninety Four Limited Partnership	4,541	7	0.85%	-	-	-
SEI/PSP VI Joint Ventures	4,374	8	0.82%	4,004	8	0.62%
Campus Plaza Associates	4,389	9	0.82%	-	-	-
Bowling Green Associates	4,304	10	0.81%	3,879	9	0.61%
Campbell Soup	-	-	-	56,807	1	8.86%
Western Village LP	-	-	-	13,083	2	2.04%
Preservation Southpointe LP	-	-	-	10,352	3	1.61%
Sacramento Children's Home	-	-	-	7,234	6	1.13%
TESCO Controls Inc.	-	-	-	5,553	7	0.87%
Con-Way Western Express Inc.	-	-	-	3,187	10	0.50%
Sub Total	75,449		14.15%	121,510		18.96%
All Other Taxpayers	457,693		85.85%	519,507		81.04%
Total	\$ 533,142		100.00%	\$ 641,017		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Stockton Plaza Partners LLC	\$ 14,332	1	3.42%	\$ 14,272	2	2.98%
EKG Investors LLC/Sct Investors LLC/Etal	14,260	2	3.40%	20,369	1	4.25%
Sustained Invs LLC	10,455	3	2.49%	-	-	-
John M/Nancy M Kehriotis Living Trust	8,003	4	1.91%	7,213	6	1.51%
NT Stockton Invs LLC	7,940	5	1.89%	8,385	5	1.75%
Shiloh Arms Partners LP	4563	6	1.09%	-	-	-
Long Sight Properties LLC	6385	7	1.52%	-	-	-
ESS Prisa II LLC	6,149	8	1.47%	5,337	10	1.11%
Brittany Arms LLC	6,125	9	1.46%	5,520	7	1.15%
Little Saigon Plaza Sacramento	5,814	10	1.39%	11,739	3	2.45%
Gonzalez Jaime/Gloria	-	-	-	9,201	4	1.92%
Hill Ct Inv Group Ltd Part	-	-	-	5,505	8	1.15%
Mulleian Enterprises LLC	-	-	-	5,368	9	1.12%
Sub Total	84,026		20.03%	92,909		19.41%
All Other Taxpayers	335,397		79.97%	385,851		80.59%
Total	\$ 419,423		100.00%	\$ 478,760		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
US National Leasing LLC	\$ 27,858	1	2.56%	\$ -	-	-
RI Florin Perkins LLC	17,569	2	1.62%	-	-	-
Engineered Polymer Solutions Inc	13,814	3	1.27%	7,665	6	0.67%
A/W Investments LLC	11,172	4	1.03%	8,379	4	0.73%
Elder Creek Transfer/Recovery Inc	10,394	5	0.96%	9,907	3	0.87%
Air Products Manufacturing Corporation	9,287	6	0.85%	-	-	-
Central Valley Industrial Core Holdings LLC	9,286	7	0.85%	-	-	-
AFP Inv Partners LLC	8,711	8	0.80%	-	-	-
Central Valley Industrial Core Holdings	8,628	9	0.79%	-	-	-
C/S Logistics Sacramento/Tracy LLC	7,718	10	0.71%	5,907	8	0.52%
R/G Hayward LLC	-	-	-	31,781	1	2.79%
California Emergency Food Link	-	-	-	10,187	2	0.89%
Ballantyne Diana S/Mark C/Jan W L	-	-	-	7,789	5	0.68%
Marvin L. Oates Trust	-	-	-	6,042	7	0.53%
Power Inn Idstl Pk I/II LLC	-	-	-	5,390	9	0.47%
Vivion Shops LLC	-	-	-	5,092	10	0.45%
Sub Total	124,437		11.44%	98,139		8.60%
All Other Taxpayers	962,951		88.56%	1,042,989		91.40%
Total	\$ 1,087,388		100.00%	\$ 1,141,128		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 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	2017			2008		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
SSC Sacramento Apartments LLC	\$ 63,945	1	21.93%	\$ -	-	-
Element Sacramento LLC	60,180	2	20.64%	-	-	-
Target Corporation	27,290	3	9.36%	15,572	3	5.85%
AMCAL Sacramento LLC	19,012	4	6.52%	-	-	-
65th St Village LLC	11,320	5	3.88%	-	-	-
Sutter Community Hospitals of Sacramento	11,142	6	3.82%	-	-	-
Jackson IV LLC	10,216	7	3.50%	-	-	-
Dimension Properties LLC	8,954	8	3.07%	-	-	-
CPCA 7716 Folsom Blvd LLC	8,021	9	2.75%	-	-	-
Atlas Disposal Industries LLC	6,634	10	2.27%	-	-	-
Valeo Sacramento	-	-	-	36,041	1	13.53%
Sally R Davis Trust Et al	-	-	-	26,068	2	9.79%
Mark/Marjorie Friedman Family Turst Et al	-	-	-	10,146	4	3.81%
Farming Company Folsom Blvd LLC Et al	-	-	-	10,092	5	3.79%
Kenneth/Susan Cathchot Family 2005 Revocable Trust	-	-	-	5,283	6	1.98%
7301 14th Ave LLC	-	-	-	4,940	7	1.85%
American River Self Storage LP	-	-	-	4,527	8	1.70%
KCMKC Properties, LP/Paul E. Fong/MAE Et al	-	-	-	4,204	9	1.58%
Gonzales Kimmel Enterprises	-	-	-	4,072	10	1.53%
Sub Total	226,714		77.74%	120,945		45.40%
All Other Taxpayers	64,924		22.26%	145,462		54.60%
Total	\$ 291,638		100.00%	\$ 266,407		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2016-17 Project Area total taxable value.

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Railyards
Current Fiscal Year and Six Years Ago
(in thousands)

Assessee	2017			2010 ⁽¹⁾		
	Taxable Value ⁽²⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Downtown Railyard Venture LLC	\$ 18,450	1	26.39%	\$ -	-	-
906 NEWCO LLC	11,158	2	15.96%	-	-	-
1238 Sutter Street LLC	7,400	3	10.59%	-	-	-
Sutter HOJ LP	4,850	4	6.94%	-	-	-
Mercy Housing CA 47	4730	5	6.77%	-	-	-
Sacramento Co Emp Credit Union	4,522	6	6.47%	4,068	5	5.23%
PDRA/Company LLC	3,925	7	5.61%	3,537	6	4.54%
PLF Bldg LLC	3,697	8	5.29%	-	-	-
Strumwasser Michael J/Silvia M	3,245	9	4.64%	2,924	7	3.76%
Bowman/Bay Building Joint Venture	2,347	10	3.36%	2,115	8	2.72%
S Thomas Enterprises of Sacramento	-	-	-	17,224	1	22.13%
CCAA Partners LLC/Bruce W. Bell/Etal	-	-	-	14,843	2	19.07%
New Baytree LLC	-	-	-	14,826	3	19.05%
REA Limited Partnership	-	-	-	5,378	4	6.91%
John Morgan/Nelly B Patino/Eddie Cuevas	-	-	-	1,556	9	2.00%
Legacy Ventures LLC	-	-	-	1,245	10	1.60%
Sub Total	64,324		92.01%	67,716		87.00%
All Other Taxpayers	5,586		7.99%	10,117		13.00%
Total	\$ 69,910		100.00%	\$ 77,833		100.00%

Notes: (1) Data from Fiscal Year 2010 - Railyards Redevelopment Area was formed in Fiscal Year 2010.
(2) Based on total adjusted 2016-17 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	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 44,436	\$ 456	\$ 1,851	\$ 42,129	\$ 22,119	1.90	NA	NA	NA
2008-09	48,016	600	2,295	45,121	21,836	2.07	NA	NA	NA
2009-10	42,876	438	3,050	39,388	21,790	1.81	NA	NA	NA
2010-11	35,280	580	2,684	32,016	21,776	1.47	NA	NA	NA
2011-12	42,334	726	2,911	38,698	22,120	1.75	6,008	28,128	1.38 (1)
2012-13	41,304	745	2,556	38,003	22,087	1.72	6,619	28,706	1.32
2013-14	42,684	687	3,037	38,960	24,896	1.56	5,123	30,019	1.30 (3)
2014-15	43,657	649	3,911	39,097	21,937	1.78	9,158	31,095	1.26
2015-16	49,142	690	5,766	42,686	11,794	3.62	15,610	27,404	1.56 (4)
2016-17	53,765	709	1,201	51,855	11,793	4.40	10,171	21,964	2.36

Merged Downtown

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 26,259	\$ 277	\$ 502	\$ 25,480	\$ 16,541	1.54	NA	NA	NA
2008-09	30,213	380	484	29,349	16,090	1.82	NA	NA	NA
2009-10	29,144	282	1,606	27,256	16,072	1.70	NA	NA	NA
2010-11	23,069	387	1,454	21,228	16,051	1.32	NA	NA	NA
2011-12	23,750	406	807	22,537	16,254	1.39	2,608	18,862	1.19 (1)
2012-13	23,260	419	652	22,189	16,298	1.36	2,655	18,953	1.17
2013-14	23,042	372	580	22,090	16,245	1.36	4,188	20,433	1.08 (2)
2014-15	23,121	350	1,071	21,700	16,242	1.34	4,980	21,222	1.02
2015-16	27,081	372	2,415	24,294	11,395	2.13	146	11,541	2.11 (4)
2016-17	27,978	376	485	27,117	11,395	2.38	146	11,541	2.35

Del Paso Heights

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	4,181	27	357	3,796	1,606	2.36	NA	NA	NA
2008-09	4,079	51	169	3,859	1,625	2.37	NA	NA	NA
2009-10	3,222	33	377	2,812	1,627	1.73	NA	NA	NA
2010-11	2,901	45	322	2,534	1,626	1.56	NA	NA	NA
2011-12	2,551	44	199	2,307	1,769	1.30	100	1,869	1.23 (1)
2012-13	2,549	46	194	2,309	1,644	1.40	240	1,884	1.23
2013-14	2,853	44	245	2,564	1,618	1.58	230	1,848	1.39
2014-15	3,149	44	337	2,768	1,618	1.71	231	1,849	1.50
2015-16	3,190	45	384	2,761	-	-	14	14	197.21 (4)
2016-17	3,524	45	100	3,379	-	-	14	14	241.36

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 include 2008 B of A Public Capital Corp Debt.

(2) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(3) Revised to correct total tax increment received.

(4) Various senior and subordinate debts were refunded in 2015.

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	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 1,270	\$ 14	\$ 34	\$ 1,222	\$ 619	1.98	NA	NA	NA
2008-09	1,234	17	14	1,203	618	1.95	NA	NA	NA
2009-10	1,253	15	54	1,185	616	1.92	NA	NA	NA
2010-11	1,106	18	68	1,020	619	1.65	NA	NA	NA
2011-12	1,077	18	19	1,039	622	1.67	463	1,085	0.96 (1)
2012-13	1,049	19	10	1,020	623	1.64	467	1,090	0.94
2013-14	1,028	16	9	1,003	612	1.64	461	1,073	0.93
2014-15	1,148	16	64	1,068	613	1.74	464	1,077	0.99
2015-16	1,111	17	67	1,027	-	-	466	466	2.20 (4)
2016-17	1,347	17	26	1,304	-	-	469	469	2.78

Oak Park

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 6,255	\$ 69	\$ 409	\$ 5,777	\$ 2,769	2.09	NA	NA	NA
2008-09	5,854	73	381	5,400	2,767	1.95	NA	NA	NA
2009-10	4,213	49	372	3,792	2,757	1.38	NA	NA	NA
2010-11	3,871	60	314	3,498	2,761	1.27	NA	NA	NA
2011-12	3,772	63	150	3,559	2,756	1.29	103	2,859	1.24 (1)
2012-13	3,841	67	151	3,623	2,794	1.30	183	2,977	1.22
2013-14	4,364	67	244	4,053	2,752	1.47	173	2,925	1.39 (2)
2014-15	4,522	63	385	4,074	2,755	1.48	178	2,933	1.39
2015-16	4,915	70	613	4,232	-	-	34	34	124.47 (4)
2016-17	5,843	75	176	5,592	-	-	34	34	164.47

River District

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,372	25	246	1,100	-	-	494	494	2.23 (1)
2012-13	1,294	26	227	1,041	-	-	654	654	1.59
2013-14	1,025	20	259	746	-	-	646	646	1.15 (3)
2014-15	1,542	23	280	1,239	-	-	642	642	1.93
2015-16	1,544	22	288	1,234	-	-	229	229	5.39 (4)
2016-17	1,633	22	29	1,582	-	-	229	229	6.91

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 include 2008 B of A Public Capital Corp Debt.

(2) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(3) Revised to correct total tax increment received.

(4) Various senior and subordinate 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	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 3,542	\$ 38	\$ 198	\$ 3,305	\$ 468	7.06	NA	NA	NA
2008-09	3,787	46	291	3,450	528	6.53	NA	NA	NA
2009-10	3,087	36	237	2,814	530	5.30	NA	NA	NA
2010-11	2,722	45	209	2,468	528	4.68	NA	NA	NA
2011-12	2,439	44	187	2,208	539	4.10	629	1,168	1.89 (1)
2012-13	2,323	44	165	2,114	537	3.94	779	1,316	1.61
2013-14	2,303	38	247	2,018	524	3.85	778	1,302	1.55 (2)
2014-15	2,689	37	262	2,390	530	4.51	772	1,302	1.84
2015-16	2,819	40	282	2,497	218	11.45	375	593	4.21 (4)
2016-17	2,951	41	-	2,910	218	13.35	374	592	4.92

Franklin Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,225	39	184	2,002	-	-	100	100	20.02 (1)
2012-13	2,354	41	195	2,118	-	-	109	109	19.43
2013-14	2,414	38	189	2,187	-	-	99	99	22.09
2014-15	952	24	117	811	-	-	99	99	8.19 (3)
2015-16	1,640	23	116	1,501	-	-	41	41	36.61
2016-17	2,050	25	-	2,025	-	-	41	41	49.39

Stockton Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	\$ 2,930	\$ 31	\$ 350	\$ 2,548	\$ 115	22.20	NA	NA	NA
2008-09	2,849	33	957	1,860	208	8.92	NA	NA	NA
2009-10	1,957	22	405	1,529	187	8.19	NA	NA	NA
2010-11	1,611	26	317	1,268	191	6.63	NA	NA	NA
2011-12	1,496	26	387	1,083	180	6.02	250	430	2.52 (1)
2012-13	1,369	24	329	1,016	191	5.32	261	452	2.25
2013-14	1,420	24	377	1,019	180	5.66	245	425	2.40
2014-15	1,755	24	446	1,285	180	7.14	246	426	3.02
2015-16	1,933	28	526	1,379	180	7.66	149	329	4.19 (4)
2016-17	2,238	28	65	2,145	180	11.92	149	329	6.52

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 include 2008 B of A Public Capital Corp Debt.

(2) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(3) Revised to correct total tax increment received.

(4) Various senior and subordinate 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	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,617	44	523	2,050	-	-	737	737	2.78 (1)
2012-13	2,342	43	452	1,847	-	-	748	748	2.47
2013-14	3,200	50	643	2,507	-	-	735	735	3.41
2014-15	3,556	50	699	2,807	-	-	739	739	3.80
2015-16	3,944	56	847	3,041	-	-	267	267	11.39 (2)
2016-17	4,579	58	236	4,285	-	-	267	267	16.05

65th Street

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2007-08	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,035	17	207	811	-	-	524	524	1.55 (1)
2012-13	923	16	181	726	-	-	523	523	1.39
2013-14	834	14	185	635	-	-	506	506	1.25
2014-15	1,030	14	197	819	-	-	500	500	1.64
2015-16	1,067	16	228	823	-	-	388	388	2.12 (2)
2016-17	1,540	19	79	1,442	-	-	388	388	3.72

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 include 2008 B of A Public Capital Corp Debt.

(2) Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

(3) Revised to correct total tax increment received.

(4) Various senior and subordinate debts were refunded in 2015.

THIS PAGE INTENTIONALLY LEFT BLANK

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

Function/Program	Full-time Equivalent Employees as of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Citywide and Community Support	-	-	-	-	-	23	23	21	5	5
Code Enforcement	92	107	90	-	-	-	-	-	-	-
Community Development	-	-	107	170	166	159	163	166	219 ⁽¹⁾	227
Convention and Cultural Services	213	214	206	196	194	133	138	126	120	116
Development Services	246	222	-	-	-	-	-	-	-	-
Economic Development	24	27	22	18	14	11	11	11	11	12
Fire	651	655	582	611	589	527	642	657	674	678
General Government	419	400	329	319	312	305	320	325	370 ⁽¹⁾	431
General Services	287	307	257	247	225	368	367	372	- ⁽¹⁾	-
Neighborhood Services	15	15	9	-	-	-	-	-	-	-
Parks and Recreation	925	872	680	648	579	553	577	568	599	683
Planning	33	34	-	-	-	-	-	-	-	-
Police	1,272	1,271	1,091	1,060	900	847	940	973	1,033	1,052
Public Works	-	-	-	-	-	395	406	415	732 ⁽¹⁾	725
Transportation	356	437	424	409	409	-	-	-	-	-
Utilities	741	741	752	698	698	505	510	522	538	528
Total	5,273	5,300	4,549	4,374	4,083	3,825	4,095	4,157	4,300	4,458

Notes: (1) The Department of General Services has been reallocated to the Departments of Community Development, Information Technology, and Public Works.

City of Sacramento
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Adult arrests	22,783	21,230	20,555	19,885	17,058	18,650	19,570	18,113	16,778	14,476
Citizen initiated calls for service with officer responses	181,873	173,045	176,157	166,207	154,193	154,233	118,975	141,181	149,275	148,663
Fire ⁽¹⁾										
Number of incidents	70,609	64,525	59,608 ⁽²⁾	71,111	73,343	74,427	75,000	80,596	85,742	90,018
Number of structure fires	414	401	359 ⁽²⁾	606	652	680	586	784	756	735
Number of construction inspection/reviews	NA	NA	2,790	NA	1,895	4,568 ⁽¹²⁾	4,761	3,234	4,181	8,268 ⁽²³⁾
General Services										
Number of animal licenses issued	18,812	18,732	17,094	17,132	17,318	15,810 ⁽¹³⁾	15,057	8,995	12,016 ⁽²¹⁾	14,428
Number of animal outplacements	4,252	4,025	3,300	2,901	3,750	5,521 ⁽¹⁴⁾	6,167	7,447	8,789	9,248
Public Works										
Number of traffic investigations completed	1,019	1,028	903	712 ⁽⁴⁾	717	821	936	678	896	1,001
Number of parking citations issued	233,901	236,103	240,248	184,215 ⁽⁵⁾	164,492	165,700	171,066	196,586	192,708	183,326
Convention and Cultural Services										
Number of Community Convention Center events	568	528	453	417	389	378	378	358	408	430
Community Convention Center event attendance	863,759	862,000	780,000	873,577	796,000	645,000 ⁽¹⁵⁾	881,253	775,253	744,145	905,733 ⁽²⁴⁾
Number of Zoo attendance	482,072	467,446	481,452	498,518	526,959	508,061	512,758	549,407	533,368	500,573
Parks and Recreation										
Number of students enrolled in START	8,364	8,695	8,563	7,437	5,755 ⁽⁷⁾	5,330	5,603	6,897	4,534 ⁽²²⁾	2,785 ⁽²⁵⁾
Number of students enrolled in 4th R ⁽⁹⁾	3,500	2,675	2,600	2,142	1,899	1,949	1,955	2,007	1,863	1,180
Number of lunches served through food programs	156,916	197,020	120,726 ⁽³⁾	133,687	42,848 ⁽⁸⁾	- ⁽¹⁶⁾	-	-	-	-
Community Development ⁽¹⁸⁾										
Number of building permits issued	14,349	13,182	11,786	11,474	11,545	12,146	13,950	14,002	17,041	18,701
Building permit valuation (in million of dollars)	862	557	543	387	281	391	362	544	778	1,267
Vehicles abated by City	1,538	898	694	429	254 ⁽¹⁰⁾	282	343	356	772	1,644
Notice and orders issued on housing and dangerous buildings	378	360	305	250	188 ⁽¹¹⁾	253	154	279	239	206
Water										
Number of accounts	135,665	137,029	136,600	136,812	137,148	135,353	135,590	134,971	136,130	139,238
Amount distributed/pumped (million of gallons)	NA	42,726	38,453	37,393	38,692	40,034	34,896	29,557	27,324	28,511
Wastewater										
Number of accounts	76,253	76,802	76,385	76,394	76,477	76,484	76,657	76,471	76,849	77,137
Amount distributed/pumped (million of gallons)	NA	15,889	14,302	NA	10,695	6,805 ⁽¹⁷⁾	10,603	10,605	10,605	10,605
Storm Drainage										
Number of accounts	131,801	132,727	132,556	133,188	133,814	134,651	135,834	136,850	137,754	139,198
Amount distributed/pumped (million of gallons)	NA	27,936	27,288	NA	28,445	17,602	14,585 ⁽¹⁹⁾	24,179	20,225	46,964 ⁽²⁰⁾
Solid Waste										
Residential garbage disposed (in Tons)	128,060	104,542	112,203	110,103	106,085	109,141	109,060	111,140	112,497	118,355
Commercial garbage collected (in Tons)	24,804	18,937	17,688	12,918 ⁽⁶⁾	12,251	1,222	- ⁽²⁰⁾	-	-	-

Notes: (1) The threshold for investigation of a fire was raised from \$10,000 or \$30,000 in fiscal year 2005.
(2) Due to a system problem in October 2009, only 11 months of data is available.
(3) In FY10, the decrease in number of lunches served through food programs was due to a decrease in number of sites in operation from 112 to 43. The sites were scaled back to better manage the program and reduce waste.
(4) In FY11, the reason for the significant drop in the number of traffic investigations completed was due to the decrease in calls from the General Public. In addition, FY11 onwards, Maintenance Calls were excluded.
(5) In FY11, the reasons for the significant drop in the number of citations written were due to a) the depressed economy; (b) there were 4 fewer parking enforcement officers; and c) the staff were furloughed.
(6) In FY11, the reason for the significant drop in the commercial garbage collected was primarily due to loss of two major accounts, i.e. Sacramento City Unified School District to Atlas Disposal and California State University, Sacramento to Allied Waste.
(7) In FY12, the number of school sites the City of Sacramento served under START program was reduced from 57 to 46, thus reducing the total number of students enrolled.
(8) In FY12, the number of lunches served through food programs decreased significantly because the federal grant for this program ended in September 2011.
(9) The number of students enrolled in 4th R program has been declining since FY09 due to substantial decline in the subsidy-side of enrollees. Due to the recession many parents/guardians lost their employment and were not pursuing post secondary education/skill training which make them ineligible to receive these subsidies because the requirement for eligibility is either employment or post secondary education/skill training. In addition, there was also some decline in fee based enrollment.
(10) In FY12, the number of vehicles abated by City decreased significantly due to the slow economic conditions which led to people holding onto their vehicles longer as well as turning in vehicles for the cost of parts or scrap metal.
(11) In FY12, the number of complaints for housing and dangerous buildings declined largely due to proactive inspections performed under the City's Rental Housing Inspection Program which led to decrease in notice and orders issued on housing and dangerous buildings.
(12) 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.
(13) In FY13, the number of animal licenses issued declined largely due to economic downturn as pet owners make tough choices licensing suffered.
(14) Partnership with outside agencies in California and other states resulted in an increase in the number of animal outplacements in FY13.
(15) In FY13, the number of entertainment events at Memorial Auditorium declined largely due to a major stage extension maintenance/replacement project that limited its use for approximately four months, no sold-out and extended-run performances. FY12 included sold out extended run performances of Wicked.
(16) In FY13, the summer food program is terminated.
(17) The reduction in flows have occurred due to water conservation efforts and reduced system infiltration caused by the below normal rainfall influence on the water table. There was less rainfall in FY13 than in FY12.
(18) Prior to FY13, reported as Development and Code Enforcement Departments.
(19) Amount of storm drainage distributed/pumped is dependent on rainfall. There was less rainfall in FY14 than in FY13 and FY12.
(20) Solid Waste commercial garbage collection was discontinued in October 2012.
(21) In FY16, the number of animal licenses issued increased due to the implementation of web licensing.
(22) In FY16 attendance for the START program decreased due to Elk Grove School District not participating in the program
(23) In FY17, the number of construction inspections doubled
(24) In FY17, the number of attendance increased due to increase in events held at the center
(25) 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)
(26) Amount of storm drainage distributed/pumped is dependent on rainfall. There was more rainfall in FY17 than in previous years.

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

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Number of stations ⁽¹⁾	4	4	4	4	4	4	4	4	4	4
Number of patrol units ⁽²⁾	210	210	242	242	242	263	243	226	231	234
Number of aircraft	NA	3	3	3	4	4	4	4	4	4
Number of watercraft	NA	2	2	2	3	3	3	2 ⁽¹²⁾	2	5
Fire										
Number of stations	23	23	23	23	24	24	24	24	24	24
Number of fire suppression, support or prevention vehicles	151	150	160	160	159	159	159	159	162	162
Number of watercraft	NA	NA	NA	NA	NA	NA	NA	1 ⁽¹²⁾	1	1
Public Works										
Miles of streets	3,045	3,044	3,063	3,108	3,108	3,065	3,077	3,059	3,059	3,075
Number of street lights	40,578	41,131	41,252	41,301	41,679	41,788	42,048	42,225	42,627	
Number of City parking spaces ⁽³⁾	8,798	8,484	8,484	8,484	8,484	8,484	8,484	4,775 ⁽¹³⁾	4,775	4,775
Miles of off-street bikeways	76	78	78	82	82	83	84	57	57	57
Parks and recreation										
Number of parks	206	208	212	213	213	222	222	222	225	227
Park acreage ⁽⁴⁾	3,126	3,167	3,171	3,171	3,150 ⁽¹⁰⁾	3,161 ⁽¹¹⁾	3,161	3,161	3,183	3,177
Number of community centers ⁽⁵⁾	16	13	13	13	13	13	13	13	13	13
Number of swimming pools (including wading pools)	23	26	26	26	26	26	26	26	27	27
Water										
Miles of water mains and distribution lines ⁽⁶⁾⁽⁷⁾	1,859	1,720	1,724	1,596	1,599	1,599	1,597	1,727	1,599	1,604
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage ⁽⁸⁾	1,859	1,693	1,950	1,954	1,951	1,951	1,951	1,873	1,869	1,876
Off-street parking										
Number of City garages and open parking lots	12	10	10	10	10	10	10	7 ⁽¹³⁾	7	7
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
Number of boat harbor slips	475 ⁽⁹⁾	475	475	475	475	475	475	475	475	475

- Notes: (1) From FY2008 onwards, police stations refer to stations plus police headquarters.
(2) From FY2010 onwards, patrol units include cars and motorcycles.
(3) From FY2009 onwards, City parking spaces is defined as only those which are City-owned.
(4) Golf course acreage is not included from FY2005 onwards.
(5) Does not include neighborhood centers.
(6) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.
(7) From FY2009 onwards, does not include miles for private mains and mains owned by other agencies.
(8) Non-pipe elements may have been included in years prior to FY2009.
(9) In FY2008, the marina boat slips were made larger thereby decreasing their total number.
(10) In FY2012, the City conveyed 22.79 acres to a developer from Granite Regional Park, pursuant to a development agreement, and acquired two parcel adding 1.73 acres to the Sacramento River Parkway.
(11) 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.).
(12) In FY2015, Police Department transfer one of their watercraft to Fire Department.
(13) The three Plaza garages - Downtown Plaza West, Central, and East were leased to the Kings effective 08/01/14.

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	
	2017	2008
Number of budgeted positions	4,495	5,273
Area in square miles	97	99
Altitude in feet	20	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	4
Number of police personnel sworn / civilian (actual)	670/271	804/465
Number of patrol units	234	210
Fire		
Number of stations	24	23
Number of fire personnel sworn / unsworn	622/50	587/42
Number of fire protection, support and prevention vehicles	162	151
Utilities		
Miles of water mains and distribution lines ⁽¹⁾	1,604	1,859
Annual water production in gallons	28 billion	N/A
Miles of sanitary sewers and storm drainage ⁽²⁾	1,876	1,842
Public Works		
Miles of streets	3,075	3,045
Number of street lights	42,913	40,406
Number of City managed parking lots / spaces	21 / 3,968	12 / 8,798
Miles of off-street bikeways	57	76
Boat harbor slips ⁽³⁾	475	475
Convention and Cultural Services		
Golf courses	6	6
Zoo animals ⁽⁴⁾	562	521
Fairytale town attendance for year	247,313	230,548
Crocker Art Museum attendance for year	258,997	103,383
Community Convention Center attendance for year	905,733	863,759
Parks and Recreation		
Parks	227	240
Park acreage ⁽⁵⁾	3,177	3,160
Camp Sacramento attendance for year	2,869	2,521
Community centers	16	16
Neighborhood centers	5	N/A
Swimming pools	12	23
Baseball fields ⁽⁶⁾	103	105
Soccer fields	131	129
Ball courts	202	161
Library		
Library branches	12	N/A ⁽⁷⁾
Library books and audiovisual recordings in circulation	1,773,495	N/A

Notes: (1) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.

(2) Non-pipe elements may have been included in years prior to FY2009.

(3) In FY2008, the marina boat slips were made larger thereby decreasing their total number.

(4) Zoo animals number is comprised of animals on-site (either owned by zoo or owned by other entity).

(5) Golf course acreage is not included from FY 2005 onwards.

(6) This includes softball, little league and adult baseball from FY2011 onwards.

(7) This includes all library branches in the Sacramento public library system.

Source: Various City of Sacramento departments and publications

DARRELL STEINBERG

Mayor

ANGELIQUE ASHBY

Councilmember, District 1

ALLEN WARREN

Councilmember, District 2

JEFF HARRIS

Councilmember, District 3

STEVE HANSEN

Councilmember, District 4

JAY SCHENIRER

Councilmember, District 5

ERIC GUERRA

Councilmember, District 6

RICK JENNINGS, II

Vice Mayor, District 7

LARRY CARR

Councilmember, District 8

CITY OF SACRAMENTO FACTS

The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.

In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.

The City is divided into eight districts.

Elected members of the City Council serve a four-year term.

The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.

The Mayor and other Councilmembers have an equal vote in all matters.

The City of Sacramento currently encompasses approximately 100 square miles.

The current estimated population is 493,025.



CityofSacramento.org